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### ROLE OF SOCIAL MEDIA IN MARKETING AND BUSINESS GROWTH

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#### ABSTRACT

In Present time, Social Media has become the 'best opportunities available' to a brand for connecting with prospective consumers. Social media is the medium to socialize and to enhance the reach to deeper segment of customers. These new media win the trust of consumers by connecting with them at a deeper level. Social media marketing is the new mantra for several brands since early last year. Marketers are taking note of many different social media opportunities and beginning to implement new social initiatives at a higher rate than ever before. Social media marketing and the businesses that utilize it have become more sophisticated. One cannot afford to have no presence on the social channels if the competitor is making waves with its products and services. The explosion of social media marketing as a potential marketing platform, utilized them with innovations to power their advertising campaign with social media marketing. This paper discusses about the concepts of social media and social media marketing and other aspects like the growth and benefits, role and relevance of social media in marketing, social media marketing in India.

#### **KEYWORDS**

social media, social media marketing, growth and benefits of social media, social media marketing strategy, social media marketing in India.

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### **1. INTRODUCTION**

he social media can be defined as the relationships that exist between network of people [1].

Social Media is now the trend. And for businesses it represents a marketing opportunity that transcends the traditional middleman and connects companies directly with customers. This is why nearly every business on the planet—from giants like Starbucks and IBM to the local ice cream shop—are exploring social media marketing initiatives. A year ago, businesses were uncertain about social media. Now it's here to stay and companies are rapidly adopting social media marketing. Much like email and websites first empowered businesses, social media is the next marketing wave.

Social media marketing is marketing using online communities, social networks, blog marketing and more. It's the latest "buzz" in marketing. India is probably among the first proponents of social media marketing. These days, the organizational cause has replaced the social cause as companies seek to engage with their audience via the online platforms.

The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening. Trust and goodwill are the basis of social networking, and by marketing in the realm of social media these fundamental notions need to be adhered.

It is probably the only marketing platform that encourages fool proof communication and accountability among sellers as well as consumers. Global companies have recognized Social Media Marketing as a potential marketing platform utilized them with innovations to power their advertising campaign with social media marketing.

Social media is engaging with consumers online. According to Wikipedia, social media is internet-based tools for sharing and discussing information among human beings. Social media is all about networking and networking in a way that espouses trust among parties and communities involved. Any website which allows user to share their content, opinions, views and encourages interaction and community building can be classified as a social media. Some popular social media sites are: Facebook, YouTube, Twitter, Digg, MySpace, StumbleUpon, Delicious, Scribd, Flickr etc [2].

The meaning of the term 'social media' can be derived from two words which constitute it. Media generally refers to advertising and the communication of ideas or information through publications/channels. Social implies the interaction of individuals within a group or community.

Taken together, social media simply refers to communication/publication platforms which are generated and sustained by the interpersonal interaction of individuals through the specific medium or tool. Wikipedia has a general definition of the term: Social Media is the democratization of information, transforming people from content readers into content publishers. It is the shift from a broadcast mechanism to a many-to-many model, rooted in conversations between authors, people, and peers [3].

Social media uses the "wisdom of crowds" to connect information in a collaborative manner.

Social media can take many different forms, including Internet forums, message boards, weblogs, wikis, podcasts, pictures, and video.

Social media is made up of user-driven websites that are usually centered on a specific focus.

(Digg = news) or feature (del.icio.us = bookmarking). Sometimes, the community itself is the main attraction (Facebook and Myspace = networking)

Social media are media for social interaction, using highly accessible and scalable publishing techniques. Social media uses web-based technologies to turn communication into interactive dialogues. Andreas Kaplan and Michael Haenlein define social media as "a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content."

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Social media is the medium to socialize. They use web-based technology to quickly disseminate knowledge and information to a huge number of users. They allow creation and exchange of user-generated content. Facebook, Twitter, Hi5, Orkut and other social networking sites are collectively referred social media [6]. Social media represents low-cost tools that are used to combine technology and social interaction with the use of words. These tools are typically internet or mobile based like Twitter, Facebook, MySpace and YouTube.

There are two benefits of social media that are important to businesses, they include:

- 1. Cost reduction by decreasing staff time.
- 2. Increase of probability of revenue generation.

Social media enables companies to:

- Share their expertise and knowledge.
- Tap into the wisdom of their consumers.
- Enables customers helping customers.

• Engages prospects through customer evangelism. Thus the benefits of social media include: brand reach and awareness, consumer interactions through transactions, referrals and reputation management [3].

### 2. SOCIAL MEDIA MARKETING

Social media marketing consists of the attempt to use social media to persuade consumers that one's company, products and/or services are worthwhile. Social media marketing is marketing using online communities, social networks, blog marketing and more [6].

Lazer and Kelly's (1973) define social marketing as "concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is also concerned with the analysis of the social consequences of marketing policies, decisions and activities."

Social media marketing is not merely about hitting the front page of Digg or any other social news website. It is a strategic and methodical process to establish the company's influence, reputation and brand within communities of potential customers, readers or supporters.

### 3. GROWTH OF SOCIAL MEDIA MARKETING

A recent study, "The State of Small Business Report," sponsored by Network Solutions, LLC and the University of Maryland's Robert H. Smith School of Business, points to economic struggles as the catalyst for social media's rapid popularity. The study results show that social media usage by small business owners increased from 12% to 24% in just the last year, and almost 1 out of 5, actively uses social media as part of his or her marketing strategy [6].

In 2009, only 23% of marketers were using social media for years. Now that number has grown to 31%. Here's a breakdown of what the small businesses reported as the main uses of social media marketing:

- 75% have a company page on a social networking site.
- 69% post status updates or articles of interest on social media sites.
- 57% build a network through a site such as LinkedIn.
- 54% monitor feedback about the business.
- 39% maintain a blog.
- 26% tweet about areas of expertise.
- 16% use Twitter as a service channel.

According to the study, different industries are adopting social media marketing at different rates, and while many industries have started using social media marketing in their efforts to reach more customers, many still have not positioned it as their top priority.

A research shows that charitable organizations are still outpacing the business world and academia in their use of social media. In a study conducted in 2008, a remarkable eighty-nine percent of charitable organizations are using some form of social media including blogs, podcasts, message boards, social networking, video blogging and wikis [2].

A majority (57%) of the organizations are blogging. Forty-five percent of those studied report social media is very important to their fundraising strategy. While these organizations are best known for their non-profit status and their fundraising campaigns, they demonstrate an acute, and still growing, awareness of the importance of Web 2.0 strategies in meeting their objectives.

In just the last few months, marketers have shifted their attitudes toward social media marketing spending. This was recently affirmed in the new study, "The CMO Survey", from Duke University's Fuqua School of Business and the American Marketing Association [7].

### 4. RESEARCH OBJECTIVES

The intention of this research is to find objectives, strategies and which indicators (KPI's) can be used by marketers to measure the ROI of their social media marketing objectives. The first objective of this research is to get a clear view of how the ROI in traditional marketing is measured and which objectives, strategies and indicators can be identified for social media marketing. Second objective is to reveal under experts whether the different identified objectives, strategies and indicators of the first objective (or which other) are usable and important for determining the ROI of social media marketing. The expected outcome of this research is an overview of appropriate objectives and strategies for social media marketing and which key indicators (KPI's) can determine the revenues and costs (ROI). Several objectives, strategies and indicators will be identified in this research based on existing literature. Research should address whether these objectives, strategies and indicators are practical useful according to experts and should reveal new insights for other objectives, strategies and indicators. The results can support and be used by marketers to define and measure the effectiveness of their social media marketing strategy.

### 5. RESEARCH METHODOLOGY

A description of the Delphi study is presented in paragraph 5.1. In paragraph 5.2 the goal and approach are elaborated, in paragraph 5.3 the respondents selection is described, in paragraph 5.4 the analysis of the results is described and in paragraph 5.5 the limitations for this research are elaborated.

### 5.1 A DELPHI STUDY

To get answer to the question what appropriate objectives, strategies and benchmarks / key indicators are for determining the ROI of social media marketing objectives, a Delphi method is used to further investigate strategies and key indicators that were found in the literature and to identify new strategies and indicators. The Delphi method is a highly structured form of group interview (Baarda et al., 2009), which was originally developed as an interactive forecasting tool. The objective was to develop a technique to obtain the most reliable consensus of a group of experts. Today, it has proven to be a popular tool for identifying and prioritizing issues for managerial decision-making (Okoli & Pawlowski, 2004). The Delphi technique is used mainly where there is complexity and little past research (Story et al., 2001). A group of experts is asked to react to a demarcated topic (Baarda et al., 2009), in fact it is a type of group interview or discussion. A Delphi study is usually conducted in two or three rounds. In the first round a number of experts, usually between 10 and 18 (Okoli & Pawlowski, 2004), is questioned regarding a subject on which there is no consensus. In the second round feedback is given on the results of the Delphi method are (Woudenberg, 1991): - Anonymity: experts are approached by mail or computer; - Iteration: there are several rounds; 26 - Feedback: after each round the results are clustered and each participant receive a summary. Next to the experts, the Delphi method knows the role of the facilitator (Linstone & Turoff, 1975). The facilitator is the person which maintains contact with the experts and coordinates the Delphi study; preparing, sending, collecting and analyzing the questionnaires independently. The facilitator in this study is me, the researcher.

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#### 5.2 GOAL AND APPROACH

The main goal of this Delphi study is to reach consensus on social media marketing objectives and strategies that are defined in chapter 2 (e.g. Introcaso, 2011; Riveong, 2008: Falkow, 2012) and on the indicators (KPI's) which can determine whether a strategy was effective in achieving a social media marketing objective. The intend of this Delphi study is to find an elaborated answer to the research problem. The social media marketing strategies mentioned in chapter 2 for brand awareness, brand reputation and brand ambassadors are strategies that are applied by (social media) marketing experts but there is no scientific evidence or literature available which proves that these strategies actually have added value. There are several ways to conduct a Delphi study. For example the policy Delphi (Loo, 2000), the consensus Delphi (Hsu & Sanford, 2007) and a Delphi based on nonparametric statistical techniques (Schmidt, 1997). For this research a two-step, online written consensus Delphi method is chosen, because the goal of this research is to reach consensus on what appropriate objectives, strategies and benchmarks / key indicators are for determining the ROI of social media marketing objectives. This two-step Delphi method is also chosen according to the requirements of the tool of being practical as well as time and resource efficient (Okoli & Pawlowski, 2004). The questionnaires of both rounds are set up with an online tool called Thesistools, which makes it more efficient. First, the respondents are invited to participate by e-mail. If the respondent agrees to participate a second email will be send which contains a link to the online questionnaire. The benefit of the online questionnaire for the respondents is that they can fill in and answer the guestions when and wherever they want, and also they have time to think about the different topics. Furthermore, written survey methods often lead to a deeper reflection (Baarda et al., 2009). In two different rounds consensus is sought on social media marketing objectives, strategies and their indicators (KPI's). In the first round the respondents receive open questions regarding social media marketing objectives and strategies (which are defined in Chapter 2) and how these strategies can be measured (KPI's). This may lead to the addition of new ideas 27 or opinions (Linstone & Turoff, 1975). The first round is often unstructured or semistructured to allow free expression of ideas by the panel of experts (Rowe et al., 1991). The resulting opinions of the first round are sorted by the researcher and distilled into statements that then form the basis of the second round questionnaire (Roberts-Davis & Read, 2001). In the second round respondents are invited to rank their agreement or disagreement in a structured way, often by using a Likert (1932) scale. The intend of this second round is to identify the importance and order of the proposed social media marketing strategies and indicators. Finally, this should lead to an overview of strategies and indicators which are applicable for the certain social media marketing objectives. The data collection of this Delphi study is based on nine steps of Fowles (1978): 1. The respondents are selected and briefed; 2. The facilitator creates and distributes the first round questionnaire; 3. The respondents have the opportunity to fill in and return the first questionnaire; 4. The facilitator compares, analyzes and categorizes the responses and creates the second questionnaire; 5. The respondents are briefed on the results of the previous round and receive the second questionnaire. They have the opportunity to fill it in and return to the facilitator; 6. The facilitator compares the results and categorizes the responses; 7. The facilitator reviews suggestions and looks for potential consensus; 8. Use of the findings of the research; 9. Finally, the respondents are briefed about the results of the Delphi study and the potential consensus by means of a summary. **5.3 RESPONDENTS** 

The Delphi method requires a panel of subject-matter experts (Loo, 2002), because it is seen as a group approach to forecasting and decision making. According Okoli & Pawlowski (2004) a Delphi study does not depend on statistical samples that attempt to be representative of any population, but it is a group decision mechanism requiring qualified experts who have deep understanding of the issues. Therefore the selection of qualified experts is a critical requirement Okoli & Pawlowski (2004). For example, for this research a group of experts is needed who have expertise in the field of social media marketing, like social media managers of brands and community managers of social media consultancy companies. 28 Three selection criteria for selecting experts are used. First, an expert has achieved professional certification in a marketing related topic area; presented professional papers on the topic at state, regional, and/or national professional meetings; published papers on the topic are in regional or national resources; or initiated research on the topic area (Davis, 1992). Second, experts should have expertise with the study concepts, theory, or problem which governs the topic content of the study (Davis, 1992). The last and third step was to ask every expert to nominate other (social media) marketing experts (Okoli & Pawlowski, 2004).

#### **5.4 ANALYSIS**

Literature demonstrated that the most commonly used method of analyzing data from a Delphi survey, is the Likert scale (Roberts-Davis & Read, 2001). On this basis the Likert scale is chosen for the second round of the Delphi study. The first round consists of 4 open questions with sub-questions, which make it a total of 11 open questions. The respondents are asked to give their opinion about the social media marketing objectives and strategies as proposed in Chapter 2 and to propose other/new objectives, strategies and indicators to achieve certain objectives. Because of the limited number of respondents (around 10), the proposed new strategies will be included in the second round. In the second round theses new objectives, strategies and indicators, will be presented as propositions in the form of a five point Likert scale. First, the respondents are asked to what degree a strategy or indicator is applicable to a certain social media marketing objective. Second, the respondents are asked to rank the different strategies and indicators and place them in an specific order, to get clear which of the (proposed) strategies and indicators are most useful and applicable by achieving a certain social media marketing objective. Then the issue becomes "At what level of agreement/disagreement is consensus reached?". According Hsu & Sanford (2007) the favored method to analyze the results of the Likert scale is using the median score. Levels of agreement using Likert scales acceptable to earlier researchers are quoted by McKenna (1994) as 51% and by Williams & Webb (1994) as 55%. According Roberts-Davis & Read (2001) when responses to "5 and 4" or to "1 and 2" on the Likert scale totalled 80% or more, consensus was deemed to be achieved on that item. For this research the following criteria for sufficient consensus (after the second round) are used: - Consensus is achieved by having 80 percent of subjects' votes fall within the last two categories on a Likert scale (Ulschak 1983; Roberts-Davis & Read, 2001). 29 - The medi

Validity and reliability are important issues when conducting the Delphi method (Okoli and Pawlowski, 2004). According to Baarda et al. (2009) coincidences may occur in the situation or material, the respondent, the instrument or the researcher. There is enough opportunity for biases to occur. The most critical requirement is the selection of (qualified) experts (Okoli & Pawlowski, 2004) and therefore the selection method is used as described in paragraph 3.3.3.

### 6. A KEY FINDING

Social media marketing budgets continue to rise. According to the results, businesses currently allocate 6% of their marketing budgets to social media, an allotment they expect to increase to 10% during the next year and 18% over the next 5 years.

Back in August 2009, marketers had already planned on devoting more money to social media.

However, in February 2014, marketers reported that they plan to allocate one-fifth of their marketing budgets to social media marketing in the next 5 years [3]. This is a definite increase from the 2009 projections. The study features the following comparison from August 2009 to February 2014:

It can be understood that even though many are still experimenting and learning how best to use social media tools, these results indicate that marketers think social media marketing is here to stay and will play an increasingly important role in their work in acquiring and retaining customers in the future [5].

### 7. BENEFITS OF SOCIAL MEDIA MARKETING

Significantly different from conventional marketing strategies, Social Media Marketing (SMM) offers three distinct advantages.

One, it provides a window to marketers to not only present products / services to customers but also to listen to customers' grievances and suggestions. Two, it makes it easy for marketers to identify various peer groups or influencers among various groups, who in turn can become brand evangelist and help in organic growth of a brand. And, three, all this is done at nearly zero cost (as compared to conventional customer outreach programmes) as most of the social networking sites are free [2].

Social media marketing helps in:

- Generating exposure to businesses.
- Increasing traffic/subscribers.

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- Building new business partnerships.
- Rise in search engine rankings.
- Generating qualified leads due to better lead generation efforts.
- Selling more products and services.
- Reduction in overall marketing expenses.
- Companies in the west are investing increasingly in SMM to get in touch with their customers.

They are indulging in constant interaction with their prospects in order to understand their needs and hence make products better. It's the best way to learn from your customers about their needs and your own shortcomings.

However, SMM is a very personalized way of advertising and promotions can be targeted only to particular groups which are interested in a particular domain, quite unlike conventional advertising [4].

### 8. UNDERSTANDING THE RELEVANCE OF SOCIAL MEDIA IN MARKETING

The role of social media in marketing is to use it as a communication tool that makes the companies accessible to those interested in their product and makes them visible to those that don't know their product. It should be used as a tool that creates a personality behind their brand and creates relationships that they otherwise may never gain. This creates not only repeat-buyers, but customer loyalty. Fact is social media is so diversified that it can be used in whatever way best suits the interest and the needs of the business.

According to 2014 Social Media Marketing Industry Report 2014, a majority of marketers (76%) are using social media for 6 hours or more each week, and nearly one in three invest 11 or more hours weekly. Twitter, Facebook, LinkedIn and blogs were the top four social media tools used by marketers, in order. A significant 81% of marketers plan on increasing their use of blogs [6].

A majority of the marketers are employing social media for marketing purposes and small businesses were slightly more likely to use social media. 76% of marketers are spending at least 4 hours each week on their social media marketing efforts [4].

In the present context, it is increasingly becoming pertinent for companies to

(1) build a favorable base of consumers, and

(2) involve them in decision making.

According to Softpedia, during the last quarter of 2009, 86 percent of online retailers in US had a Facebook page. It was expected that this figure would reach 99 percent very soon. During this same period, e-marketer pointed that 65 percent of its surveyed online retailers were active on Twitter. Another 26 percent were planning to incorporate Twitter in their plans. E-marketer projects that by 2018, 99 percent of online retailers will be Twitter ready and all of them will have a Facebook page.

Presently, greater than 700 thousands businesses have an active Facebook page. And around 80 thousand web portals are Facebook Connected presently.

Social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes the "brand" and helps you to spread the message in a relaxed and conversational way.

Adult beverage companies, exotic automobile manufacturers, pastry shops have been using social media tool. Pepsi Coke, Nokia and many of the top brands have effectively used social media for achieving their business objectives.

Few companies that have become involved in social media are:

Absolut Vodka - Online Video on YouTube and Using Facebook to house their Top Bartender fan page.

BMW - Utilizing Facebook to promote their 1-Series Road Trip and they have created a Rampenfest Page for fans.

Dunkin Donuts - They've found value in social media and have set up a micro blogging Twitter account.

General Motors - GM leverages the social media to improve the online equity of its brand and make consumers feel more connected.

Until recent past, social media effectively served as another customer outreach activity of organizations – essentially building brand awareness and generating leads. However, trends are now changing towards utilizing social media for positively impacting sales. A mindset shift towards making social media a committed engagement channel is already underway.

An analysis by Wet paint and Altimeter – engagementdb.com, concurs that the most successful companies on social platforms were maintaining profiles on 7 or more channels [4].

### 9. THE PERVASIVENESS OF SOCIAL MEDIA

Social media is no more a fancy term; its popularity can be deduced from the findings of the latest PEW Research – as much as 70 percent of the economically active population is well entrenched in to the social media space. Similar statistics, albeit from a different source eMarketer, further corroborates this notion; 46 percent of people in age group of 44 - 62 years and around 61 percent under category 27 to 43 years are socially networked.

### **10. ROLES OF SOCIAL MEDIA IN MARKETING**

Social media is now increasingly becoming an ingrained aspect of political campaigns, national defence strategies, public policy, public relations, brand management and even intra company communication.

Since the major task of marketing as tool used to inform consumers about the company's products, who they are and what they offer, social marketing plays an important role in marketing.

- · Social media can be used to provide an identity about the companies and the products or services that they offer.
- Social media helps in creating relationships with people who might not otherwise know about the products or service or what the companies represent [4].
   Social media makes companies "real" to consumers. If they want people to follow them they need not just talk about the latest product news, but share their
- personality with them.
- Social media can be used to associate themselves with their peers that may be serving the same target market.
- · Social media can be used to communicate and provide the interaction that consumers look for.

### 11. WHY BUSINESSES NEED TO CONSIDER SOCIAL MEDIA MARKETING SERVICES

- Size: Facebook has over 250 million users globally. On an average, 70-100 tweets happen by the second. An average user on Facebook has 120 friends. This is the kind of enormity Social networking sites espouse and with this comes the license to communicate powerfully. But when such large numbers are involved, there is a danger of something going wrong and when it does, it happens in a big way. An expert should be hired to do what is best for business [3].
- **Transparency**: No cheat code involved. No black hat techniques allowed. Everything that happens in the social networking landscape is fool proof. Companies cannot fake Authenticity in an attempt to get more people involved. Members can choose to associate with the company or opt out. Opinions made on social networking platforms are taken seriously and the more authoritative the companies get, more seriously they are taken [3].
- Reach: It is possible to make mark globally and do it quickly using social networking sites.
- Boost website traffic: Social media is probably the fastest and easiest means of redirecting traffic to company's website. By simply placing their website URL in their profile, the company can have all their profile visitors check out their website and a percentage of traffic is sure to get converted in course of time. This is the virtual way version of "word-of mouth" [5].

Branding: Buying a candy may have been impulsive all your life, but if it is discussed on a social networking site, there is likely to get brand conscious even a candy. Social media is a smart way to build brands. Social media platforms are known to be one of the most powerful and fast means of branding. Some of the big brands like Coke, Ford, Dell, IBM, Burger King are some of the well known brands have powerfully used social media platforms to endorse themselves.

### 12. BARRIERS TO IMPLEMENTATION OF SOCIAL MEDIA AT COMPANIES

On the other hand, social media use scenario is more encouraging at small businesses.

According to the State of Small Business Report, social media usage by small businesses increased from 12 percent to 24 percent in the last year. Further, almost 20 percent of small Businesses actively employ social media as an integral part of the marketing strategy.

In fact small businesses are currently allocating 6% of their marketing budgets to social media. It is expected that this is expected to reach 10 percent by 2011 and further to around 18 percent over the next 5 years. Some of the findings from the survey are particularly encouraging from business via social media point of view, these include:

- 75 percent of small businesses have presence on a social networking site
- 54 percent are monitoring feedbacks
- 69 percent post updates or interesting articles on social media sites [4].

Those are some mind boggling numbers, especially after the viewing the depth of social media penetration across big companies. But what is most striking from the two surveys is the fact the while nearly 70 percent of Fortune 100 companies are virtually inactive. However, a similar percentage of small businesses are buzzing with activity on social media. Nonetheless statistics aside, it is high time, that businesses, irrespective of their size have a social media plan that has 3 C's in it. viz

(1) A Companywide engagement strategy that

(2) Ensures Conversations with consumers, and

(3) Causes user loyalty across social networks.

### **13. SOCIAL MEDIA MARKETING IN INDIA - AN OVERVIEW**

India has 71 million active internet users. Social Media is really picking up new heights in India. According to the 2010 Regus Global Survey of business social networking, India tops the usage of social networking by business - it has the highest activity index, 127, far more than the US'97, and 52% of the Indian respondent companies said that they had acquired new customers using social networks while 35% American companies managed that. Many companies are coming big way for Social Media Optimization for their Product or Services nowadays. During Election 2009 Social Media was used for Influence Indian Voters. Social Media Marketing in India is being undertaken by brands like Tata Docomo, MTV India, Channel V, Clear Trip, Tata Photon, Axe deodorants, Microsoft, Naukri, Shaadi and many more. Besides, numerous Indian celebrities are also using SMM platform to promote their movies, music and events via Twitter, Facebook and personalized blogs. Social Media Marketing is also boosting public relations business. Several PR agencies in India are undertaking brand building exercises for corporate organizations, brands and celebrities. However, to the delight of many among us, the biggest gainers from SMM till date have been the organizations from the Not-for-Profit sector. Several Campaigns like 'Bell Bajao' and 'Jaago Re' have been quite successful on Social Networking Sites [3]. These campaigns have been spreading the word about their cause through blogs, Twitter and Facebook.

### **14. SOCIAL MEDIA MARKETING STRATEGIES**

SMM is still in its infancy. Most of the online retailers though appreciate its positives fallouts on the brand awareness and promotion; they are still in the early stages of adoption. For an organization willing to invest in social media marketing, it is important to understand why SMM is an important marketing strategy and how it can help:

- This is the age of consumer satisfaction. It is not about selling it is more about interacting. There is a lot to learn from the customers. Using social media one can identify customers, listen to their feedback and use them to improve and innovate on products or services.
- SMM is not a mass advertising strategy. It can be used to identify peer groups and advertise to that particular group. Social Media can help in identifying influencers and through them one can guide a prospective customer into making a purchase.
- SMM calls for novel advertising methods as the attention span of online junta is very low. This is largely due to the multitasking phenomena. A person watching a video clip on YouTube might be simultaneously updating a blog, while reading another one and watching friend's photographs on Facebook.

In order to garner their attention away from distractions the advertisement must be innovative and interesting to hold the imagination and attention of the prospect.

At the same time the message must also provoke the recipient into action; like seeking a detailed description of the product/service, or suggesting to a friend, or initiating purchase. So, if the advertisement is trying to sell something then it should be conveniently placed with links so that the prospect can make a purchase with least effort [6].

Similarly, Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention.

Social Media Marketing can also be used by brands to ward off any negative publicity. But the brands will have to be cautious here as over doing it may further aggravate their customers / stakeholders. Companies using traditional marketing methods (e.g. surveys, focus groups, test marketing) often spend millions to locate their target markets. Establishing a social media strategy will help them see where potential customers are hanging out. The companies can search for related groups and Fan Pages through Facebook, start accounts on social bookmarking sites such as Digg or Stumble Upon, and check on who is linking to your site to find out who's interested [4].

Social media gives businesses on small budgets the ability to find out what people are saying about them (and others) in their industry, without paying large sums on market research. With its ear to the ground on social media, the company will be the first to know if its product is working or if changes need to be made.

- To successfully implement one's SMM strategy the following points must be kept in mind:
- The company shouldn't just jump on to the bandwagon just because others are jumping into it. The market should be analyzed first to understand whether their brand would really benefit from SMM. It should try and find out whether SMM strategies fit its brand [4].
- The company shouldn't expect results over night. SMM is a long term strategy. It will not happen overnight. The results might become visible anywhere from three to six months.
- SMM is not a standalone tool for marketing. It has to be used along with all the other conventional marketing strategies. There are many things that social media can do for business. Developing a strategy for using it means that the firms need to think about what they want to accomplish this year and determine how social media fits into the plan. One of the benefits of a social media strategy is the fact that the available tools can customized for their particular needs [5].

The firms can choose to concentrate their efforts on the sites that seem to offer the best return on investment, while taking a "wait and see" stand on the others [4].

### **15. CONCLUSIONS**

There is no escaping social media these days, either for individuals or for businesses. Today, it is impossible to separate social media from the online world. The social media conversation is no longer considered a Web 2.0 fad -- it is taking place in homes, small businesses and corporate boardrooms, and extending its reach

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into the non profit, education and health sectors. From feeling excitement, novelty, bewilderment, and overwhelmed, a growing number of people now speak of social media as simply another channel or tactic.

Blogging can have a very positive effect on your Company's branding & growth. As per the Hub spot report, Customers with blogs gathered 68% more leads than customers without blogs. It is imperative to understand that today, social media have exponential potential.

They are part of an ever-growing online network of people who discuss, comment, participate, share and create.

Whether you are an individual, a start-up, small business or a large corporation, an online presence and an ongoing conversation with your constituents is a baseline requirement – and will take time and expertise. Companies are diverting resources and rethinking their traditional outreach strategies. And as the social media wave dissipates into the vast ocean of connected experiences, the term itself will become an entry in dictionaries and encyclopaedias and we will embark on a new era of knowledge, accessibility and experiences unbound by distance, time or physical walls. It is high time that every business adopts social media and takes it seriously!

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### PERFORMANCE APPRAISAL OF EMPLOYEES IN RASTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM

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### ABSTRACT

Performance appraisal is a vital tool to measure the frameworks set by any organization to its employees. It is utilized to track individual contribution and performance against organizational goals and to identify individual strengths and opportunities for future improvements and assessed whether organizational goals are achieved or serves as basis for the company's future planning and development. This article examined the status of the performance appraisal system of Rastriya Ispat Nigam Limited (RINL), Visakhapatnam its implication to employee's performance. Rastriya Ispat Nigam Limited (RINL), Visakhapatnam also called as Steel Plant, Visakhapatnam and Visakhapatnam Steel Plant. This article elaborate light on the relationship between employee performance appraisal with employees' performance and job satisfaction. The respondents of this study were tenured employees. Quantitative and qualitative method of research was utilized in the gathering of data. Interviews, focus group discussion and survey questionnaires were the main instrument used in this study. The result of the study showed that the performance appraisal system of the company is in place, aligned with the vision and mission of the institution, and is accurate in terms of content and purpose. On the other hand, the results reflected that the performance appraisal system of the company has brought about both positive and negative impact on the employee's performance. Further, the respondents identified some major gaps in the implementation of the company's appraisal system: no appropriate rewards are given to best employees, appraisal system was not fully explained to employees, no feedback of results and employees do not participate in the formulation of evaluation tools. It is recommended that the company should revisit and redesign its appraisal system that is aligning to its vision and mission towards the attainment of its organizational goals.

#### **KEYWORDS**

performance appraisal, employee efficiency, employee motivation, employee reward system, human resource development.

JEL CODE 015

### **1. INTRODUCTION**

performance appraisal system can be a powerful tool of HRD when it is used to help an employee understand his tasks and the means of achieving them, identify the strengths and weaknesses relevant to his job, and acquire new competencies for self-development in the job. Appraisal is the evaluation of worker, quality or merit. In the organizational context, performance appraisal is a systematic evaluation of personnel by superiors or others familiar with their performance. Performance appraisal is also described as merit rating in which one individual is marked as better or worse in comparison to others. The basic purpose of merit rating is to ascertain an employee's eligibility for promotion. However performance appraisal would be used to decide training and development, salary increase, transfer and discharge also, performance appraisal is the process of evaluating the performance and qualifications of the employee in terms of the requirements of the job for which he is employed, for the purposes of administration including placement, selection for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

Performance appraisal is not something new. The appraisal system existed as early as ill 221 A.D., though the nature of appraisal was not so formal and the tools used were not so scientific. In fact, the appraisal gained momentum in the post Second World War period with the advent of professionalization in management. (Charles, 1983). At the early stages, the appraisal was done just on the basis of the degree to which a person possessed certain traits, which were considered essential for effective performance of a particular task. Thus the appraisal of an individual, a group and an organization is common practice. The history of performance appraisal is quite brief its roots in the early 20<sup>th</sup> century can be traced to Taylor's pioneering time and motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modem human resources management. As a distinct and formal management procedure of evaluation of work performance it really dates from the time of the Second World War. However, in a broader sense, the practice of performance appraisal is a very ancient art. It is supported in DuleWicz's (1989) words, as 'a basic human tendency is to make judgments about one's owns working within, as well as in relation to others.' Thus the appraisal is a part of life, which provides feedback of strengths and weaknesses of a performing work. Appraisal, as it seems, is both inevitable and universal. In the absence of a carefully structured, system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily.

### 2. OBJECTIVES OF PERFORMANCE APPRAISAL

The objectives of performance appraisal are as follows:

### 1. SALARY INCREASE

Performance appraisal plays a role in making decision about salary increase. Normally salary increase of an employee depends on how he is performing his job. The hike in salary to different employees may be according to their efficiency and ranking.

### 2. PROMOTION

Performance appraisal plays a role in making decision about promotion. Normally internal promotion of an employee depends on how he is performing his job. There is continuous evaluation of his performance either formally or informally. Most of the organizations often use a combination of merit and seniority for promotion. Performance appraisal precedes promotion decision.

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#### 3 TRAINING AND DEVELOPMENT

Performance appraisal tries to identify the strengths and weaknesses of an employee on his present job. This information can be used for devising training and developing programmes appropriate for overcoming weakness o the employees. In fact, many organizations use performance appraisal as mean for identifying training needs of employees.

#### FEEDBACK 4.

Performance appraisal provides feedback to employees about their performance. It tells them where they stand. A person works better when he knows how he is working, how his efforts are contributing to the achievement of organisational objectives. Besides, if they know their weakness, they will try to overcome them. PRESSURE ON EMPLOYEES

### 5.

Performance appraisals put a sort of pressure on employees for better performance. If the employees are conscious that they are being appraised in respect of certain factors and their future largely depends on such appraisal, they tend to have positive and acceptable behaviour in this respect. Thus, appraisal can work automatically as a control devise.

Methods of performance appraisal:

Time-honoured methods:

For a long time, the following methods were used:

- Ranking method
- Paired comparison
- Grading
- Forced distribution method
- Forced choice method
- Checklist method
- Critical incidents methods
- Graphic scale method
- Essay method
- Confidential reports
- Field Review method
- ۶ In recent times the additional methods used are:
- Appraisal by results or objectives or goals
- Behaviourally anchored rating scales (BARS)
- Assessment centres
- 360-degree appraisal

### 3. RINL, VISAKHAPATNAM

Rastriya Ispat Nigam Limited (RINL), Visakhapatnam is the biggest manufacturing unit of steel in Visakhapatnam. RINL called as Steel plant, Visakhapatnam and Visakhapatnam Steel plant. This is the industry where they make use of huge and heavy machinery for the production of steel.

This is located southwest of Visakhapatnam Harbour and it is about 26km from Visakhapatnam city. The Government of India decided to establish integrated steel plant in Public Sector Undertaking at Visakhapatnam with a view to give impetus to Industrial growth and to meet the aspirations of the people of south India. So, the foundation of the plant is laid down by late Smt. Indira Gandhi in 1971. The township and the plant are built in the area of 27,000 acres with the capacity of producing 2.656 MT of saleable steel.

#### HR POLICY IN RINL

To realise the full potential of employees, the Company is committed to:

- Provide work environment that makes the employees committed and motivated for maximising productivity. i)
- Establish systems for maintaining transparency, fairness and equality in dealing with employees. ii)
- Empower employees for enhancing commitment, responsibility and accountability. iii)
- Encourage team-work, creativity, innovativeness and high achievement orientation. iv)
- Provide growth and opportunities for developing skill and knowledge, v)
- Ensure functioning of effective communication channels with employees. vi)

#### PERFORMANCE APPRAISAL MANAGEMENT IN RINL

Performance management is done in the Steel Plant through a well-designed performance appraisal system which comprises of setting up of tasks and targets at the beginning of the year, mid-tem review of the progress, and evaluation at the end of each year. The mid-term review provides valuable feedback to the appraisee about the focus areas to improve his/her performance. Performance appraisal focuses on two aspects i.e. assessment of performance and identification of potential based on specific parameters which are fixed jointly by the employee and his/her controlling officer. The system provides key performance targets for each individual. The evaluation is done at three levels i.e. Reporting Officer, Reviewing Officer and the Performance Review Committee (PRC). PRC moderates the score within the appraisal group and gives final rating to the employees as 'Outstanding', 'A', 'B' and 'C'. Not more than 10 per cent of the employees are rated as 'Outstanding' and similarly the total 'A' and 'Outstanding' does not exceed 30 per cent of the employees. The performance management system in the Steel Plant provides a constant channel of communication and avenues for continuous improvement. The system has been helping to enhance the performance of individual employees, and through it, the performance of the organization as a whole.

### 4. OBJECTIVES OF THE STUDY

- To know the Performance appraisal in RINL, Visakhapatnam. 1.
- 2. To analyse the opinion on the part of the employees on performance appraisal in RINL, Visakhapatnam.

### 5. METHODOLOGY FOR THE STUDY

To fulfill the objectives of the study, primary and secondary data have been collected.

The primary data was collected through structured questionnaire on direct personal investigation method. The main source of primary data is the opinion of the employees in RINL, Visakhapatnam. The secondary data and information was collected from the annual reports, office records, documents, action plans and booklets of RINL, Visakhapatnam. Study relevant data was also procured from journals, periodicals, reference books, reports, records and other useful published and unpublished reports.

### SCOPE OF THE STUDY

The present study confines to performance appraisal in RINL, Visakhapatnam. The study covers the opinion of the employees on performance appraisal. In general it also tries to look into the interpersonal relations among the employees and other environment factors which can impact the relationship in an organization. And the opinion of the employees in respect of performance appraisal and satisfaction and dissatisfaction levels of the employees. SAMPLE SIZE OF THE STUDY

### There are around 16,574 employees working at RINL, Visakhapatnam. Out of this total number, the researcher has taken a sample of one percent of the employees based on simple random sampling technique. Sample size is 165 respondents.

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Staff group	No. of employees	One per cent sample from each group	
Executives	3532	35	
Non-executives	4313	43	
Management trainees	7624	76	
Junior officers	1105	11	
Total	16574	165	

### 6. ANALYSIS

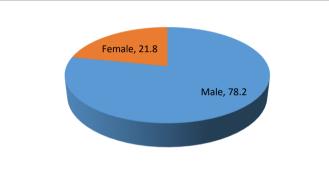
Employees' Opinion on Training and Development Programmes in RINL, Visakhapatnam GENDER WISE CLASSIFICATION

TABLE 6.1: GENDER WISE CLASSIFICATION OF THE RESPONDENTS

Gender	No. of respondents	Percentage
Male	129	78.2
Female	36	21.8
Total	165	100.0

Source: Field Survey

#### **DIAGRAM 6.1: GENDER WISE CLASSIFICATION OF THE RESPONDENTS**

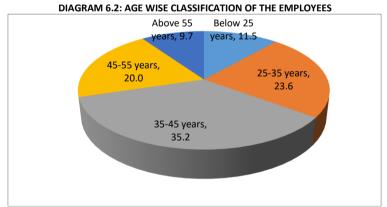


From the above table it may be observed that, male respondents are more than female respondents. Out of 100 per cent respondents 78.2 per cent of the respondents were male and the remaining 21.8 per cent of the respondents were female. AGE WISE CLASSIFICATION

### TABLE 6.2: AGE WISE CLASSIFICATION OF THE EMPLOYEES

Age	No. of respondents	Percentage
Below 25 years	19	11.5
25-35 years	39	23.6
35-45 years	58	35.2
45-55 years	33	20.0
Above 55 years	16	9.7
Total	165	100.0

Source: Field Survey



In RINL major portion of the respondents 35.2 per cent were in the age group of 35 to 45 years, about 23.6 per cent of the respondents were in the age group of 25 to 35 years, about 20.0 per cent of the respondents were in the age group of 45 to 55 years, about 11.5 per cent of the respondents were in the age group of below 25 years and the remaining 9.7 per cent of the respondents were in the age group of above 55 years. **GROUP WISE EMPLOYEE CLASSIFICATION** 

TABLE 6.3: GROUP WISE CLASSIFICATION OF THE EMPLOYEES				
Staff group	taff group No. of employees One per cent sample from each gr			
Executives	35	21.2		
Non-executives	43	26.1		
Management trainees	76	46.1		
Junior officers 11 6.6				
Total	165	100.0		
Source: Field Survey				

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#### DIAGRAM 6.3: GROUP WISE CLASSIFICATION OF THE EMPLOYEES



In respect to the group wise classification of the respondents, about 21.2 per cent of the respondents were executives, about 26.1 per cent of the respondents were Non-executives, about 46.1 per cent of respondents were Management trainees, and the remaining 6.6 per cent of the respondents were junior officers in RINL. Majority of the respondents were management trainees in RINL, Visakhapatnam.

### OPINION OF THE EMPLOYEES ON PERFORMANCE APPRAISAL

Performance appraisal is one of the vital techniques of Human Resource Development in the organisation. Performance appraisal is a method of evaluating the behavior of the employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance appraisal is the systematic description of an employee's job relevant strengths and weaknesses. It provides the top level authority for the purpose of decision making regarding post appraisal actions such as salary increase, promotions, incentives, rewards, transfers, demotions and punishments.

#### TABLE 6.4: OPINION OF THE RESPONDENTS TOWARDS PERFORMANCE APPRAISAL

Opinion	No. of respondents	Percentage
To evaluate the performance of an employee	70	42.4
To evaluate the qualities of an employee	49	29.7
To evaluate the behaviour of an employee	46	27.9
Total	165	100.0

Source: Field Survey

### DIAGRAM 6.4: OPINION OF THE RESPONDENTS TOWARDS PERFORMANCE APPRAISAL



When the researcher asked the question, 42.4 per cent of the respondent opined that, the performance appraisal is to evaluate the performance of an employee and 29.7 per cent of the respondents opined that, performance appraisal is to evaluate the qualities of an employee whereas 27.9 per cent of the respondents opined that, the performance appraisal is to evaluate the behaviour of an employee. It may be noted that all the respondents in RINL got awareness regarding performance appraisal.

### OPINION OF THE RESPONDENTS IN RESPECT OF SELF APPRAISAL

If the employees understand the objectives they are expected to achieve, the standards by which they are to be evaluated, they are to a great extent in the best position to appraise their own performance. Employees who appraise their own performance may become highly motivated.

#### TABLE 6.5: LEVEL OF SATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL

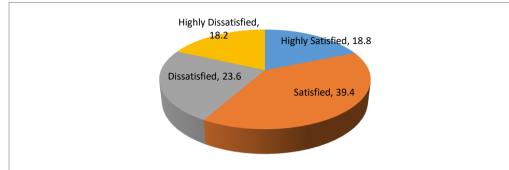
Level of satisfaction	No. of respondents	Percentage
Highly Satisfied	31	18.8
Satisfied	65	39.4
Dissatisfied	39	23.6
Highly Dissatisfied	30	18.2
Total	165	100.0

Source: Field Survey

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#### DIAGRAM 6.5: LEVEL OF SATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL



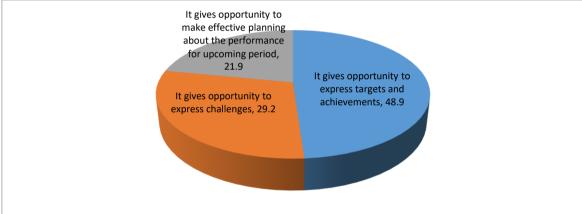
From the above table it can be observed that, about 18.8 per cent of the respondents were highly satisfied, about 39.4 per cent of the respondents were satisfied, about 23.6 per cent of the respondents were dissatisfied and 18.2 per cent of the respondents were highly dissatisfied with self appraisal process in RINL. To make better understand about the self appraisal in RINL the researcher also collects the reasons for satisfaction and reasons for dissatisfaction of the employees.

#### TABLE 6.6: REASONS FOR SATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL

Reasons	No. of respondents	Percentage
It gives opportunity to express targets and achievements	47	48.9
It gives opportunity to express challenges	28	29.2
It gives opportunity to make effective planning about the performance for upcoming period	21	21.9
Total	96	100.0

Source: Field Survey

### DIAGRAM 6.6: REASONS FOR SATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL



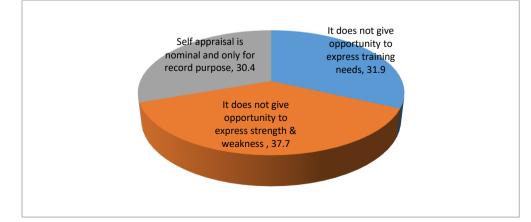
When the question asked by the researcher, about 48.9 per cent of the respondents have opined that, self appraisal gives opportunity to express targets and achievements of the employees whereas 29.2 per cent of the respondents have opined that, it gives opportunity to the employees to express their challenges and 21.9 per cent of the employees have opined that, self appraisal gives opportunity to the employees to make effective planning about their future performance.

### TABLE 6.7: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL

Reasons	No. of respondents	Percentage
It does not give opportunity to express training needs	22	31.9
It does not give opportunity to express strength & weakness	26	37.7
Self appraisal is nominal and only for record purpose	21	30.4
Total	69	100.0

Source: Field Survey

#### DIAGRAM 6.7: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON SELF APPRAISAL



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From the above table it can be observed that, about 31.9 per cent of the respondents have opined that, self appraisal does not give opportunity to express training needs in the future whereas 37.7 per cent of the respondents have opined that it does not give opportunity to express strength & weakness and 30.4 per cent of the respondents have opined that self appraisal is nominal and only for record purpose.

TABLE 6.8: L	EVEL OF SATISF	ACTION OF TH	IE EMPLOYEES	ON PERFORMA	NCE REVIEW

Level of satisfaction	No. of respondents	Percentage
Highly Satisfied	35	21.2
Satisfied	38	23.0
Dissatisfied	48	29.1
Highly Dissatisfied	44	26.7
Total	165	100.0

Source: Field Survey

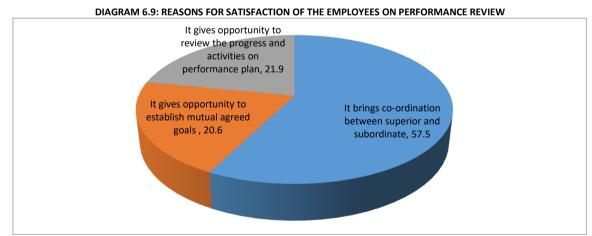


From the above table it can be observed that, about 21.2 per cent of the respondents have opined that they were highly satisfied with performance review, and 23.0 per cent of the respondents have opined that, they were satisfied and 29.1 per cent of the respondents have opined that they were dissatisfied and the remaining 26.7 per cent of the respondents have opined that they were highly dissatisfied with performance review in RINL. Nearly 44 per cent of the respondents were not satisfied with performance review RINL. The researcher also collected the reasons for satisfaction and dissatisfaction on performance review. The researcher has taken the ratings of highly satisfied and satisfied as satisfied rating and the ratings of dissatisfied and highly dissatisfied as dissatisfied rating to understand effectively.

#### TABLE 6.9: REASONS FOR SATISFACTION OF THE EMPLOYEES ON PERFORMANCE REVIEW

Reasons	No. of respondents	Percentage
It brings co-ordination between superior and subordinate	42	57.5
It gives opportunity to establish mutual agreed goals	15	20.6
It gives opportunity to review the progress and activities on performance plan	16	21.9
Total	73	100.0

Source: Field Survey



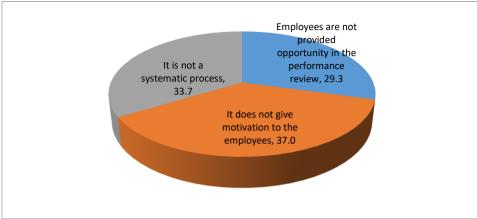
From the above table it can be observed that, In RINL about 57.5 per cent of the respondents have satisfied as performance review brings coordination between superior and subordinate, about 20.6 per cent of the respondents have satisfied with performance review as it gives opportunity to establish mutual agreed goals and the remaining 21.9 per cent of the respondents have satisfied as performance review gives opportunity to review the progress and activities on their future performance.

TABLE 6.10: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON PERFORMANCE REVIEW			
Reasons	No. of respondents	Percentage	
Employees are not provided opportunity in the performance review	27	29.3	
It does not give motivation to the employees	34	37.0	
It is not a systematic process	31	33.7	
Total	92	100.0	

Source: Field Survey

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#### DIAGRAM 6.10: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON PERFORMANCE REVIEW



From the above table it can be observed that, about 29.3 per cent of the respondents have dissatisfied as performance review not provided opportunity to the employees to assess their performance and 37.0 per cent of the respondents have dissatisfied as performance review does not give motivation to the employees and 33.7 per cent of the respondents have dissatisfied as performance process.

### OPINION OF THE RESPONDENTS TOWARDS FEEDBACK SYSTEM

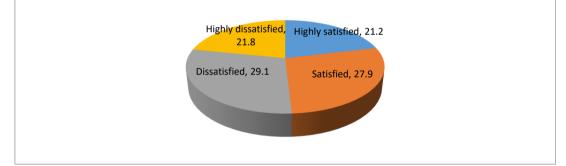
Feed back system is playing an important role in performance appraisal process. After the appraisal process, if the employees are rated high, naturally they are happy and feel their self esteem is high. On the other if they are rated low, then they are unhappy but the fact is fact, and the fact should be known to them. Their plus points should be listed out and their weaknesses may be put clearly through counselors.

Feed back system helps the talented employees to prove their performance and there is a chance to improve their performance in an efficient and effective manner. It helps low talented employees to enhance their skills and talent. The researcher made an attempt whether the employees got awareness about the feedback system or not.

age		

Source: Field Survey

#### DIAGRAM 6.11: LEVEL OF SATISFACTION OF THE EMPLOYEES ON FEED BACK SYSTEM



From the above table it can be observed that, about 21.2 per cent of the respondents have opined that they were highly satisfied with feedback system and 27.9 per cent of the respondents were opined that they have satisfied with feedback system and 29.1 per cent of the respondents have opined that they were dissatisfied with feedback system and 29.1 per cent of the respondents have opined that they were dissatisfied with feedback system and the remaining 21.8 per cent of the respondents have opined that, they were highly dissatisfied with feedback system in RINL. The researcher also collected the reasons for satisfaction and dissatisfaction of the employees on feedback system in RINL.

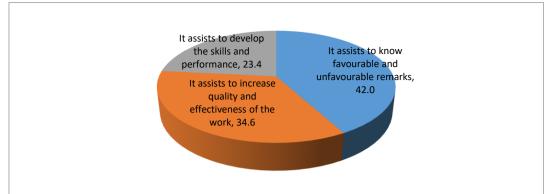
#### TABLE 6.12: REASONS FOR SATISFACTION OF THE EMPLOYEES ON FEED BACK SYSTEM

Reasons	No. of respondents	Percentage		
It assists to know favourable and unfavourable remarks	34	42.0		
It assists to increase quality and effectiveness of the work	28	34.6		
It assists to develop the skills and performance	19	23.4		
Total	81	100.0		

Source: Field Survey

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#### DIAGRAM 6.12: REASONS FOR SATISFACTION OF THE EMPLOYEES ON FEED BACK SYSTEM



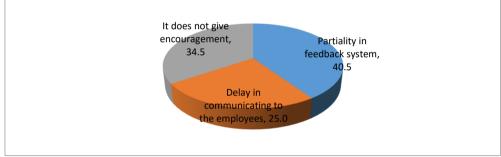
From the above table it can be observed that about 42.0 per cent of the respondents have satisfied as feedback system assists to know favourable and unfavourable remarks of the performance, and 34.6 per cent of the respondents have satisfied as feedback system assists to increase quality and effectiveness of the work and 23.4 per cent of the respondents have satisfied as feedback system assists to develop the skills and performance.

#### TABLE 6.13: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON FEED BACK SYSTEM

Reasons	No. of respondents	Percentage
Partiality in feedback system	34	40.5
Delay in communicating to the employees	21	25.0
It does not give encouragement	29	34.5
Total	84	100.0

Source: Field Survey

### DIAGRAM 6.13: REASONS FOR DISSATISFACTION OF THE EMPLOYEES ON FEED BACK SYSTEM



From the above table it can be observed that in RINL about 40.5 per cent of the respondents have dissatisfied as superiors have partiality to make feed back of the employees and 25 per cent of the respondents have dissatisfied because delay in communicating the feed back to the employees and 34.5 per cent of the respondents have dissatisfied because feedback system does not give encouragement to the employees.

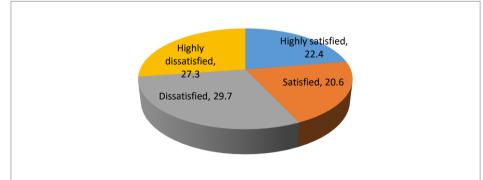
The researcher made an attempt to collect the level of satisfaction of employees on appraisal policy adopted by RINL. The ratings classified in four categories a) Highly satisfied by Satisfied c) Dissatisfied d) Highly dissatisfied.

### TABLE 6.14: LEVEL OF SATISFACTION OF EMPLOYEES ON APPRAISAL POLICY ADOPTED BY RINL

Level of satisfaction	No. of respondents	Percentage
Highly satisfied	37	22.4
Satisfied	34	20.6
Dissatisfied	49	29.7
Highly dissatisfied	45	27.3
Total	165	100.0

Source: Field Survey

#### DIAGRAM 6.14: LEVEL OF SATISFACTION OF EMPLOYEES ON APPRAISAL POLICY ADOPTED BY RINL



From the above table it can be observed that, about 22.4 per cent of the respondents were highly satisfied, bout 20.6 per cent of the respondents were satisfied, about 29.7 per cent of the respondents were dissatisfied whereas the remaining 27.3 per cent of the respondents were highly dissatisfied with appraisal policy. Hence, majority of the respondents were dissatisfied with appraisal policy adopted by RINL.

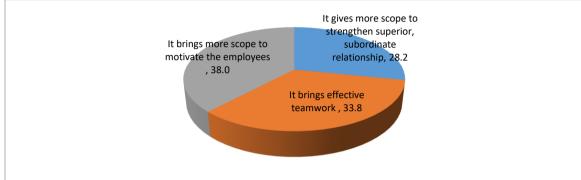
INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories <u>http://ijrcm.org.in/</u> The researcher also collected the reasons for their satisfaction/dissatisfaction. To make better understanding. The researcher has taken the ratings highly dissatisfied and satisfied as satisfied rating and dissatisfied and highly dissatisfied as dissatisfied rating.

#### TABLE 6.15: REASONS OF EMPLOYEES WHO WERE SATISFIED WITH APPRAISAL POLICY

Reasons for agreed	No. of respondents	Percentage
It gives more scope to strengthen superior, subordinate relationship	20	28.2
It brings effective teamwork	24	33.8
It brings more scope to motivate the employees	27	38.0
Total	71	100.0

Source: Field Survey

### DIAGRAM 6.15: REASONS OF EMPLOYEES WHO WERE SATISFIED WITH APPRAISAL POLICY



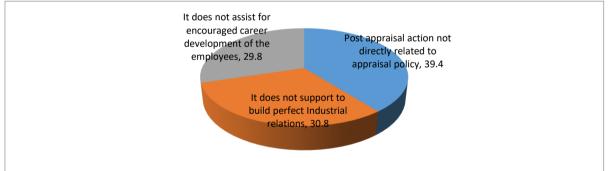
From the above table it may be observed that, In RINL 28.2 per cent of the respondents were satisfied that, RINL has taken a definite appraisal to upgrade H.R.D activities because appraisal policy gives more scope to strengthen superior, subordinate relationship, and 33.8 per cent of the respondents were satisfied as appraisal policy brings effective team work among the employees and 38.0 per cent of the respondents were satisfied as appraisal policy brings more scope to motivate the employees.

#### TABLE 6.16: REASONS OF THE EMPLOYEES WHO WERE DISSATISFIED WITH APPRAISAL POLICY

Reasons	No. of respondents	Percentage
Post appraisal action not directly related to appraisal policy	37	39.4
It does not support to build perfect Industrial relations	29	30.8
It does not assist for encouraged career development of the employees	28	29.8
Total	94	100.0

Source: Field Survey

#### DIAGRAM 6.16: REASONS OF THE EMPLOYEES WHO WERE DISSATISFIED WITH APPRAISAL POLICY



From the above table it can be observed that, 39.4 per cent of the respondents were dissatisfied that the RINL has not taken a perfect appraisal policy to upgrade HRD activities because post appraisal actions such as promotions, increments, punishments, not directly related to appraisal policy and 30.8 per cent of the respondents were dissatisfied as appraisal policy does not support to build perfect industrial relations and 29.8 per cent of the respondents were dissatisfied because appraisal policy does not assists for career development of the employees.

### **OBSERVATIONS**

- With respect to the reason for dissatisfaction, majority of the employees in the RINL said that, performance review was not a systematic process.
- It is found that, satisfaction of employees with feedback system is dissatisfaction was reported to be more in the RINL.
- It is found that self appraisal was part of the appraisal process in RINL, dissatisfaction was reported to be more in RINL. With respect to the reason for dissatisfaction, majority of the employees in the RINL said that self appraisal has not given opportunity to express strength and weakness, whereas employees for their dissatisfaction.
- When it comes to reasons for satisfaction/dissatisfaction, majority of the employees in the RINL reported that feedback system helped to know favourable and unfavourable remarks which are the reason for their satisfaction. With respect to the reason for dissatisfaction, majority of the employees in the RINL said that due to partiality in feedback.
- When it comes to satisfaction/dissatisfaction majority of the employees in the RINL reported that the appraisal policy provided motivation which is the reason for their satisfaction. With respect to the reason for dissatisfaction, majority of the employees in the RINL said that post appraisal action such as increments, bonus, promotions, transfers and punishment not directly related to appraisal policy.

### SUGGESTIONS

It is suggested that, to have a continuous improvement in qualities and skills of the employees, it is better to conduct performance appraisal once in a six.

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- Dissatisfaction level of employees in respect of self appraisal process is found more, hence, it is suggested that to take necessary action while designing the
  process.
- In RINL majority of the employees were dissatisfied with performance review because employees were not provided opportunity in the review process and it did not give motivation to the employees. Hence it is suggested that, employee should be involved in the review process.
- In RINL partiality in feedback system is highly prevalent. It leads to collapse of Industrial relations in the organisation and there should not be any delay in communicating the feedback to the employees.
- It is suggested that, post appraisal actions either positive or negative should be based upon the performance of employees and should be directly related to
  the results of the performance appraisal process.
- Most of the objectives of employees in RINL are unchallenging, unrealistic and not timely reviewed ad updated. This can be eliminated through effective performance appraisal policy.
- The HR Department should take sufficient care in the administration and designing content of HRD policies in respect of training and performance appraisal.
   Finally, it has been recommended that, despite fast growing globalization, importance of involvement of human element in RINL is found to be prominent and hence due priority be given to H.R. management in formulating effective HRD policies and strategies.

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### PREDICAMENTS AND CHALLENGES: A STUDY OF INDIAN AIRLINE INDUSTRY

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### ABSTRACT

Due to the ever-increasing costs, airline industry is facing the difficulty. India's airline sector stands up to the crisis and races against its fastest growing global competitors. Enhancement in affordability and connectivity add to the expected improvement in both passengers and cargo traffic. Large public and private investments which are supported by government initiatives in air travel infrastructure are expected to pour in the airline industry. The restrictions on foreign ownership and labor laws have kept the industry away from innovating. So instead of protective measures like, survival fund, bailouts, airlines need to work with government to tackle longer-term problems. Missions like bringing low cost carrier for an average Indian who dreams to travel by air once in life and secondly building more runways, running airports more efficiently, and reining in labor costs. At present, India is the ninth largest civil airline market with a size of around US\$ 16 billion. The growth of the airline industry is also expected to boost other sectors from manufacturers, ground handling services, tourism boards, shippers. Aircraft movement as of July 2016 at Indian airports was 168,400, which was a 14.3 percent increase over that observed during the same period last year. The global aircraft movement was also increased by 8.2 percent, compared to last year. The Centre for Asia Pacific Airline (CAPA) states that domestic air traffic is expected to cross 100 million passengers by financial year 2017, compared to 81 million passengers in 2015. The present Study will focus on Challenges and Predicaments of Indian Airline Industry.

### **KEYWORDS**

enhancement, predicaments, challenges, modernizations and Indian airlines.

JEL CODE

### INTRODUCTION

istorically, the Indian airline sector has been a foot-dragger relative to its growth potential due to unnecessary, government ownership and regulations of airlines and resulting high cost of air travel. However, this has changed rapidly over the last decade with the sector showing explosive growth supported by structural reforms, airport modernizations, entry of private airlines, adoption of low fare - no frills models and improvement in service standards. Like elsewhere in the world, air travel is being transformed into a mode of mass transportation and is gradually shedding its elitist image. Indian Airline Industry promises huge growth potential due to large and growing middle class population, favourable demographics, rapid economic growth, higher disposable incomes, rising aspirations of the middle class, and overall low penetration levels. The Indian Airline Industry has been going through a chaotic phase over the past several years facing multiple headwinds - high oil prices and limited pricing power contributed by industry wide over capacity and periods of subdued demand growth. Over the near term the challenges facing the airline operators are related to high debt burden and liquidity constraints – most operators need significant equity infusion to effect a meaningful improvement in balance sheet. Improved financial profile would also allow these players to focus on steps to improve long term viability and brand building through differentiated customer service. Over the long term the operators need to focus on improving cost structure, through rationalization at all levels including mix of fleet and routes, aimed at cost efficiency. The first commercial flight in India took-off in, 1911, when a French pilot Monseigneur Piguet flew airmails from Allahabad to Naini, covering a distance of about 10 km in as many minutes. Tata Services became Tata Airlines and then Air-India and spread its wings as Air-India International. The domestic airline scene, however, was chaotic. When the American Tenth Air Force in India disposed of its planes at throwaway prices, 11 domestic airlines sprang up, scrambling for traffic that could sustain only two or three. In 1953, the government nationalized the airlines, merged them, and created Indian Airlines. For the next 25 years JRD Tata remained the chairman of Air-India and a director on the board of Indian Airlines. After JRD left, voracious unions mushroomed, spawned on the pork barrel jobs created by politicians. In 1999, A-I had 700 employees per plane; today it has 474 whereas other airlines have 350.

### CONSEQUENCE OF ENVIRONMENTAL FACTORS ON AIRLINE INDUSTRY

There are various significant atmospheric factors that have serious air disasters as well as frequent flight schedule disruptions. The major atmospheric hazards are thunderstorms, lightning, hail, icing, wind shear, heavy precipitation, heavy rain, low cloud etc. The cause of large number of accident and incident is thunderstorm. Weather is one of the major cause and explicit factor of airline accidents and incidents. Airline is highly weather dependent. Weather factor contribute to accident to occur and enhance the probability and effects of other factors such as heavy weather and poor visibility may increase the possibility of pilot errors and collision with terrain or with other aircraft. Natural disasters have bad impact on aircraft flights and airport infrastructure. Volcanic eruptions and earthquake are natural calamities that affect the airplanes. Earthquakes are the most destructive disasters for airports, airline facilities. The aerodynamic performance is correlated with the altitude. The air density increases at lower altitude, decrease in altitude increases the aircraft performance and air density decreases at higher altitude, increase in altitude decrease the aircraft performance, hence density of air and altitude have profound effect on engine and aircraft performance. Aircraft require long runways to take off at higher relevation airports because the rate of climb of aircraft is lesser than its approach and true air speed is higher than the indicated air speed as a result landing roll will be longer. As aircraft move towards the higher altitude temperature as well as air density decreases. Atmospheric temperature also affects the aircraft performance. Aircraft will require long runway to take off, poor rate of climb and faster approach when temperature of atmosphere is very high as a result landing roll will be longer. When high temperature and high elevation combines a situation arises that aerodynamically reduces the performance of the airplane. Sometimes humidity also became a factor that deter

### ACHIEVEMENTS OF FARE SEGMENTATION FOR AIRLINE INDUSTRY

Fare segmentation is possible because each consumer has a different purpose and perceived value of an airline trip Deregulation and the resulting segmentation of fares have benefited consumers on both ends of the spectrum. Business and other 'service oriented' passengers are able to purchase tickets and travel at the last minute and leisure or 'price driven' passengers are able to find fares that allow them to bring their families, take multiple trips or stay at their destination longer afford higher-end accommodations. During the period immediately following deregulation airlines struggled to find ways to compete in an open market. In addition to competing with other airlines, airlines compete with a number of alternatives available to the travelling public, the family minivan, the corporate jet and the telephone to name a few. Although the utility for particular product features varies along a spectrum of possibilities, air passengers can roughly be categorized into those which are highly 'service oriented' and those which are "price driven". An airline's ability to tailor product features and fares to the desires of these different classifications allows the airline to increase the output of products available to both types of passengers and has made it possible to increase load factors dramatically since deregulation. The higher end of the fare segmentation graph also has benefits for the 'price driven' consumer. In addition to "saving seats" for the "service oriented" consumer, higher priced seats have made it possible for the airlines to offer deeply discounted fares to consumers who are more prices sensitive. In total, all full fare passengers purchased 10.7 per cent of the tickets sold in our example leaving 89.3 per cent of the tickets purchased at a discount. In terms of revenue generated discount fares accounted for 72 per cent of the revenue and full fare tickets accounted for 28 per cent. A move to reregulation of the airline industry would allow the service oriented passenger to fly for less but unnecessarily penalize the "price driven" passenger through fare increases. Airlines would no longer be able to balance-out the deeply discounted fares with the higher fares paid by "service oriented" passengers. Rather than having 40-45 per cent of the passengers purchasing tickets at 25-49 per cent of the full fare, we would have more passengers paying closer to full price. To understand the roots of chaotic pricing in the airline industry, it is necessary to know the unique nature of competition that exists in the industry. In order to develop the most coherent model for airline pricing determination, the industry is modelled in terms of monopolistic competition. As a whole, the airline industry follows the monopolistic competition model quite well. The barriers to starting an airline are actually relatively small when compared to many industries. Initial start-up costs of an airline are expensive, but sufficient financing has always been readily available to fund these costs. Also, airlines often do not own their airplanes, favouring instead to take advantage of the lower initial costs of leasing aircraft for short periods.

### HOW AIRLINE INDUSTRY DEVELOP THE PRICE STRUCTURE

Essentially finding alternatives to air travel will causes airlines to lose out on their most critical customers for producing revenue. As the information technology revolution continues, it may become more conceivable for business to be conducted through teleconferencing rather than in-person. As a result, the airlines will have to stop discriminating against business travellers in order to keep them flying. This will signify a major change in the strategy that airlines use to price. Other technological advances such as the growth of internet travel bookings signify that the airlines must upgrade their pricing methods into the 21st century. Nevertheless, market segmentation and price discrimination tactics have played a significant role in assuring the continued dominance of major airlines. Although airfares seem to change so chaotically, the system itself can be seen quite simply as evolving from the major airlines need to segment each customer based 29 on their willingness to pay for travel. Once this is determined from computer reservation systems, the airline simply follows through by discriminatorily pricing to steal consumer surplus. Airline pricing was drastically changed by the influx of low-cost airlines brought by deregulation and the creation of computer reservation systems. The revolutionary concept of varied pricing according to demand is one of the sole reasons that the major airlines were able to fend off the low-cost airlines and increase their dominance of the nation's air transportation needs. Deregulation has made air travel affordable for a much larger portion of the population.

### CHALLENGES FACED BY AIRLINE INDUSTRY

Following an era of radical development, Indian Airlines are engrossed with the challenges that impact the industry across the globe, including High Airline Turbine Fuel, Huge Capacity, Huge Debt Burden, Rising Labour Costs, Lack of Technical Manpower and Safety and Security.

- 1. High Airline Turbine Fuel (ATF) Prices: The Total Operating Costs of Airline Industry for ATF price is around 80 per cent. ATF prices have almost doubled over the last year and across the world it continues to be plagued with high ATF prices which have demonstrated the inverse relationship between airline stock prices and fuel prices. All Indian carriers are feeling the heat and are desperately resorting to measures like cutting routes, increasing fuel surcharge, promoting the use of e-tickets and charging for food items to reduce their losses. Increasing air fares have worked against the logic of increasing profits, as it has resulted in decreased air traffic. Besides focusing on designing fuel efficient engines, aircraft manufacturers are developing sustainable bio-fuels which will give them some relief from the vulnerability of profits due to consistently rising fuel prices.
- 2. Huge Capacity: Driven by the drastically increasing passenger traffic over the last 3 years, almost all Indian airlines build their capacity assuming the growth would continue over the next few years. Several new aircrafts were bought within a short span of time which resulted in excess capacity of around 15 % to 20 %. According to industry experts, around 17 per cent of the current fleets are scheduled for delivery during the next 3 years. Even though the industry grew above 40 %, almost half of the growth was primarily stimulated due to low fares. Maintaining such low levels of fares will be difficult due to excess capacity, especially during the ongoing global slowdown. Consolidation therefore seems to be the next logical step to get rid of this excess capacity problem.
- 3. Huge Debt Burden: Efficient profits and increasing passenger traffic saw airlines raising significant amount of capital from Financial Institutions and Banks to fund their aggressive expansion plans. Banks also were liberal in lending airlines. Restructuring this huge amount of leverage will be a challenge as resorting to equity capital will also be equally difficult during economic slowdown.
- 4. Rising Labour Costs: As fuel prices have plunged, employee pay and benefits have been returned as airlines' biggest expense item. Because the industry which not too long ago was mired in red ink appears to be minting money now, its pilots, flight attendants and mechanics. Labour Costs are largely fixed in the short-term. Labour accounts for 35 per cent of the total of airlines' operating cost which accounts for 75 per cent of all non-fixed costs. During downturns, management looks to cut labour costs by laying off workers or reducing their pay or benefits.
- 5. Lack of Technical Manpower: The Civil Airline Sector is facing acute manpower shortage, especially in the technical cadre. As per estimates of the Sub-Group on Human Resource Development for the Civil Airline Sector, India would need 5,400 pilots by the end of the 2012. Similarly the demand for Aircraft Maintenance Engineers and Air Traffic Controllers would rise with the increasing number of flights and the new airports. Pilots and airline pilots in particular, need to be trained as older ones retire. However, for training the pilots, there is an acute shortage of qualified Flying Instructors.
- 6. Safety and Security: There is a need for surveillance, surprise checks, safety oversight audits, and enhanced accident prevention activity system. Given the high intensity serial bombings witnessed across several parts of the country in the past few years, there is a need to review and upgrade the nature of security and safety measures provided at the country's airports to mitigate against any drastic measures planned against Indian airline sector by any form of terrorism.

### MARKET SIZE

It has been reported that the air traffic in India has increased over the last five years both in terms of aircraft movement and passenger traffic. The compound annual growth rate (CAGR) of total aircraft movements was 3.3% and of passengers 5.6% during FY11 to FY16. In the next five years too, in terms of the aircraft movements, passengers and freights, the airline sector is expected to grow, according to the Airports Authority of India (AAI). The job market in this sector is also expected to improve in 2017 with a number of new airlines coming up. Globally, it stands ninth in the civil airline market. It ranks fourth in domestic passenger volume. It has been reported that by 2020 the civil airline market in the country will become the world's third largest and is expected to be the largest by 2030 and this sounds really good.

### WHAT LIES AHEAD?

The launching of the new airlines can be an airline boom in the country as it will lead to an increase in the number of flights, lower prices, more demand for ground staff and trained crew, including a rise in finance and leasing activities. However, the real challenge of the Indian airline industry is to manage the unprecedented growth of air traffic with safety. The increase in air traffic has raised the demand for aircrafts. But at the same time, it has also posed a problem of modernising the airport and air navigation infrastructure so that safe, efficient and orderly operations are ensured. There is an urgent need to study the causes of the issues and address them so as not to obstruct the growth path of the airline sector. And we should remember that even today, access to airline is still a distant dream for the poor and the lower middle class sections of its vast population. So there is a large untapped potential for growth in the industry as well. It is necessary for the stakeholders to engage and collaborate with the policy-makers to implement efficient and rational decisions that will shape the future of the airline industry.

### TAKE AWAYS

India's airline market is still untapped with ample growth opportunities. Flying is still considered expensive for the majority of the population, out of which around 40 percent is in the upwardly mobile middle class. While the new civil airline policy is in the right direction, more can be done to further grow the sector. Airport charges, landing fees, and airline fuel in India remain some of the highest in the world. If, the government addresses these concerns with the right policies and focus on quality, cost, and passenger interest, India can easily become a larger and much more successful airline market. The airlines sector is one of the most challenging sectors of the economy. The government must take progressive stand, rationalize the tax structure, and play supportive role to strengthen the competitiveness of the private players. The monopoly of public sector oil companies should be curtailed and private players should be allowed to supply fuel to airlines. Attracting foreign investment and alternative ways to infuse equity should be explored. The management efficiency and talent is one of the most important aspects of the airline sector. Indigo has shown that financial discipline and a dedicated team can turn out profits in challenging operating environment. Airline Industry cannot always blame government for all the problems, the management should introspect and set its house in order.

### CONCLUSION

While the Indian airline market is extremely competitive, airlines operating in the country are expected to record operating profits of US\$ 1.29 billion in 2016. The air transport sector supports 8 million jobs and contributes around US\$ 72 billion to the GDP. Foreign investment in the sector from April 2000 to March 2016 was valued at US\$ 931.05 billion. India's airline market is still untapped with ample growth opportunities. Flying is still considered expensive for the majority of the population, out of which around 40 percent is in the upwardly mobile middle class. While the new civil airline policy is in the right direction, more can be done to further grow the sector. Airport charges, landing fees, and airline fuel in India remain some of the highest in the world. If the government addresses these concerns with the right policies, and focus on quality, cost, and passenger interest – India can easily become a larger and much more successful airline market. In airline industry's, the rise in the number of alliances will help in promote the growth of airline sector in India. Indian Airline Industry is looking forward to more consolidations. By 2025 passenger boarding expected to double and by the same time aircraft operations are expected to triple, the number of passengers travelling by air is on rise. Airfares are fully transparent to the public and travellers are choosing the lowest price option because of the Internet and round the clock search facility. Even business travellers, who have been less price sensitive, are resisting fare increases. Travellers are not giving preference to brand but the only premiums they are willing to pay for are time of –day and direct flights. Great threats are being posed by the low cost carriers to legacy carriers, as a result of which they are cent, in line with the rise in international oil prices. Because of this there is a marginal increase in airfares. Private airlines are famous to hire foreign pilots, get expatriates or retired personnel from the Air Force or PSU

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### **E-SHOPPING – A MILE STONE IN SUSTAINABLE DEVELOPMENT**

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### ABSTRACT

An online shopping system that permits a customer to submit online orders for items and / or services from a store that serves both walk in customers and online customers. The online shopping system presents an online display of an order cut off time and an associated delivery window for items selected by the customer. The system accepts the customer's submission of a purchase order for the item in response to a time submission being before the order cut off time. The online shopping system does not settle with a credit supplier of the customer until the item selected by the customer is picked from inventory but before it is delivered. Therefore, the customer can go online and make changes to the order. In addition, available service windows are presented to the customer as a function of customer selected order and service types and further, the order picking is assigned in accordance with a picker's preference. When ordering goods, many shopping systems provide a virtual shopping cart for holding items selected for purchase. Successive items selected for purchase are placed into the virtual shopping cart until a customer completes their shopping trip. Virtual shopping carts may be examined at any time and their contents can be edited or deleted at the option of the customer. Once the customer decides to submit a purchase order, the customer may print the contents of the virtual shopping basket in order to obtain a hard copy record of the transaction.

### **KEYWORDS**

e-shopping, process in order management, process in buying.

### JEL CODE

M31

### INTRODUCTION

ill a few years ago, business mainly relied on physical stores to promote and sell their products or services. Many business organizations opened branches in various locations in order to enhance their customer base. It was proving to be very difficult for them to move from local to national level. Only big organizations had the capacity to move from national level to global level.

Due to advancement of technology, businesses came up with a new method called "**ONLINE SHOPPING**" which would allow potential customers to order their merchandise without having to travel long distances. The changing needs and preferences of customers, change in technologies and the desire of the business organizations to make good revenues and to improve the customer base led to the evolution and existence of online shopping.

### MEANING

Online shopping is shopping while online or while on the internet. Online shopping provides many choices to consumers than the traditional bricks-and-mortar retail stores. A lot of shoppers are using the internet now-a-days as internet provides a lot of advantages to shoppers. It saves time and enables them to avoid crowd. Certain products are substantially cheaper and allow customers to purchase product from anywhere, anytime in the world. An excellent example is pizza hut which provides the option to consumers to order pizzas through online.

Online shopping also enables consumers to chat with service agent when they have queries while shopping on the internet. There are **customer support repre**sentatives to attend the customers and they chat with them in case they need some urgent information or help.

Online shopping provides customer care by answering their queries, sending e-mail after purchase and follow up after the post purchase. Consumers can also visit websites if they have any clarification with the product usage or performance. The website of Toyota is a good example that provides adequate information to customers and enables them to get the required information quickly and easily.

Online businesses enable users to create accounts and pay by alternative means such as: debit card, cheque, postal money order, money bookers and wire transfer, to make payments.

Most of the businesses are going online to reach maximum customers. It is important to take every measure to make the website a hit among the customers. Design online store with best experience and better functionality. Online store should ride high on usability and functionality to convert maximum visitors into customers.

### **OBJECTIVES OF THE STUDY**

- 1. To study the online market buyers and the sellers who are playful in selling the commodities through online.
- 2. To know the progress of online shopping.
- 3. To know the level of satisfaction of online buyers.
- 4. To study the need for online shopping.
- 5. To provide information to the beneficiaries of online shopping.

### **RESEARCH METHODOLOGY**

This research paper is a conceptual paper and prepared on secondary data. Secondary data are collected from various sources like Research journals, Books, Periodicals and websites. Hence hypothesis and testing is not adopted.

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### **ONLINE SHOPPING METHODS**

- There are few online shopping methods which are as follows:
- Consumers pay online and consume online (e.g. online gaming softwares, music etc.,)
- Consume online and pay offline (e.g. matrimonial ads etc.,)
- > Contact and pay online and consume offline (e.g. Travel, books, clothes, electronic goods).

### **ONLINE SHOPPING PROCESS**

The step by step online shopping processes at e-bay is given below for the benefit of the students:

- Open www.ebay.co.in
- > Register your details by clicking register command located in the upper left section.
- Fill out the form and select password.
- Once registered, you could login to the website in order to purchase items.
- Now upon logging in, search for the item of your choice.
- Mostly, there would be a number of sellers selling the same product. It is wise to choose a dealer who has a pay pal option which is denoted by 'P'
- Pay pal is a service where there is security for the product you buy. The way it works is that the seller who has pay pal option has to deposit a certain amount with EBay in order to sell his product. In case of unresolved issue with the buyer, you could complain to eBay and eBay would refund the money he had deposited. So, pay pal option is a must.
- Now that you have selected a seller you can buy through a few different ways.
- Bidding you could bid for items by placing your bid. Your bid has to be a little bit more than the current bid price or the base price set by the seller. There is a time frame for the bidding, at the end of the time period, if you the highest bidder, then you will be notified by email and you could furnish your credit card details and purchase the item.
- Buy it now is an option where you could buy an item at the quoted price before the bidding finishes.
- > You could pay through cheques and direct debit. It is essential to read through the conditions before buying.
- Sometimes for costly items you can pay monthly, that option would be indicated by 0%EMI.
- > While searching, you could narrow your results by setting the various filters located in the left hand side of your eBay screen.
- > You could review the seller by looking at the feedback he has received from customers which should be available on his profile.
- > If the seller is located nearby, then you could send and email to the seller for personal pick up thereby reducing the postal changes.
- > Most products come with a separate delivery cost, so it is essential that you factor in the location of the product.

### **ONLINE SHOPPERS**

According to recent survey on e-commerce, we (Indians) are the third largest online shoppers world wide, next to Turks and Irish.

Nelson Global online survey released its report as 84% of online shoppers from India using credit cards for their transactions. The survey disclosed that more than 85% of internet users in the world were purchasing goods or services through online.

'Bruce Paul' said that books, electronic items and clothes were mostly bought over the net. The top 10 online retailers are e-Bay, Amazon, Target, Wal-mart, Best Buy, Circuit City, Sears, ToysRUs, Overstock.com and JCpenney.

The survey noted that an estimate of 627 million had shopped online globally and within two years, this number has increased by almost 40% to 875 million.

During 2016, online shopping was increased by 83% and about 77% of adults think and advice that the online spending will increase this year. April 12, 2016 a survey conducted by American Express and Nielsen to gain consumer insight on online buying habits and 98% of Indians voted for online shopping.

According to total retail survey 2017, 24000 shoppers surveyed in 29 territories and 56% of them are shopped at Amazon.com.

India is the only country uses credit cards,e-wallets, debit card and bank transfers equally, the survey said. "Click – and – Collect" is the policy of e-shopping and now it becomes the common practice. 40% of global online shoppers used internet and in the previous year it was 28%. In US alone, this option is exercised by 46% this year and it was 27% in the last year.

The report produced by the latest mastercard online shopping survey, more than four-fifth of Indians access the internet for shopping and three fourth of them uses mobile phones for their purchases. 72.1% Indians feel secured on shopping through online.

### ADVANTAGES OF ONLINE SHOPPING

Due to rapid growth of technology, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods. Business organizations used internet as a main vehicle to conduct commercial transactions. Online stores do not have space constraints and a wide variety of products can be displayed on websites. It helps the analytical buyers to purchase a product after a good search. Following are the main advantages:

(i) **CONVENIENCE:** Customers can purchase items from the comfort of their own homes or work place. Shopping is made easier and convenient for the customer through internet. It is also easy to cancel the transactions.

### Top 6 reasons given by shoppers in buying through internet

- Saves time and efforts
- Convenience of shopping at home
- Wide variety / range of products are available
- Good discounts / lower prices
- Get detailed information of the product
- We can compare various models / brands
- (ii) NO PRESSURE SHOPPING: Generally, in physical stores, the sales representatives try to influence the buyers to buy the product. There can be some kind of pressure, whereas the customers are not pressurized in any way in online stores.
- (iii) SAVES TIME: Customers do not have to stand in queues in cash counters to pay for the products that have been purchased by them. They can shop from their home or work place and do not have to spend time for traveling. The customers can also look for the products that are required by them by entering the key words or using search engines.
- (iv) COMPARISONS: Companies display the whole range of products offered by them to attract customers with different tastes and needs. This enables the buyers to choose from a variety of models after comparing the finish, features and price of the products on display. Sometimes, price comparisons are also available online.
- (v) AVAILABILITY: The mail is open on 365 x24x7. So, time does not act a barrier whereas the vendors and buyers are.
- (vi) **TRACKING:** Online comsumers can track the order status and delivery status tracking of shipping is also available.
- (vii) **SAVES MONEY:** To attract customers to shop online, e-tailers and marketers offer discounts to the customers. Due to elimination of maintenance, real-estate cost, the retailers are able to sell the products with attractive discounts through online. Sometimes, large online shopping sites offer store comparison.

### DISADVANTAGES

Online shopping is depending upon the availability of internet. Some people also fear that they might get addicted to online shopping. The major disadvantages of online shopping are as follows:

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

- (i) DELAY IN DELIVERY: Long duration and lack of proper inventory management result in delays in shipment. Though the duration of selecting, buying and paying for an online product may not take more than 15 minutes; the delivery of the product to customer's doorstep takes about 1-3 weeks. This frustrates the customer and prevents them from shopping online.
- (ii) Lack of significant discounts: Physical stores offer discounts to customers and attract them. So this makes it difficult for e-tailers to compete with the offline platforms.
- (iii) Lack of touch and feel of merchandise: Lack of touch-feel-try creates concerns over the quality of the product on offer. Online shopping is not quite suitable for clothes as the customer cannot try them on.
- (iv) Lack of interactivity: Physical stores allow price negotiations between buyers and the seller. The show room sales attendant representatives provide personal attention to customers and help them in purchasing goods. Certain online shopping mart offers service to talk to a sales representative.
- (v) Lack of shopping experience: The traditional shopping exercise provides lot of fun in the form of show-room atmosphere, smart sales attendants, scent and sounds that cannot be experienced through a website. Indians generally enjoy shopping. Consumers look forward to it as an opportunity to go out and shop.
- (vi) Lack of close examination: a customer has to buy a product without seeing actually how it looks like. Customers may click and buy some product that is not really required by them. The electronic images of a product are sometimes misleading. The colour, appearance in real may not match with the electronic images.
- (vii) Fraud: In addition to the above, the online payments are not much secured. So, it is essential for e-marketers and retailers to pay attention to this issue to boost the growth of e-commerce. The rate of cybercrimes has been increasing the customers' credit card details and bank details have been misused which raise privacy issues. Customers have to be careful in revealing their personal information.

### ADVICE TO ONLINE MERCHANTS

- (i) Online merchants should provide clear and sufficient information to the customers so that they are aware about the product and the vendor.
- (ii) Online merchants should keep the customer well informed before, during and after the purchase. Mistakes and misunderstanding must be avoided to win the loyalty of the customers.
- (iii) Online merchants should protect the personal information of the consumer during online ordering and payment.
- (iv) Spam marketing through email or internet should not be used to attract customers.
- (v) Company logo and information must be used in prominent places in order to provide confidence to customers to purchase goods through online
- (vi) The address and the contact information must be displayed at essential places to help the customer to purchase goods without any inhibitions.
- (vii) The terms and conditions of the contract must be clear. The currency to be used while purchasing goods and the guarantee offered must be clearly stated to avoid litigations later.

### **ADVICE TO ONLINE SHOPPERS**

- (i) Online shoppers must collect ample information about the company and its background to avoid getting cheated.
- (ii) The shoppers must assess whether the merchant enjoys good business status in the society.
- (iii) The shoppers must check the proper contact details including postal address and phone number so that they can get in touch if any queries arise.
- (iv) The customer should analyze and find out the hidden cost (vat, customs duty) before purchasing goods through the web.
- (v) The shoppers must analyze the credit worthiness of the merchants.
- (vi) The shoppers must know the online shopping process before purchasing a product or service.
- (vii) The shoppers must check the trustworthy of the merchant's site before providing credit card details.
- (viii) The shoppers must aware about the cyber laws and other laws relating to consumer protection.
- (ix) The shoppers should go through the terms and conditions of the contract and after sale service available to the online shopper.
- (x) If the online advertisement or junk e-mail offer heavy discounts or cash rewards, it is better not to make online purchase as it may involve some kind of fraud.
- (xi) The shoppers must check the quality and / or security certificate if relevant before purchasing any product.
- (xii) The shoppers must keep a record of all the transactions and copies of e-mails which have been exchanged with e-merchants.
- (xiii) Customers should contact the legal authorities if problem arise because of online purchase.
- (xiv) The shoppers should not buy goods from the web sites that request them to send personal and financial information before the purchase of goods.
- (xv) If any site forces the customer to send money to take advantage of a special deal, the customer should avoid purchasing from that site.
- (xvi) The shoppers should not make any investment in any site without analyzing about the institution, investment, product, service and return on investment etc.

### STRATEGIES IN ONLINE SHOPPING

Business organizations have to develop new strategies to meet different needs of online shoppers.

#### Mercantile process model

This is the interaction model that lies between the customers and the merchants in electronic commerce.

#### Mercantile process model – from the merchant's perspective

The prime reasons for selling goods by merchants through electronic medium are to enjoy cost reduction, transaction efficiency and better standards. A business always aims;

a). To provide goods and services at lower cost

- b). To provide continuous service
- c). To grab the market in the long run
- d). To generate more profits.

**Order management cycle**: The companies that operate in electronic world face difficulties due to difference in the kinds of products and services sold. In order to overcome these difficulties, the companies must implement order management cycle effectively. The order management cycle varies from organization to organization, product to product and service.

### Processes in order management cycle

The processes in order management cycle are as follows:

1. Order planning and generation: order planning involves sales forecasting, deciding in advance about the inventory to be stocked, number of workers to be hired and to be allocated for the entire process. Order planning leads to order generation. The sales force and marketers generate order by creating a website with complete details about the product or service and sending personalized e-mail to customers.

2. Estimation of cost and pricing: The customers and the business are very conscious about the price. As far as the customers are concerned, it is the value that is generated by an order. As far as the business organizations are concerned, it is the value that is obtained by fulfilling the order. The price of the order should cover the cost and the value of the product.

3. Order receipt and entry: If the price is favorable, then the customer enters the order receipt in the entry phase of order management cycle.

4. Order selection: Once the orders are received, the customer service executive may accept or decline the order. The orders that fit the company's capabilities are accepted. Preference is given in execution of order. Regular customers are given priority.

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5. Prioritization of orders: The prioritized order gets slotted into the operational sequence during the order schedule phase. The sales department would like to give special preference to key customers in order to retain them.

6. Fulfillment of orders: order fulfillment involves multiple tasks. It varies from industry to industry; product may be manufactured at one location and may be warehoused in another location. More co-ordinators are required in fulfilling orders and delivery of goods on time.

7. Billing of order: Billing of order is handled by financial staff. The bill is prepared after the order has been fulfilled and delivered. A bill should be prepared, discharged effectively and money should be collected quickly.

8. After sale service: Retaining customers is possible by providing after sale service and it bring satisfaction to the customer. Post-sale service involves installation of product, training or attending repairs and maintenance. This will generate profit to the organization in the long run.

### MERCANTILE MODEL FROM THE CUSTOMER'S PERSPECTIVE

A customer buys goods and services through electronic medium to enjoy the following benefits:

- Convenience
- Low price
- Quality
- Quick delivery

• Value

Processes that are involved in buying a product or a service are as follows:

- 1. **Pre-purchase preparation**: There are various categories of buyers. Prepurchase preparation involves clear insight, proper investigations, enquiries about the product what we are going to purchase.
- Collection of information: The behavior of customer in electronic market is different from that of traditional market. The information about the product or service is collected by the buyer and buyer makes comparisons and finally identifies the right product to be purchased from the vendor. Marketing mix variables cannot be used effectively in electronic market.
- 3. **Negotiation**: The buyer and the seller interact to carry out mercantile transactions. The buyer contacts the vendor and the vendor quotes the price. The buyer may negotiate with the vendor. After the negotiation, a final price is reached.
- 4. Placement of order: The buyer places the order with the merchant if the price is favourable.
- 5. Authorization of payment: The buyer authorizes the payment and the vendor contacts the billing service to verify the encrypted authorization. The billing service checks the buyer's account balance and puts a hold on the amount of transfer of funds. The billing service gives a green signal to the vendor to deliver the product to the buyer or consumer.
- 6. **Receipt of goods**: The vendor after getting the green signal form the billing service and on notification of adequate funds to cover the financial transaction delivers the goods to the buyer. Now, the buyer receives the goods. On receiving the goods, the buyer signs and delivers the receipt. Now, the vendor informs billing service to complete the transaction.
- 7. **Post purchase interaction**: If the goods are found defective or the billing is incomplete, the customer may complain to the vendor. The customer may return the goods to the vendor. The customer may retain the goods to the vendor if the goods are found defective.

### CONCLUSION

Online shopping is a new experience and has greatly impacted the lives of consumers in its short time of existence. It is expected to grow constantly in years to come with advancement in technology. The merchants and the consumers have to be cautious and take preventive measure to minimize the fraud in e-shopping transactions.

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### THE EFFECT OF JOB SATISFACTION AND WORK ENVIRONMENT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOUR AND ITS IMPLICATION ON JOB PERFORMANCE (EMPIRICAL STUDY ON STATE POLYTECHNIC OF SRIWIJAYA)

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### ABSTRACT

This study incorporates job satisfaction, work environment, organizational citizenship behavior and job performance, to analyse the effect of job satisfaction and work environment and its implication on job performance. The unit of analysis in this study is lecturer in State Polytechnic of Sriwijaya. This research is explanatory study and the data is obtained through questionnaires with the population of 400 lecturers. Structural Equation Model is used to see the relationship between the variables. The results show that job satisfaction and work environment have positive and significant effect on organizational citizenship behaviour. It is also found that job performance is affected by job satisfaction, work environment and organizational citizenship behaviour.

### **KEYWORDS**

organizational citizenship behaviour, job satisfaction, work environment, job performance.

JEL CODE

015

### 1. INTRODUCTION

ducation is a strategic tool to improve the quality of a nation, therefore the progress of a nation can be measured by the progress of its education. The progress of several countries in the world is not separated from the progress that started from education, the statement is also believed by this nation. However, Indonesia education system has not indicated the expected success yet.

The education in Indonesia still has not managed to create reliable human resource let alone to the level of improving the quality of nation. Multidimensional crisis encountered by this nation is caused the failure of the existing education system, along with the declining of Indonesia Human Development Index is not separated from the low quality of education in Indonesia.

The role of lecturer is crucial in order to push the success of an education institution management especially Polytechnic. This shows that performance factor is crucial to be concerned. In addition to teaching and research, the lecturers performance is also measured from their annual dedication to community as the form of three pillars of higher education.

The lack of performance in the field of research and dedication will affect the lecturer un-satisfaction. The result can affect the lecturer's satisfaction that will lead to lecturer performance itself. Robbins (2015:46) stated that job satisfaction is defined as a positive feeling about person's work which is the result of a characteristic evaluation. Furthermore, Robbins (2015:97) stated that people who have a congruent job with his personality should be more satisfied and less risk to resign than people who have no a congruent job.

The lecturer job satisfaction could not release from the fact that lecturer often concern job benefit than performance. Job satisfaction is the actions of feeling and personal attitude on work, which is the interaction between the concerned with work environment. Job satisfaction arise due to the fulfillment of lecturer's expectation.

Work environment can affect lecturer job satisfaction, because poor work environment will encourage employees to change the commitment. According to the statement, the low performance of lecturers from lecturers to students is allegedly caused by the work environment of polytechnic lecturers is still relatively poor in supporting them to work well.

To produce qualified, educated, and character human resources is a challenge for the world of education. Organizational Citizenship Behavior (OCB) is a depth individual contribution beyond the demand of workplace roles and reward from task performance. Organizational Citizenship Behavior (OCB) involves some behaviors including the behavior of helping others, becoming a volunteer for extra tasks, obeying the rules and procedures at workplace.

The above statement is in accordance with the opinion of Newstorm and Davis (2002: 252), that "Organizational Citizenship Behavior (OCB) is a helpful attitude shown by members of the organization, which are constructive and valued by institutions but not directly related to individual work productivity. Lecturers as member of organizational citizenship are expected to use their talents and energies completely to help organizations in order to achieve organizational goals. Based on the description above, the author is interested to conduct this research with the title **"The Effect of Lecturers Job Satisfaction and Work Environment**"

on Organizational Citizenship Behavior and Implication on Lecturer Performance (Empirical Study at State Polytechnic of Sriwijaya)"

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### 2. LITERATURE REVIEW

#### 2.1. JOB SATISFACTION

Robbins (2006) defines job satisfaction as a general attitude of the individual to their work. Work requires interaction with co-workers and superiors, obey organizational rules and policies, meets performance standard, lives in a work atmosphere that is often less than ideal. Job satisfaction is an individual common attitude to their work so as to reflect on the attitude rather than the behaviour. The belief that satisfied employees are more productive than disgruntled employees becomes the basic principle for managers and leaders (Robbins, 2006). Researchers with strong humanist values argue that satisfaction is not negatively related to absences and resignations, but according to them, organizations are charged with the responsibility to provide challenging job and intrinsically reward to employees.

Luthans (2006) mentioned that the indicators that can affect job satisfaction are:

- a. Payment of salary and wages, in this case the employees want fair wage system and promotion policy
- b. The work itself, employees tend to prefer jobs that provide opportunities to use skills, freedom and feedback.
- c. Co-workers, social interaction with fun co-worker can increase job satisfaction.
- d. Promotion, Promotion enable organization to utilize the skill of employees as high as possible.
- e. Supervisor (Supervision), Supervision has an important role in an organization because it deals with employees directly and affect the employees in doing the job

Job satisfaction can be measured by dimensions; **Payroll** with a fair wage system indivator, wage policy according to workload, as expected; **Employment** with indicators provides opportunities, uses ability, skills, freedom and feedback; **Co-workers**, with indicators of social interaction and cooperation with co-workers; **Promotion**, with indicators of leveraging fair promotional capabilities and policies; **Supervisor**, with indicators relating to employees and affecting employees in doing the job.

#### 2.2. WORK ENVIRONMENT

Employee performance is influenced by many factors including the amount of compensation, the right placement, the exercise, the sense of security in the future of the promotional mutation. In addition to the factors above there are other factors that can also affect the performance of employees in the implementation of the task, it is work environment. Although this factors is important and big influence, but many companies that until now pay little attention to this factor. As matter of melodious music, although it seems trivial, but it turns out its influence on the effectiveness and efficiency of the implementation of the task. According to Anoraga and Widiyanti (2005) the work environment is everything that is around the worker and that can affect him in carrying out the assigned duties. The work environment is very influential in the implementation of the completion of tasks. Based on the above statements it can be concluded that the definition of the work environment is anything that is around the workers who can influence him in carrying out the assigned tasks.

#### 2.3. ORGANIZATIONAL BEHAVIOUR

Interaction between individuals in dynamic organizational life is related to OCB, it is beneficial to build individuals and overall organizational performance. The research by Podsakoff, Ahearne, and McKenzie (2001: 262) suggests that OCB can increase the productivity of colleagues, increase leader productivity, save resources on management and organization, saving step resources, become an effective means to coordinate group activities work, improve the organization's ability to attract and retain the best employees, improve organizational work stability, and enhance the organization's ability to adapt to environmental change. OCB can be measured by dimension: **emphasizing mutual interest** with indicators of providing help and providing time for others; **wise** with indicators of serving others, performing functions to assist the good impression of the organization and providing services for the interests of the organization; **awareness** with indicators of time using efficiency and high attendance; **compliance** with indicators provides warnings before acting, passing on the information appropriately and helping to prevent problems; **sportive behavior** with indicators of avoiding complaints and maximizing the total amount of construction time within the organization.

Performance (job performance or actual performance), is the work result both quality and quantity achieved by a human resource in performing his duties in accordance with the responsibilities given to them. Performance is the achievement or accomplishment of work achieved by employees based on the standard and the size of the assessment that has been set. The concept of performance presented by the experts (Robbin 2008) in Nur'ani (2011) suggests that "employee performance is the interaction between ability, motivation and opportunity" While Performance by Bambang Kusriyanto (1991) in Mangkunegara (2005: 9) is the comparison of results achieved with the role of labor per unit time.

According to Law No. 20 of 2003 on National Education System (Elucidation), Law No. 14 of 2005 on Teachers and Lecturers, Government Regulation No. R.I. 37 of 2009 on Lecturer and Regulation of the Minister of National Education of the Republic of Indonesia Number 47 Year 2009 on Educator Certification for Lecturers, Law no. 12 of 2012 on Higher Education and Explanations, Government Regulation no.32 of 2013 Change of PP no. 19 of 2005 on National Education Standards, PP no. 42 of 2009 concerning Professional Allowance for Teachers and Lecturers, Special Allowances for Teachers and Lecturers as well as Honorary Benefits of Professors and Permendiknas no. 47 year 2009 on Educator Certification for Lecturers, lecturers, lecturers are professional educators and scientists with the main task of transforming, developing, and disseminating science, technology, and art through education, research, and community service.

No.	Name	Title	Conclusion
1.	Mahasneh,	The impact of Organizational Citizenship Behavior on Job	OCB has significant effect on employee's satisfaction
		Performance at Greater Amman Municipality. 2015	
2.	Sani,	Role of Procedural Justice, Organizational Commitment and Job Satisfaction on job Performance: The Mediating Effects of Organizational Citizenship Behavior, 2013	Procedural justice and organizational commitment have effect on OCB. Organizational Commitment have effect on performance. Job satisfaction does not have effect on OCB and performance. OCB have effect on performance.
3.	Selda Taşdemi Rafşar (2012)	Impact of the Quality of Work-life on Organizational Commitment: A Comparative Study on Academicians Working for State and Foundation Universities in Turkey	Research finding showed that work environment has positive effect on affective and normative commitment from academicians working for state and foundation universities whereas have negative effect on continuous commitment.
4.	Alamsyah Latunani 2014	The Effect of Competence on Commitment, Performance and Satisfaction with Reward as a Moderating Variable (a Study on Desaig-ning Work Plans in Kendari City Govern- ment, Southeast Sulawesi)	Research finding:the significant influence of competence and commitment toward SKPDs' performance in improving employees performance in Kendari Government.

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories http://ijrcm.org.in/ 2.5. RESEARCH FRAMEWORK

### FIGURE 1: RESEARCH FRAMEWORK Lecturers' Job Satisfaction Working Environment Salary Payment Work Atmosphere Jobs Relation between lecturers and Colleagues administration staff \_ Availability of Teaching Facilities \_ Promotion Supervisor $X_2$ Organizational Citizenship Behavior Prudent \_ Awareness Compliance Sportive behaviour $Y_1$ Lecturers' Performance **Education and Teaching Research and Knowledge** Development Dedication to the Community $Y_2$

### **3. RESEARCH METHODOLOGY**

### 3.1. TYPE OF RESEARCH AND DATA SOURCE

This research use survey research methodology with type of research used is research to test hypothesis by collecting data in the field or verificative research by using descriptive analysis. Therefore, this research is descriptive and verificative.

This type of research is field study, with primary data source obtained from lecturers working in State Polytechnic of Sriwijaya.

### **3.2. DATA COLLECTION TECHNIQUE**

Data Collection Technic used in conducting this research is as follow:

- 1. Literature study, by studying books or written materials related to the conducted research.
- Field study, by collecting data directly in the field by observation, interview, and questionaire. 2

### **3.3. POPULATION AND SAMPLE**

Population in this research is permanent lecturers working in State Polytechnic of Sriwijaya amounted 400 people in 9 majors. The size of sample is determined by observing analysis technic which is used in hypothesis test, that is Structural Equation Model (SEM). Kelloway (1988) quoted from Achmad Bachrudin and Harapan L, Tobing (2003) stated that sample size necessary for Structural Equation Model is minimal 200 observations.

In this research, there are four variables, so that needed minimum sample size as much as 200 respondents. By considering the outliers data existence (Hair et al, 2006: 303) and the principle of the bigger sample size, the better. So, the minimum sample size in this research is using the ratio 1:5, 5 respondents for each parameter in the research (Hair et al, 2006: 605). This research has parameter (indicator), and obtained the minimum size of sample as follow: n

- = parameter amount x 5
  - = 65x 5

```
= 325 respondents
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### 3.4. OPERATIONAL DEFINITION AND VARIABLE MEASUREMENT

There are two variables used in this research, they are independent variable and variable dependent, as follow:

		OPERATIONAL VARIABLE DEFINITION	
Variable	Dimension	Indicator	Scale
Work Satisfaction	Salary payment	- Fair salary system	Ordinal
		<ul> <li>Salary based on workload</li> </ul>	
		- Salary based on expectation	
	Jobs	- Giving opportunity	Ordinal
		<ul> <li>Implementing abilities</li> </ul>	
		- Skills	
		- Freedom	
		- Feedback	
	Colleagues	- Social interaction	Ordinal
		- Teamwork with colleagues	
	Promotion	- Empowering abilities	Ordinal
		- Fair promotion policy	
	Supervisor	- Related to employee	Ordinal
		- Affect the employees in working	
Working environment	Work atmosphere	Level of fun work atmosphere	Ordinal
	Work danosphere	- Level of lighting comfort	orainai
		<ul> <li>Level of serenity / not noisy</li> </ul>	
	Deletion between lesturers' and	Level of security in learning	Ordinal
	Relation between lecturers' and	- Close relationship between lecturers	Ordinal
	administration staff	Close relationship between lecturers and administration staff	
	Availability of teaching facilities	- Availability of teaching equipment	Ordinal
		<ul> <li>Availability of internet connection</li> </ul>	
		<ul> <li>Availability of practice laboratory</li> </ul>	
	Concerned with common interest	- Offer help	Ordinal
		- Devote time for others	Orainai
	Prudent	- Serve others	
	Fludent	<ul> <li>Perform function in maintaining organizations' good impression</li> </ul>	ordinal
Organizational Citizen		<ul> <li>Provide service for organizations' interest</li> </ul>	
Behaviour	Awareness	- Time efficiency	
		- High precence rate	Ordinal
		- Give warning before execution	
	Compliance	- Forward information accurately	Ordinal
	Sportive behavior	- Avoid complaint	
	Sportive benavior	<ul> <li>Maximize the total time amount in organization</li> </ul>	Ordinal
		On time class schedule	
		<ul> <li>Lecturers' knowledge about teaching material</li> </ul>	
		<ul> <li>Compatibility of methods used in learning and teaching process</li> </ul>	
		- Lecture materials delivery	
		<ul> <li>Relevance between lecture material and syllabi</li> </ul>	
	Education and Teaching Element	- Relevance of handout usage	
	C .	- Lecturer as motivator	Ordinal
		- Lecturer asfasilitator	
		- Usefulness of materials being taught	
		- Evaluation accuracy	
		<ul> <li>Use several media in teaching</li> </ul>	
		<ul> <li>Guide students in academic activities</li> </ul>	
		<ul> <li>Design and conduct research individually or in group</li> </ul>	
		- Develop scientific paper report or research appropriately and scientifically	
Lecturers' Performance		- Present papers in scientific discussion, department, faculty, regional,	
	Decearch and Knowledge	national and international seminar	
	Research and Knowledge	- Write scientific books	Ordinal
	Development Scope	- Guide students' research	
		- Review the up-to-date scientific materials such as journals and research	
	1		
		findings	
		<ul> <li>findings</li> <li>Perform dedication to the community in form of developing research</li> </ul>	
		<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> </ul>	
		<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> <li>Perform useful socialization for the community</li> </ul>	
	Dedication to the Community Scope	<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> <li>Perform useful socialization for the community</li> <li>Perform useful training for community</li> </ul>	Ordina
	Dedication to the Community Scope	<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> <li>Perform useful socialization for the community</li> <li>Perform useful training for community</li> <li>Active participation in effort to solve problems in the community</li> </ul>	Ordinal
	Dedication to the Community Scope	<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> <li>Perform useful socialization for the community</li> <li>Perform useful training for community</li> <li>Active participation in effort to solve problems in the community</li> <li>Give lecture in activities which encourage community to be fond of</li> </ul>	Ordinal
	Dedication to the Community Scope	<ul> <li>Perform dedication to the community in form of developing research finding that is usefull for the community.</li> <li>Perform useful socialization for the community</li> <li>Perform useful training for community</li> <li>Active participation in effort to solve problems in the community</li> </ul>	Ordinal

### 4. RESULTS AND DISCUSSION

### 4.1. GOODNESS OF FIT STATISTICS FOR THE MODIFIED MODEL

The accuracy of the structural equation is shown by goodness of fit measures. The goodness of fit of the model used in testing the structural model is based on the following criteria:

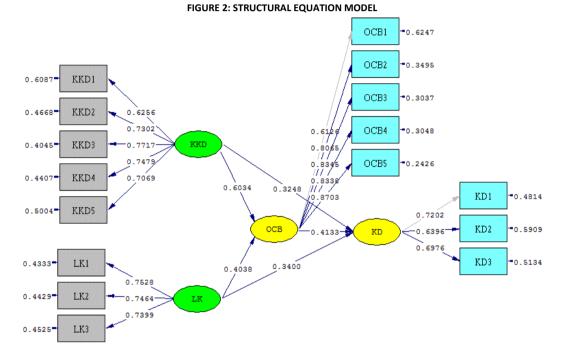
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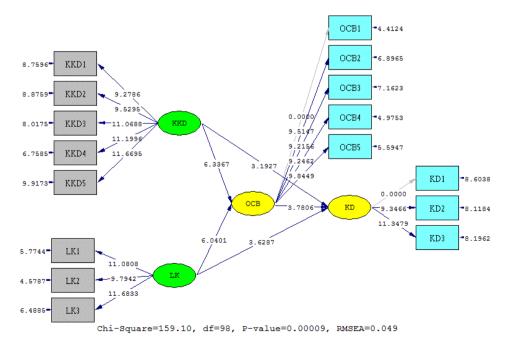
TABLE 3: GOODNESS OF FIT			
Goodness of Fit Index	Cut of Value	Results	Model Evaluation
Chi-Square (df= 98)	122,108	159,10	Not fit
Probability (p-value)	0,05	0,00009	Not fit
CMIN/DF	2	1,6235	Marginal / accepted
RMSEA	0,05	0,049	Fit
Normed Fit Index (NFI)	0,900	0,9722	Fit
Comparative Fit Index (CFI)	0,900	0,9891	Fit
Relative Fit Index (RFI)	0,900	0,9891	Fit
IFI	0,900	0,994	Fit
GFI	0,900	0,9192	Fit

It can be seen that the  $\chi^2$  is 159,10 with p-value = 0,00009, meanwhile the cut of value is 122,108 with p-value = 0,00009 < 0.05, this means that the model has not satisfied the criteria as the value of  $\chi^2$  is bigger than its cut off value. However, if it is seen from the value of CMIN/DF of 1,6235, the model is accepted as it is less than 2.

The value of Root Mean Square Error of Approximation (RMSEA) for the model tested is 0.034, this shows that the model is fit as it is smaller than 0.05 based on the degrees of freedom. Other comparative measurement is Non-Normed Fit Index 9NFI) and Comparative Fit Index (CFI) that shows fit parameters. The results of goodness of fit of the model shows that the the model is fit and can be used to explain the relationship between the model studied.



Chi-Square=159.10, df=98, P-value=0.00009, RMSEA=0.049



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# 4.2. THE EFFECTOF JOB SATISFACTION( $\xi_1$ ) AND WORK ENVIRONMENT ( $\xi_2$ ) ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR ( $\eta_1$ ) It is found that:

OCB = 0.6034\*KKD + 0.4038\*LK, Errorvar.= 0.3119, Rý = 0.6881 (0.09523) (0.06685) (0.06232) 6.3367 6.0401 5.0045

#### TABLE 4: STRUCTURAL MODEL CALCULATION RESULTS

Endogenous Variable	Exogenous Variable	Path Coefficient	T <sub>value</sub> (cr)	R <sup>2</sup>	Error Variance			
Organizational Citizenship Beha	vior Job Satisfaction(ξ <sub>1</sub> )	0.6034	6.3367	0.6881	0.3119			
(η1)	Work Environment(ξ <sub>2</sub> )	0.4038	6.0401					
(Source: Processed Data)								

#### 

Hypothesis	Path Coefficient	T <sub>value</sub>	T <sub>critic</sub>	Results	Description			
Job satisfaction has an effect on OCB	0.6034	6.3367	1,96	H₀is rejected	Significant			
Work Environment has an effect on OCB	0.4038	6.0401	1,96	H₀is rejected	Significant			
(Source: Processed Data)								

(Source: Processed Data)

#### TABEL 6: SIMULTANEOUS TEST OF PATH COEFFICIENTS X- Y1

Hypothesis	R <sup>2</sup>	Fvalue	<b>F</b> table	Results	Description		
Job Satisfaction and Work Environment have an effect on OCB	0,6881	283,491	3,031	H₀is rejected	Significant		
(Source: Processed Data)							

TABLE 7: SUMMARY RESULTS

Variable	Effect (%)							
	Formula	Direct	Indirect	Description	Total			
Job Satisfaction( $\xi_1$ )	$\gamma^2_{\eta_1\xi_1}$	36,41%			44,46%			
	$\gamma_{\eta_1\xi_1} \times \phi_{\xi_1\xi_2} \times \gamma_{\eta_1\xi_2}$		8,05%	Throughξ <sub>2</sub>				
Work Environment (ξ₂)	$\gamma^2_{\eta_1\xi_2}$	16,31 %			24,36%			
	$\gamma_{\eta_1\xi_2}  imes \phi_{\xi_1\xi_2}  imes \gamma_{\eta_1\xi_1}$		8,05%	Throughξ1				
Simultaneouseffectof \$1 a	$R_{Y_1.X_1X_2}^2$	68,82%						
Other variables on $\eta_1$				ζ	31,18%			

#### (Source: Processed Data)

Job satisfaction is proved to have a positive and significant effect with a path coefficient of 0.6034 and t count value of 6.3367> t table of 1.96 for OCB. Work environment is also proved to have a positive and significant effect with a path coefficient of 0.438 and a t count value of 6.0401> t table 1.96 for OCB. The dominant dimension of the work environment variable is the work atmosphere dimension, while the dominant OCB variable is formed by the dimensions of sportsmanship behavior. Furthermore, based on the coefficient of determination of 68.82%, it can be concluded that both job satisfaction and work environment has 68.82% effect on organizational citizeship behavior while the rest of 31.18% shows that OCB is affected by other factors outside the model.

# 4.3. THE EFFECTOF JOB SATISFACTION( $\xi_1$ ), WORK ENVIRONMENT ( $\xi_2$ ) AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR ( $\eta_1$ ) ON WORKPERFORMANCE ( $\eta_2$ ) KD = 0.4133\*OCB + 0.3248\*KKD + 0.3400\*LK, Errorvar.= 0.1678, Rý = 0.8322

(0.1093) (0.1017) (0.09370) (0.06680) 3.7806 3.1927 3.6287 2.5120

# TABLE 8: STRUCTURAL MODEL CALCULATION RESULTS

Endogeneous Variable Exogenous Variable		Path Coefficient	T <sub>value</sub> (cr)	R <sup>2</sup>	Error Variance			
Job Performance(n <sub>2</sub> )	Work Satisfaction(ξ <sub>1</sub> )	0.3248	3.1927	0.8322	0.1678			
Job Performance(1)2)	Work Environment(ξ₂)	0.3400	3.6287					
	Organizational Citizenship Behavior( $\eta_1$ )	0.4133	3.7806					
	/C							

(Source: Processed Data)

#### **TABLE 9: HYPOTHESIS RESULT**

Hypothesis	Path Coefficient	T <sub>value</sub>	T <sub>critics</sub>	Results	Description
Job satisfaction has an effect on job performance	0.3248	3.1927	1,96	H₀ is rejected	Significant
Work Environment has an effect on job performance	0.3400	3.6287	1,96	H₀is rejected	Significant
Organizational Citizenship Behavior has an effect on job performance	0.4133	3.7806	1,96	H₀is rejected	Significant

#### (Source: Processed Data)

#### TABEL 10: SIMULTANEOUS TEST OF PATH COEFFICIENTS X- Y1-Y2

Hypothesis	R <sup>2</sup>	Fvalue	Ftable	Results	Description
Job satisfaction( $\xi_1$ ),work environment( $\xi_2$ ) and Organizational Citizenship Behavior( $\eta_1$ )have an effect on jobperformance	0,8322	423,2086	2,640	H₀is rejected	Significant

(Source: Processed data)

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	TABEL 11: SUMMARY RES	ULTS				
Variable	Effect (%)					
Vallable	Formula	Direct	Indirect	Description	Total	
	$\gamma^2_{\eta_2\xi_1}$	10,55%				
Job satisfaction ( $\xi_1$ )	$\gamma_{\eta_2\xi_1} \times \phi_{\xi_1\xi_2} \times \gamma_{\eta_2\xi_2}$		3,65 %	$\text{Melalui}\xi_2$	24,09%	
	$\gamma_{\eta_2\xi_1} \times \phi_{\xi_1\eta_1} \times \gamma_{\eta_2\eta_1}$		9,89 %	$\text{Melalui}\eta_1$		
	$\gamma^2_{\eta_2\xi_2}$	11,56 %				
Work environment (ξ <sub>2</sub> )	$\gamma_{\eta_2\xi_2} \times \phi_{\xi_1\xi_2} \times \gamma_{\eta_2\xi_1}$		3,65 %	$\text{Melalui}\xi_1$	23,68%	
	$\gamma_{\eta_2\xi_2} \times \phi_{\xi_2\eta_1} \times \gamma_{\eta_2\eta_1}$		8,47%	$\text{Melalui}\eta_1$		
	$\gamma^2_{\eta_2\eta_1}$	17,08%				
Organizational Citizenship Behavior ( $\eta_1$ )	$\gamma_{\eta_2\eta_1} \times \phi_{\xi_1\eta_2} \times \gamma_{\eta_2\xi_1}$		9,89 %	$\text{Melalui}\xi_1$	35,45%	
	$\gamma_{\eta_2\eta_1} \times \phi_{\xi_2\eta_1} \times \gamma_{\eta_2\xi_2}$		8,47%	$\text{Melalui}\xi_2$		
Simultaneouseffect $\xi_1, \xi_2, \eta_1 on \eta_2$				$R^2_{Y_2.X_1X_2Y_1}$	83,22%	
Other variables on $\eta_1$				ζ	16,78%	
	(Source: Processed Data	-				

#### (Source: Processed Data)

Job Satisfaction is proved to have a positive and significant effect with a path coefficient of 0.3248 and a value of t count 3.1927> t table 1.96 against the performance of the lecturer. The most dominant dimension in job satisfaction variable is the dimension of colleagues, while the lecturers' performance variable is in the field of education and teaching. Work Environment is also proved to have a positive and significant effect with a path coefficient of 0.3400 and a value of t arithmetic 3.6287> t table 1.96 against lecturer performance. The dominant dimension of the work environment variable is the work atmosphere, while the lecturer performance variables in the field of education and teaching. Furthermore, OCB is proved to have a positive and significant effect with a path coefficient of 0.4133 and a value of t arithmetic 3.7806> t table 1.96 against the performance of the lecturer. The dimensions of sportsmanship shape OCB variables, meanwhile the variable performance of lecturers is in the field of education and teaching.

Job satisfaction, work environment and OCB are simultaneously proven to have a positive and significant effect on the performance of lecturers with a contribution of 83.22%. As for the most dominant variables affecting the lecturer performance is OCB variable, with the most reflecting dimensions, namely: sportsmanship behavior, while the dimensions that most reflect the lecturer performance are: education and teaching.

## 5. CONCLUSION

To improve OCB in State Polytechnic of Sriwijaya, which is predominantly shaped by the dimensions of sportsmanship, it is necessary to improve the satisfaction of lecturer, especially on the dimensions of co-workers with indicators of social interaction and collaboration with coworkers and the work environment, especially in the work atmosphere dimension. In improving the performance of lecturers, especially the dimensions of education and teaching, the policy maker at Sriwijaya State Polytechnic can focus more on improving job satisfaction with the dimensions of co-workers' capital, increasing the comfort of the work environment especially in the atmosphere dimension work and synergized with OCB with dimensions of sportsmanship, without neglecting other dimensions.

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# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

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# STUDY ON PREFERENCE OF SMARTPHONE BY AHMEDABAD PEOPLE

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#### ABSTRACT

When consumer buy smartphone, what is their behaviour at that time, what factors are affecting here, what things consumer consider in their smartphone, by which parameters and factors they choose smartphone, how consumer prefer their smartphone, we want to know what is reality behind it. So, we conduct the study on preference of smartphone by Ahmedabad People. Here, we had done descriptive research. We targeted Ahmedabad city's all age group people. Our sample size is 100 people. And we had collected our primary data by questionnaire method by using convenience sampling method. In this research, we study that, what is behaviour of our respondents by age as well as gender wise, from where they gathered information about smartphone like, from commercial/ads, friend/relatives, online portals/experts, what factors are affecting them like, price, OS, design, display, performance, storage, camera etc., what things they consider in their smartphone, how they select their smartphone like, by reviews, popularity, recommended or self-knowledge. We also study the relationship between change in income and duration of change of smartphone.

#### **KEYWORDS**

Ahmedabad, smartphone.

#### JEL CODES

J10, M00, O30, Y1.

#### INTRODUCTION

smartphone is handheld personal computer with a mobile operating system and a cellular network connection for voice, SMS, and internet data communication.

Basically, a normal smartphone contains operating system, a display, processor, RAM, storage whether internal or external, a camera, battery, sim slot, network and connectivity circuit. And all this are merged together, carried in designed body, and form a typical smartphone.

Operating system includes apple iOS, Google android, BlackBerry's OS, Microsoft's windows OS. Design includes its dimension (height, weight, thickness) material used, colour, waterproofing. Display includes its size, resolution, pixel density, protection. Processor includes chipset/processor, RAM, core, speed. Storage includes internal storage as well as external/expendable storage capacity. Camera includes its resolution, aperture, video recording type. Network and Connectivity includes sim slots, network support, Wi-Fi, Bluetooth, GPS, NFC, USB type. Special/new features like quick charging, finger print sensor or other security features, IR blaster.

People buy a smartphone by considering all these things or maybe not. So, we want to know that what is reality behind it. What is behaviour of a consumer at this time, what factors are affecting in this process, what things a consumer consider in his/her smartphone? By which parameters and factors, consumer choose smartphone. And, what is the satisfaction level of consumer towards their smartphone after purchase. So, we choose this topic and start to do the research about this.

#### LITERATURE REVIEW

(Dr. Deepali R. Naidu, 2018) When it comes to identifying relationship between the primary purpose of phone usage and their opinion, preference and usage pattern, there is a moderate positive relationship. Gender wise there was a difference in using the application of Smart phones. Male students were found to use fitness and beauty apps more than female students. Education wise Science students were inclined towards usage of practical application videos and Commerce students used on line tutorials in order to prepare for their exams.

(Jhaveri & Sood, 2017) This Research paper focuses on young consumers' preference towards smartphone brands and features and whether this preference is affected by their gender. This should help manufacturers understand the market better. A study was carried out in a group of students in Ahmedabad. The aim is to find out what convinces consumers the most, is it the features or the brand of the handset; and if there is any gender bias in terms of the choices.

(Sarhandi, Bajnaid, & Elyas, 2017) It indicated that a statistically significant difference in the initiation times and distraction between experimental and control settings. Although no significant emotional difference was observed between the groups, the students themselves indicated a significant difference in their emotional attitude towards smartphone activities as compared to paper-based ones. The smartphone group managed to engage with activities, thereby overcoming many factors which affected the control groups' engagement levels.

(Lesitaokana, 2017) Research on the interactive relationship between youth and mobile phones has demonstrated that mobile devices have become indispensable in many aspects of youth lifestyles. This article considers two very distinct gendered identities resulting from mobile phone consumption among students in Botswana. one involving adolescent females using colourful mobile phones and brightly coloured casings for their handsets as symbols of fashion and modernity, and the other relating to their male counterparts mostly preferring to own smartphones that are costly as these handsets gratify their sense of having a contemporary personal status.

(Saraswathi, 2017) The main objectives of this study are to explore the trends of Smartphone and usage among students. Study revealed that, in the college, taking pictures, making a phone call, sending text message and studying are among the top purposes of usage. At home, participants use to download software, listening to music and taking video. Taking pictures has the least score. At other places, participants use smartphone for watching videos, listening to music, taking video and checking e-mails. Making phone calls has the least score. Majority of the students opined that smartphone is useful for education. More than 50 percent of the students use smartphone always.

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(Afroz, 2017) Brand preferences are usually studied by attempting to profile and understand loyal consumers. It is the indicator of the strength of a brand in the hearts and minds of customers. Brand preference represents which brands are preferred under assumptions of equality in price, battery durability, camera resolution and so on. In recent times smart phone plays a significant role among the users to meet up their numerous objectives by operating their desired smart phone.

(Mugo, Njagi, & Chemwei, 2017) The affordances of mobile technologies are being felt in many sectors of world's economy including university education. By solving the limitations of fixed instructional technologies, mobile technologies have received ready acceptance in the education place. The purpose of the study was to investigate the student technological preferences, their levels of utilization as well as attitudes toward mobile technologies. Regarding the levels of utilization of mobile technologies by students, it was concluded that though students use their mobile devices sufficiently, the use of the devices for accessing teaching and learning content was considerably low.

(Ansari, et al., 2016) A smartphone is a device which offers advanced technologies, functions similarly to a computer, supports multitasking and makes it easy to remain connected with others. The results of this study provide insights into the prevalence of respondents' usage of smartphones and their habits and behaviour related to smartphone use itself especially among the younger generation of social disorders such as nomophobia and phubbing. In addition to documenting the experience of smartphone users, the research also examines personality patterns related to smartphone usage, the trends of different age groups, and the effects of gender preferences.

(Shivaratri, 2016) Since then, the market focus has been on mobile replacement rather than on first-time purchase, and the profiles of buyers - and of their tastes, needs and preferences - have changed to a remarkable extent. A new generation of mobiles - generally labelled Smartphones has roused which general consumer interest. The present study identifies the consumer choice patterns regarding the six attributes of a Smartphone: RAM, Memory, Camera, Battery backup, Colour, and size. And the differences of opinion regarding the preferred attributes between the subgroups that can help design a marketing plan to target that particular segment of subgroup.

(V, Thakare, & S, 2016) Multi-Criteria Decision Making (MCDM) is a sub-discipline of Operations Research which deals with decision problems under the presence of a number of criteria. A typical MCDM problem involves the evaluation of a set of alternatives in terms of a set of decision criteria. Technique for Order of Preference by Similarity to Ideal Solution (TOPSIS) is one of the popular multi-criteria decision-making method. It is based on the concept that the best alternative should have the shortest distance from the ideal solution and the farthest distance from the negative ideal solution. Here, TOPSIS method to determine the preference order of the set of smart phones based on their various features is described.

(Khawas, 2016) A thorough knowledge of Consumers and an understanding of their behaviour is essential if the businessman wish to continue to remain in business. Once having understood the behaviour of consumers and knowledge that their behaviour can be influenced, the organization Can initiate a number of steps to do so. The main aim of study is to find out the factors which are influencing consumer behaviour of Smartphone users. The study is mainly focused towards the growing use of Smartphone and what are the factors associated with it, and Why people would prefer Smartphone rather than ordinary handsets.

(Sinha & Mishra, 2016) Mobile today is the most sought-after device required by every one for communication and for many other usages. People prefer smart phones because of its facility of internet and social media features while they prefer feature phone because of its cost effectiveness. This study focuses on the views and perception of consumers of Bhopal city towards mobile hand set. In which different income group people of male and female were randomly selected. The collected data with different variables is analysed on various aspects to come to conclusion of significance.

(Hwang & Park, 2016) The paper aims to analyse the effect of media use behaviour of cell phone users on the preferences for cell phone specifications. Based on the survey data of the Korean Information Society Development Institute and data on hardware attributes of mobile phone models, they employed a mixed logit model for the estimation of the interactions between consumer attributes and product characteristics. Since cell phone producers are sensitive to cell phone customers' preferences for hardware specifications, this study's results can provide a clue to predict technological changes on cell phone hardware.

(Rahim, Safin, Kheng, Abas, & Ali, 2016) The expansion of mobile communication technology e.g. wireless internet, mobile phone and Global Positioning System (GPS) are constantly evolving and upgrading as a result of consumers' changing needs and preferences. Therefore, this paper examines about factors influencing purchasing intention of smartphone among university students. The result shows that three variables that are product features, brand name and social influence have significant relationship except one variable, product sacrifice that has no significant relationship with purchasing intention.

(Dospinescu & Florea, 2016) The wide range of mobile phones transform the decision-making process of buyers in a tough assignment. One of the conditions that a smartphone to be successful on the market, when technical services and features offered are perceived as undifferentiated, represent elements of visual impact. The design is now one of the most important agents of satisfaction of the consumer universe of experiences. The knowledge gained from this research could provide some elements to build strong brand equity and identity that would lead to increasing their sales volume.

(Çelik, Eygü, & Oktay, 2015) Here, the main objective of this paper is to determine factors that may possibly contribute to young consumers' smartphone brand preference in a developing country with a particular emphasis on undergraduate students in Turkey. The dependent variable of this study is smartphone brand with a four-category. Estimation results suggest monthly individual income and smartphone use in years have an increasing and decreasing impact on the use of a specific brand, respectively. Results also reveal that monthly household income, price of current smartphone, product design, product weight, and after purchase services have both increasing and decreasing influence regarding a specific brand preference. (Pandey & Nakra, 2014) Nowadays, many manufacturers are tapping this potential market which has created a lot of choice availability for the customers. This paper focuses on the consumer preference towards smartphone brands. One of the major factors for selecting a smartphone is the Operating System (OS). This paper studies the consumer preference towards various OS and preference towards a smartphone brand with android as its OS. The study found that android and iOS are the most preferred OS, while Samsung is the highest preferred brand to be selected for an android platform. The price, screen size and RAM size are the most important attributes while choosing the smartphone brand.

(Rani & Sharma, 2014) Despite the rapidly growing competition, the study of consumer behaviour is very important. The aim of this paper is to analyse the consumer preference for brand of Smartphone (in Rohtak city) and second, to determine whether there is a significant difference between preferences for features of smart phones on the basis of gender (special reference to Blackberry, Samsung, Apple and Nokia).

(Gill, 2016) The perception of customers regarding smart phones is progressively becoming an issue of study for marketing research professionals. Consumer behaviour regarding perception towards smart phone's, buying choices; to post-usage behaviour is a subject of research for marketers. India is a standout amongst the developing economies due to its high growth rate, large population, high aspiration levels, increasing disposable incomes, and a large proportion of population being below thirty-five. This study investigates the external and internal variables which aid in influencing the young purchaser acquiring a smart phone.

(Vikram & Ramanathan, 2015) They considered trend in smartphone among the people is the main reason that has amplified the interest to research on the topic. The aim of their research is to find out the customer behaviour of smartphone buyers in Indian market. Their research is trying to find out why people desire to purchase a smartphone and what influence people in purchasing a smartphone and what motivate them in making the purchase decision. Price, quality, brand, country of origin, marketing, sales, word of mouth etc. could be several factors that a consumer may think before buying a smartphone.

(Kumar & Iyswariyaniranjana, 2015) They studied customer purchase behaviour towards smartphone. Customer buying is not mere transfer of item from seller to buyer. Consumer wants buying to become a happy affair. They would like to see, touch and feel the commodities that they buy. Understanding this psychology for the consumer many organizations have come to make purchase of happy affair. The present study is conducted in Erode city and it is decided to consider different smart phones like Nokia, Sony Ericsson, Samsung, HTC and Micromax. This study helps to know the factors which influencing the consumer to purchase Smartphones, to know the buying behaviour of the consumer while choosing Smartphones, to know the consumers satisfaction level towards different branded smart phones. The study was conducted towards Mobile Phone users.

(Setiawan MM & MM, 2014) They suggested the intention to switch smartphone is an interesting issue to be studied, because it can be used to elaborate the consumers' intention to switch otherwise give insights and stimuli for marketer to maintain their relationship with customers. The questionnaire contains of six variables and thirty-one items. Consumers will consider beyond physical attributes and price, they are: beneficial and image attribute. They engage in a form value of benefit-cost ratio. Besides that, convenience and perceived value were found positive significant on attitude toward switching. This circumstance is the same with mediating variable attribute toward switching on intention to switch smartphone. In this study, implications of the results were also discussed.

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(Prasad, 2016) He suggested Indian youth has a strong inclination towards the gadgets with preference for latest software. The factor of success for smartphones over the years has been not only in their ability to run well, but also to give access to extended capabilities via third-party apps. A customer attitude model is being developed through the variable taken as service quality, service value and service involvement is being designed and validated through the empirical method of factor analysis.

(Guleria, 2015) According to her, consumer preferences are defined as the subjective or individual tastes, as measured by utility. The related study is conducted in Solan town of Himachal Pradesh with a sample size of 80 Smartphone users to highlight the change in the usage and applicability of the technology from the traditional handsets to the new emerging smartphones across multiple brands, applications and prices. The study identifies factors which are responsible for building consumer preference for Smartphone and various usability features. Moreover, study will indicate suggestive inferences to help the companies during STP (selecting, targeting and positioning) process of marketing their Smartphone.

(Nur Hazwani Mohamad Roseli, 2016) His study focused on the relationship between Smartphone's preferences with buying decision among consumers. 327 students from selected higher education institution in Malaysia had been chosen as the respondents for the study. A convenient sampling technique and a five-point Likert scale validated questionnaire were employed in the study. The research used Pearson Correlation Analysis in attempt to achieve the objectives. Based on the statistical analysis, all variables namely product features, brand name, price and social features have a positive relationship with the consumers buying decision.

#### **IMPORTANCE OF THE STUDY**

By our research mobile companies can analyse it, as well as retail/sales man, & they can change their strategy according it. Both of them can know the behaviour of consumer about selection of smartphone. This data can help companies that, what consumer want in their mobile according they include/improve the features.

#### **OBJECTIVES OF THE STUDY**

- 1. To study preference of smartphone by Ahmedabad People.
- 2. To know which factors are affecting at time of purchase.
- 3. By which parameters & factors consumer choose Smartphone.
- 4. Consumer behaviour at time of buying Smartphone.

#### **HYPOTHESIS**

H0 (1):- People don't buy smartphone according to their need.

- H1 (1):- People buy smartphone according to their need.
- H0 (2):- Sales staff of store/market doesn't influence the decision of the consumer.
- H1 (2):- Sales staff of store/market influences the decision of the consumer.
- H0 (3):- There is no relationship between change in income and duration of changing smartphone.
- H1 (3):- There is relationship between change in income and duration of changing smartphone.

#### **RESEARCH METHODOLOGY**

This study had targeted Ahmadabad city. It has included all age group who are using smartphone. We had use descriptive research design, because this study describes various characteristic of Ahmedabad population behaviour about how consumer choose the smartphone, their perception, and their preferences. It also describes various aspects of which factors are affecting during selection of smartphone. We had use questionnaire to get response from respondents and use their response as our primary data. We had preferred website, which provide all the information about mobile & observe expert talks & suggestion, about smartphones for our personal information. The data is collected from Ahmedabad city, people who bought Smartphone in past or who willing to buy new Smartphone. Here, data is collected by convenience sampling method from 100 respondents.

#### **ANALYSIS AND INTERPRETATION**

TABLE 1: ONLINE REQUEST FOR ADVICE ON SELECTION									
Frequency Percent Valid Percent Cumulative Percen									
	Yes	61	61.0	61.0	61.0				
Valid	No	39	39.0	39.0	100.0				
	Total	100	100.0	100.0					

#### INTERPRETATION

According to our research, majority of our respondents put online request to expert/portals, to get advice on selection before buying their smartphone. Around 61% of our respondents put online request for this. 39% of our respondent don't put online request for this.

TABLE 2: VISIT STORE FOR PHYSICAL/PERSONAL TOUCH OF SMARTPHONE								
		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>			
	Yes	72	72.0	72.0	72.0			
Valid	No	28	28.0	28.0	100.0			
	Total	100	100.0	100.0				

#### INTERPRETATION

According to our research, around <sup>1</sup>/<sub>4</sub> of our respondent don't visit store for physical/personal touch of smartphone before they bought their smartphone. Rest of our 72% respondent visit store for physical/personal touch.

TABLE 3: REASON FOR BUYING SMARTPHONE							
Reason	Frequency	Percentage					
New technology exist/improved technology	76	43.93%					
New features available	50	28.9%					
Want to switch smartphone	25	14.45%					
New upgrade/update available	21	12.13%					
Other	1	0.57%					

#### INTERPRETATION

43.93% of our respondent buy smartphone because of new technology exists/improved technology. 28.9% of our respondent buy smartphone because of new features are available. 14.45% of our respondent buy smartphone because they want to switch smartphone. 12.13% of our respondent buy smartphone because new upgrade/update available respectively.

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TABLE 4: DURATION OF CHANGING MOBILE/SMARTPHONE								
		Frequency	Percent	Valid Percent	<b>Cumulative Percent</b>			
	Less than 1 year	10	10.0	10.0	10.0			
	1 to 2 years	40	40.0	40.0	50.0			
Valid	2 to 3 years	40	40.0	40.0	90.0			
	More than 3 years	10	10.0	10.0	100.0			
	Total	100	100.0	100.0				

#### INTERPRETATION

10% of our respondents change their smartphone in less than one year of duration. 40% of our respondents change their smartphone in one to two years of duration. 40% of our respondents change their smartphone after more than three years of duration.

#### TABLE 5: GATHER INFORMATION ABOUT SMARTPHONE

Source	Frequency	Percent					
Commercial/advertisement	48	30.37%					
Friends/relatives	54	34.17%					
Online portals/experts	56	35.44%					
Other	0	0					

#### INTERPRETATION

30% of our respondents gather information from commercial/advertisement. 34% of our respondents gather information from friends/relatives. 35% of our respondents gather information from online portals/experts.

#### TABLE 6: FACTOR AFFECTING ABOUT SELECTION OF SMARTPHONE

Factors	Frequency	Percentage
Price	77	11.91%
Launch date	19	2.94%
Brand	61	9.44%
After sale service of brand	31	4.79%
OS	31	4.79%
Sims slot	30	4.64%
Design	38	5.88%
Display	42	6.5%
Performance	64	9.9%
Storage	58	8.97%
Camera	61	9.44%
Battery	46	7.12%
Network & Connectivity	41	6.34%
Special feature	41	6.345
None	6	0.92%
Other	0	0%

#### INTERPRETATION

There are many factors which are affecting our respondents, about selection of smartphone, they are mentioned above. Price is the only factor which affect majority of our respondent.

#### TABLE 7: SPECIAL REASON FOR BUYING SMARTPHONE

Special Reason	Frequency	Percentage
Gaming	22	5.99%
Camera	65	17.71%
Performance	72	19.61%
Display	43	11.715
Battery size	36	9.8%
Sims slot	37	10.08%
Innovation/features	44	11.98%
Storage size	43	11.71%
None	2	0.54%
Other	3	0.81%

#### INTERPRETATION

There are also some special reasons because our respondents buy smartphone, they are mentioned above. Majority of our respondent buy smartphone for performance purpose.

#### TABLE 8: SELECTION OF PREFERRED SMARTPHONE

TABLE 8. SELECTION OF PREFERRED SMARTPHONE							
Factors	Frequency	Percentage					
By reviews/overall review	59	32.06%					
Popularity	52	28.26%					
Recommended by portals/experts	29	15.76%					
Self-knowledge	43	23.36%					
Other	1	0.54%					

#### INTERPRETATION

According to our research 32.06% of our respondent select their preferred smartphone by view review/ overall reviews. 28.26% of our respondents select their preferred smartphone by popularity. 15.76% of our respondent select their preferred smartphone after recommendation of portals/expert. And 23.36% select their smartphone by their self-knowledge.

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TABLE 9: VIEW REVIEWS/INFORMATIVE VIDEOS ABOUT SELECTED SMARTPHONE BEFORE BUYING						
Frequency Percent Valid Percent Cumulative Perce				Cumulative Percent		
	Yes	74	74.0	74.0	74.0	
Valid	No	26	26.0	26.0	100.0	
	Total	100	100.0	100.0		

#### INTERPRETATION

74% of our respondent view review/informative video about their selected smartphone before they buy their phone and 26% of them don't.

TABLE 10: SALES STAFF INFLUENCE THE DECISION							
Frequency Percent				Valid Percent	<b>Cumulative Percent</b>		
	Yes	66	66.0	66.0	66.0		
Valid	No	34	34.0	34.0	100.0		
	Total	100	100.0	100.0			

#### INTERPRETATION

66% of our respondents say that when they go to the physical store/market sale staff influence their decision. But 34% of them don't say this.

#### TABLE 11: METHOD OF BUYING SMARTPHONE AND AGE

				Age					
		Less than 18 years	18 to 25 years	25 to 30 years	More than 30 years				
How did you have your coortahana?	Offline/Market/Store	6	54	4	6	70			
How did you buy your smartphone?	Online	2	24	1	3	30			
Total		8	78	5	9	100			

#### INTERPRETATION

54% of our respondent buy smartphone from store/market and they are 18 to 25 years of age. And other findings are mentioned above.

#### TABLE 12: SALES STAFF INFLUENCE DECISION AND AGE

	Age				Total	
		Less than 18 years	18 to 25 years	25 to 30 years	More than 30 years	
If you bought from offline/market/store, would you think sales	Yes	7	50	2	7	66
staff influence your decision to buy?	No	1	28	3	2	34
Total		8	78	5	9	100

#### INTERPRETATION

Half of our respondents say sales staff influence their decision and all are belonging 18 to 25-year age group/ category. 28% of them don't say this and they are also belonging to 18 to 25 year of age category.

TABLE 13: VIEW REVIEWS/INFORMATION VIDEOS OF SELECTED SMARTPHONE BEFORE BUY AND AGE							
Age					Total		
		Less than 18 years	18 to 25 years	25 to 30 years	More than 30 years		
Did you view reviews/informative videos about your selected	Yes	6	61	2	5	74	
smartphone before you bought your phone?	No	2	17	3	4	26	
Total		8	78	5	9	100	

#### INTERPRETATION

61% of them view reviews/ informative videos and they are belonging to 18 to 25-year age category. 17% of them don't view review/informative videos and they are also 18 to 25-year age category.

#### TABLE 14: METHOD OF BUYING SMARTPHONE AND GENDER

	Ge	nder	Total	
	Male	Female		
	Offline/Market/Store	48	22	70
How did you buy your smartphone?	Online	26	4	30
Total	74	26	100	

#### INTERPRETATION

48% of our respondents buy smartphone from store/market and they are male. 22 of them buy smartphone from store/market and they are female.

#### TABLE 15: SALES STAFF INFLUENCE DECISION AND GENDER

		Ge	nder	Total
		Male	Female	
If you bought from offline/market/store, would you think sales staff influence your decision to buy? E	Yes	50	16	66
	No	24	10	34
Total				100

#### INTERPRETATION

50% of our respondents say sales staff influence their decision and they are male. 16% of them who are female say sales staff influence their decision.

#### TABLE 16: VIEW REVIEWS/INFORMATIVE VIDEOS FOR SELECTION OF SMARTPHONE AND GENDER

		Ge	Total	
		Male	Female	
Did you view reviews/informative videos about your selected smartphone before you bought your phone?	Yes	56	18	74
Did you view reviews/informative videos about your selected smartphone before you bought your phone?	No	18	8	26
Total				100

#### INTERPRETATION

56% of them who are male they view reviews/informative videos about their selected smartphone before they buy. 18% of them who are female who view reviews/informative videos for this.

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			-			
	Annual income					Total
		Less than 5 lakhs	5 to 10 lakhs	10 to 15 lakhs	More than 15 lakhs	
Duration for shareing mobile (another bare	Less than 1 year	6	2	1	1	10
	1 to 2 years	25	6	2	7	40
Duration for changing mobile/smartphone.	2 to 3 years	28	9	3	<ul> <li>More than 15 lakhs</li> <li>1</li> <li>7</li> <li>0</li> <li>0</li> <li>8</li> </ul>	40
	More than 3 years	10	0	0	0	10
Total		69	17	6	8	100

TABLE 17: DURATION FOR CHANGING MOBILE/SMARTPHONE AND ANNUAL INCOME

INTERPRETATION

28% of our respondent who earn less than 5 lakhs annual, change their smartphone in 2 to 3 years. 9% of them, who earn 5 to 10 lakhs annually, change their smartphone in 2 to 3 years of duration. 3% of them, who earn 10 to 15 lakhs annually, change their smartphone in 2 to 3-year duration. 7% of them who earn more than 15 lakhs per annum change smartphone in 1 to 2 years of duration.

# HYPOTHESIS TESTING

# HYPOTHESIS 1

H0:- People don't buy smartphone according to their need.

H1:- People buy smartphone according to their need.

TABLE 18: BINOMINAL TEST OF HYPOTHESIS (1)							
			Ν	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)	
Did you buy smartphone according to your need?	Group 1	Yes	91	.91	.50	.000	
	Group 2	No	9	.09			
	Total		100	1.00			

#### INTERPRETATION

H0 is rejected because; here significance level is 0.000, which is less than standard value 0.05. So, the result is, people buy smartphone according to their need. HYPOTHESIS 2

H0:- Sales staff of store/market doesn't influence the decision of the consumer.

H1:- Sales staff of store/market influence the decision of the consumer.

TABLE 19: BINOMINAL TEST OF HYPOTHESIS (2)								
	Category	Ν	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)			
If you bought from offline/market/store, would you think sales staff influence your decision to buy?	Group 1	No	34	.34	.50	.002		
		Yes	66	.66				
	Total		100	1.00				

#### INTERPRETATION

H0 is rejected because; here significance level is 0.002, which is less than standard value 0.05. So, the result is sale staff of store/market influence the decision of the consumer.

HYPOTHESIS 3

H0:- There is no relationship between change in income and duration of changing smartphone.

H1:- There is relationship between change in income and duration of changing smartphone.

TABLE 20:- CHI-SQUARE TEST OF HYPOTHESIS (3)						
	Value	df	Asymp. Sig. (2-sided)			
Pearson Chi-Square	13.966a	9	.124			
Likelihood Ratio	18.833	9	.027			
Linear-by-Linear Association	6.139	1	.013			
N of Valid Cases	100					

#### INTERPRETATION

H0 is accepted because; here significance level is 0.124, which is greater than standard value 0.05. So, the result is, there is no relationship between change in income and duration of change of smartphone.

#### FINDINGS

- According to our research, majority of our respondents put online request to expert/portals, to get advice on selection before buying their smartphone. Around 61% of our respondents put online request for this.
- Around ¼ of our respondent don't visit store for physical/personal touch of smartphone before they bought their smartphone. Rest of our 72% respondent visit store for physical/personal touch.
- 91% of our respondents buy smartphone according to their need.
- 43.93% of our respondent buy smartphone because of new technology exists/improved technology.
- Price is the only factor which affect majority of our respondent.
- Majority of our respondent buy smartphone for performance (processor/chipset, RAM) purpose.
- 32.06% of our respondents select their preferred smartphone by view review/ overall reviews. And 28.26% of them select by popularity.
- 74% of our respondent view review/informative video about their selected smartphone before they buy their phone and 26% of them don't.
- 70% of our respondents don't buy online, they prefer market or store. But rest of 30% buys smartphone online.
- Sales staff of store/market influence the decision of the consumer. 66% of our respondents say that when they go to the physical store/market sale staff influence their decision.
- There is no relationship between change in income and duration of change of smartphone.

#### TABLE 21: SUMMARY OF HYPOTHESIS

Hypothesis	Particulars	Result
H0 (1)	Don't buy smartphone according to need.	Rejected
H0 (2)	Sale Staff of store/market don't influence the decision of the consumer.	Rejected
H0 (3)	No relationship between change in annual income and duration of change of smartphone	Accepted

#### SUGGESTIONS

- People should put online request to portal/expert for suggestion before buy their smartphone.
- People should buy smartphone according to their need. If people would buy such smartphone that they don't need, then they spend more money which is worthless.
- People should view reviews/ informative videos about their selected smartphone before buying decision.
- People should select smartphone according reviews/ overall review before they buy.
- People should don't buy smartphone by just popularity or trend, because popular smartphone is not always same as people's need and people's like and dislike. Example, there is smartphone named Samsung Galaxy J2 Pro, which is launched in July 25, 2016. It is not so good, as well as it is costly in terms of value of that mobile, but it's sold millions of millions unit in India just because the popularity of Samsung Brand. There is smartphone Brand named Xiaomi, which don't give such user friendly custom operating system, it called MIUI. It is not so user-friendly user interface with compare to Google's stock android. People who used Google stock Android in their past, face difficulties to use MIUI. But still maximum people buy Xiaomi's smartphone, just because it is very popular. And one of Xiaomi's smartphone named Xiaomi Redmi Note 4, it become India's largest selling mobile in 2017. The same thing is happening with Oppo and Vivo. The price of Oppo and Vivo's smartphone are little costly with compare to other. But Oppo and Vivo do too much advertisement and make their smartphone popular. And people buy their costly smartphone, just because of popularity and people pay more.
- People don't be influence by sales staff of store/market, because what they say is not truth always.

#### CONCLUSION

The major purpose of this study is to analyse consumer behaviour towards smartphone by Ahmedabad people. We find that what is behaviour of our respondents, from where they gathered information about smartphone, what factors are affecting them, like, price, OS, design, display, performance, storage, camera etc., what things they consider in their smartphone, how they select their smartphone. We also study the relationship between change in income and duration of change of smartphone. We also find some interesting facts such as, Oppo and Vivo more focuses on advertisement as well as they make strong supply chain by giving maximum commission to the retailer for selling their smartphone. It is roughly about 14%, (approximately) where normal company give only 3% to 4% commission. This is maximum commission rate in whole Indian smartphone market.

#### LIMITATION

This study is held in Ahmedabad city and there is many population, almost all who buy smartphone or who willing to buy. It but because of convenience data collection method this study can't reach each & every consumer. This study held only in Ahmedabad city so, it can't reflect whole market or all consumer's preference. Time for research is limited.

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