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From The Editor's Desk

I take this opportunity to thank all contributors and readers for making *Tecnia Journal of Management Studies* an astounding success. The interest of authors in sending their research-based articles for publication and overwhelming response received from the readers is duly acknowledged. I owe my heartfelt gratitude to all the management institutes for sending us their journals on mutual exchange basis, and their support to serve you better.

We are happy to launch the Fifteenth issue of our academic journal. The present issue incorporates the following articles:

- ❖ An In-Depth Analysis Of Advertising Process Models Vs. FCB Matrix
- ❖ Cloud Computing & organizational Change-The Myth and the Fact
- ❖ A Study of Foreign Investment in Retail Sector-An FII Perspective
- ❖ Critical Success Factors Of Mobile Banking Adoption
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My thanks to the authors, Dr. Kavita P Kshatriya, Dr Sandeep Kumar, Mr Deepak Kumar, Prof. Sanjiv Mittal, Dr. Ajay Kumar Rathore, Dr. Raj Kumar Sharma, Dr. H.P. Pandey, Ashish Kumar Singh, Dr. Satish Chandra Gaur, Sunita Shukla, Farhat Mohsin, Dr. Vikas Singh, Mr. Rachin Suri, Jitender Rao, Dr. Masroor Ahmad Beg, Dr Anand Sharma, Mr. Sandeep Kumar Bharti & Mr Ashish Gupta who have sent their manuscripts in time and extended their co-operation particularly in following the American Psychological Association (APA) Style Manual in the references.

I extend my sincere thanks to our Chairman Sh. R. K. Gupta, who has always been a guiding light and prime inspiration to publish this journal. I am grateful for his continuous support and encouragement to bring out the Journal in a proper form. I also appreciate Editorial Committee Members for their assistance, advice and suggestion in shaping up the Journal. My sincere thanks to our distinguished reviewers and all team members of Tecnia family especially to Mr. Pradeep Kumar Palei for their untiring efforts and support in bringing out this bi-annual Journal.

I am sure the issue will generate immense interest among corporate members, policy-makers, academicians and students.

Editor

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AN IN-DEPTH ANALYSIS OF ADVERTISING PROCESS MODELS Vs. FCB MATRIX

Kavita Kshatriya*

Abstract : Sales Promotion, a short-term inducement, offered to a consumer or trade has gained momentum as a promotional tool world over. It represents nearly three fourth of the marketing budget at most consumer product companies [1]. Sales promotion is used to reduce dissonance and in turn the risk involved in the purchase process of a consumer. The risk could be financial, functional, social or psychological. Sales promotion can be used both for shaping of new behaviour as well as reinforcing existing behaviour. Once the advertising objectives and appeals have been decided, the creative advertising team must decide how to present the product so that the message will have the maximum impact on the target market. Advertisers are constantly trying to define how advertising works, and from two advertising models reviewed in this paper, they often try to pick meaningful communications objectives. This paper reviews the current and past literature of advertising models; several different models will be examined in greater detail with an empirical comparison using advertisements from around the world.

Keywords : Advertising Process, AIDA, Model, FCB Matrix.

Introduction

Advertising is a form of promotion, and promotion is the face of a company. As one of the four pillars of marketing (along with product, place, and price), promotion encompasses the variety of techniques an advertiser uses to communicate with current and potential consumers. The goal of promotion is to ensure that targeted customers know and like a company's products.

This paper will focus specifically on advertising. There are many tools available to communicate a brand message to potential consumers, including ads on television and radio, print ads in newspapers and magazines, on the world wide web, outdoors on billboards and bus shelters, as well as in store promotions, coupons, direct mail, and many others. Originality is important, since countless other marketing messages are bombarding the same potential consumer each day. Ogilvy (1985) suggests that the average American family has the television

turned on for six hours a day, and is exposed to 30,000 television commercials annually.

While advertising is usually involved in selling a company's goods or services, there are other purposes of advertising including selling ideas, gaining political support, persuading people or firms to take an action or so on. This article, however, will focus on advertising and how it relates to selling a company's goods or services.

The type of promotional effort employed by the firm depends on several things. One of the preliminary questions that should be addressed is whether the firm should adopt a push or pull strategy (Bovee et al., 1995). A push strategy is one where a firm focuses its promotions on wholesalers or retailers and encourages these companies to push the products directly onto consumers. By contrast, a pull strategy occurs when a firm creates demand at the customer end and relies on this demand to pull products through the marketing channel as customers ask retailers,

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and retailers ask wholesalers, and wholesalers ask a firm for the product (Bovee et al., 1995). In addition, different products, at different stages of the product life cycle, require different promotional strategies to achieve different objectives. To pull buyers to a store or to push the distribution channel to stock and sell, there are five general categories of promotion:

- Advertising
- Personal selling
- Sales promotion
- Public relations and publicity
- Direct selling

Given the tremendous expenses involved in the typical advertising campaign, it will be useful to understand how advertising works, which message strategy is appropriate for certain products, or generally how to increase the return on the advertising investment. The conventional wisdom is that most cases, more advertising is preferable to less, and that advertising takes a long time (many months, or in some cases even years) to increase sales. Abraham and Lodish (1990) disagree and suggest that the actual return on advertising investment is extremely low "...only 16% of trade promotions are profitable – and for many, the cost of an extra one dollar of sales is greater than one dollar". The famous suggestion that "half of the money spent on advertising is wasted, but it is not clear which half" indicates that pursuing effective advertising can be a challenge.

Advertising purpose, appeal and message strategies

Advertisers create ads with a variety of objectives in mind from getting people to sample a product, to persuading them to donate money for an environmental cause or vote for a political candidate. Here are six categories of advertising purpose, arranged from most direct to most indirect (Jones 1992 and Bovee et al., 1995):

- To prompt action: Direct action advertising is designed to motivate people to act. It involves ads that try to persuade people to make a purchase, call a phone number, or mail/fax/email an order form, and includes many of the common ads consumers see in newspapers, in-store advertising and package advertising.
- To encourage information search: In some cases, it is unreasonable to assume that a consumer is ready to make an immediate purchase based solely on advertising. In these cases, consumers need more information – a test drive or a demonstration – before making up their minds. This is often the case for big-ticket items and such ads often include a telephone number or website so the consumer can seek more information.
- To relate product to needs: A less direct form of advertising, this category includes those ads that draw a link in the consumers' minds between the product and their needs as a consumer.
- To encourage recall of past product satisfaction and prompt a repurchase: Ads of this nature are designed to summon memories of past satisfaction and get customers to purchase a product again.
- To modify attitudes: One of the more challenging objectives facing advertisers is to modify attitudes towards a product. This is often appropriate when a firm's product has received a bad reputation for one reason or another or if a firm is attempting to recapture customers they lost to a competitor. Tylenol employed this strategy after its headache medication was sabotaged with cyanide.
- To reinforce attitudes: The final category of advertising objectives seeks to reinforce attitudes that customers already have towards a product. Market leaders (such as Coke or McDonald's) often use this to maintain their market share and volume.

Advertisements work because they make an effective appeal to some need or desire in the people who view, read or listen to them. The advertising appeal is an attempt to draw a connection between the product and the audience. At the broadest level, there are two main types of appeals: logical and emotional. Logical appeals aim for the buyer's head, while emotional appeals aim for the buyer's heart. Appeals can be either positive or negative. The most common types of appeals are based on price or value; quality; star identification; ego; fear and/or anger; the five senses; sex, love and social acceptance; and novelty (Jones 1992).

Once the advertising objectives and appeals have been decided, the creative advertising team must decide how best to present the product so that the message will have the maximum impact on the target market. Some of the more common message strategies used for creative execution are (Tuckwell 1998):

- Testimonials: In a testimonial ad, a typical user of the product presents the message. Since ordinary people are used, (as opposed to models or celebrities), the message is usually perceived as being believable.
- Endorsements: An endorsement is essentially a celebrity testimonial, where the advertiser attempts to capitalize on the popularity of the celebrity. Some of the more prominent celebrities endorsing products include Michael Jordan for Nike, Gatorade, Hanes and Wheaties, Tiger Woods for Nike and Buick, Wayne Gretzky for McDonald's, Candice Bergen for Sprint and Bill Cosby for Jello-O and Kodak.

- **Product demonstration:** The use of a product demonstration is quite common in advertising and centres on product performance. Several executional formats are available including the "before and after", which is often appropriate for diet related products, or a simple demonstration of the product at work, which is regularly used for many household products.
- **Product as Hero:** In the case of product-as-hero, the advertiser presents a problem situation (using a negative appeal strategy), which is quickly solved when the product comes to the rescue. For example, television commercials always show Bounty paper towels as the most effective choice for messy spills.
- **Torture test:** In a torture test, a product is exposed to exaggerated punishment or abuse in order to substantiate a product claim that is known to be of interest to consumers. The Timex watch campaign, "Takes a licking and keeps on ticking", is a classic case of the creative execution of a message strategy that uses torture testing, where the watch is subjected to a variety of extreme conditions, but continues to operate properly. One example showed a watch that had been underwater for several weeks, and only needed to be wound (in the days before batteries) to operate once again.
- **Product comparisons:** A final message strategy compares one product against another in the same category. To be successful, the attribute singled out must be important to consumers. A successful comparison campaign is the one used by Visa to position its credit cards as being more widely usable than American Express, with such themes as "Bring your Visa card – they don't take

American Express". Product comparisons are illegal in some markets (Ogilvy 1985).

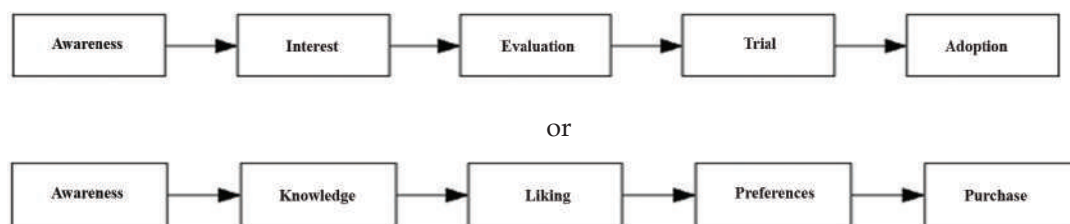
How Advertising Works: Models of advertising

Advertisers are constantly trying to define and model how advertising works, and from these models, they often try to pick meaningful communications objectives (Bovee et al. 1995). This section reviews the current and past literature of advertising models. Several different models of advertising are presented and two models will then be examined in greater detail with an empirical comparison.

1- Hierarchy of Effects Models

One of the earliest influential models was called DAGMAR, an acronym for Defining Advertising Goals for Measured Results, a book that was first published in 1961 (Colley 1984), also commonly known as the AIDA model. The model was built around four stages of communication results: awareness, comprehension, conviction, and action. Colley argued that it is possible to pick the appropriate stage in the communication process and use it to define advertising objectives. Since its first publication, there have been numerous variations published, each a variation of the hierarchy of effects model since they show several phases of communication, progressing from initial awareness up to the decision to make a purchase (Jones 1986).

Lavidge and Steiner (1961) first suggested that consumers respond in terms of a hierarchy of effects, which is a sequence of stages a prospective buyer goes through from initial awareness of a product to eventual action (either trial or adoption of the product).



Such models present a learning process by which consumers progress through a series of predetermined functions to complete the buying process. These models assume that a purchase will only be made when all the steps in the hierarchy of effects have been completed. The model is dynamic in that each single step in the sequence depends

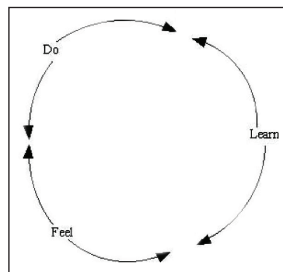
upon the preceding step. Hansen (1972) concludes "A major problem with this model is to identify all the single steps in the process, and it is questionable whether the assumption is valid that all consumers pass through all steps." It is common practice to group these models into the standard AIDA hierarchical model as illustrated below:



Whatever the variety, a hierarchy of effects models is based on the assumption that people first learn something from advertising, then form feelings about the product in question, and finally take action (for example, purchasing a product). This order of stages is often called the learn-feel-do sequence (Bovee et al. 1995). While enjoyed because of its simplicity, advertising does not always work in such a clear, straightforward, and logical manner.

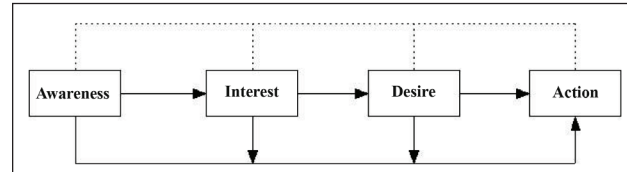
An examination of typical purchasing decisions for the average consumer suggests that the learn-feel-do sequence is often violated. For example, consider a routine decision that many customers face every day; where to purchase lunch. Does the customer always need to be aware of a potential restaurant, develop strong feelings (or at least strong enough to try) before deciding on a place to eat? What if the customer sees a restaurant and simply walks in to give it a try? Perhaps the customer saw friends walking out of a restaurant and decided it might be worth exploring, or maybe he or she made the decision simply because he or she was hungry and this was the only convenient place to eat.

Such an example illustrates the two main problems associated with the learn-feel-do sequence of consumer behaviour: the steps do not always occur in this order, and the customer does not always go through each step. For instance for some products that a consumer gives little thought to, (for example purchasing light bulbs), feelings may not be formed for the product until after the purchase has been made, suggesting a learn-do-feel sequence. Another possible sequence is feel-learn-do, where a consumer first gets positive feelings about a product, (for example a car or personal computer), then learns more about it, then makes a purchase. A final possible sequence, and according to Jones (1986) it is the most common, is the do-feel-do sequence. In these circumstances, no learning is going on; the customer is aware of the product and has probably used it before. A customer buys a product, likes the way it works or is satisfied with the purchase, and advertising reinforces those feelings prompting the customer to purchase the product again and again. These variations in the learn-feel-do triad are illustrated in the figure below, suggesting the customer can start at any point and move in any direction:



Robertson (1971) modified the traditional hierarchy model and proposed that some consumers,

under certain conditions, might follow a sequential path for some products. The dotted lines in the figure below are feedbacks that can alter outcomes. Other decision patterns on the bottom of the illustration track customers as they detour from the formal sequence of the hierarchy. This suggests that consumers can learn from previous experience and swerve from the awareness to purchase pattern.



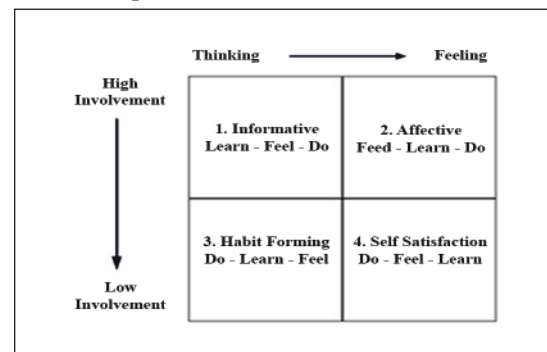
Robertson's model maintained the learn-feel-do sequence common to the hierarchy of effects class of models, but made it more flexible by recognizing the importance of learning, and he also accounted for non-standard sequences.

2- The FCB Model of Advertising Strategy

An admired paper by Richard Vaughn (1980, see also Vaughn 1986) researched how advertising works, and how best to establish communications objectives. This introduced the Foote, Cone, Belding (FCB) strategy matrix, suggesting that advertising works differently depending on the product involved. Vaughn's work allows advertisers to select the communication method based on the type of product they are advertising, and the attitudes that consumers are likely to have towards the product. Vaughn (1980) suggests:

Not all advertising works in the same way. Sometimes communication of key information and salient emotion will be needed to get a sale; at other times, consumers will need one, but not both; and often, [a purchase] may occur with little or no information and emotion. The purpose of strategy planning is to identify the information, emotion or action leverage for a particular product, build the appropriate advertising model and then execute it.

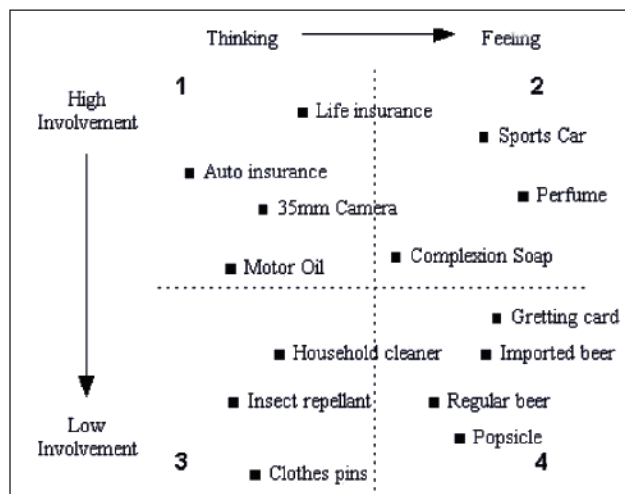
These differences are summarized in the popular FCB Matrix reproduced below:



The matrix divides advertising strategy into two dimensions based on thinking versus feeling, and low involvement versus high involvement. Vaughn points out "... this suggests there are purchase decisions where thinking is most involved and others where feeling dominated; there are situations that require more involvement and those that require less."

The model is powerful because it accommodates different versions of the learn-feel-do sequence and suggests different advertising strategies for each of the four quadrants.

This grid delineates four primary advertising strategies – "informative", "affective", "habitual" and "satisfaction" – with their most appropriate traditional and variant hierarchy-of-effects models. Vaughn (1986, also Rossiter et al. 1991) identified 250 product categories for recently purchased products on the basis of involvement and the think – feel dimensionality. Representative product categories are illustrated below:



The grid suggests a different advertising strategy based on the level of thinking / feeling and involvement associated with each of the four quadrants. Vaughn is careful to point out that the dashed line separating the quadrants should not be interpreted as a black and white distinction between thinking and feeling or high involvement and low involvement. Rather, it simply represents a guideline. The strategy for each quadrant is discussed separately below.

Quadrant 1 – High involvement/Thinking (Informative)

This quadrant implies that a large amount of information is necessary because of the importance of the product. Many major purchases qualify, (cars, homes, electronic equipment), and these are likely to include almost any product which needs to convey

what it is, its function, price and availability. The basic strategy model is to adopt the Learn – Feel – Do sequence where information is designed to build attitudinal acceptance and subsequent purchase. Vaughn (1980) suggests, "... consumers may be thought of as thinkers. Creatively, specific information and demonstration are possibilities. Long copy format and reflective, involving media may be necessary to get through with key points of consumer interest".

Quadrant 2 – High involvement/Feeling (Affective)

This product decision has high involvement but requires less specific information, therefore and attitude or feeling towards the product is more important. This is a psychological model, because the importance of the product is connected to the consumers' self esteem. Perfume, expensive watches, and sports cars are product examples that might fall into this quadrant. The advertising strategy requires emotional involvement on the part of the consumers so that they become connected with the product being advertised and subsequently become "feelers". Therefore, the proposed model is Feel – Learn – Do. Vaughn (1980) suggests "Creatively, executional impact is a possible goal, while media considerations suggest dramatic print exposure or "image" broadcast specials."

Quadrant 3 – Low involvement / Thinking (Doer)

Products in this category (including many common household items such as razors, insect repellent, and household cleaners) involve little thought and a tendency to form buying habits for convenience. The hierarchy model is a Do – Learn – Feel pattern suggesting that simply inducing trial (through coupons or samples) can often generate subsequent purchases more efficiently than "undifferentiating copy points", leading in turn to increased brand loyalty. According to Vaughn (1980), the most effective creative strategy is to stimulate a reminder for the product.

Quadrant 4 – Low involvement/Feeling (Self-satisfaction)

This product decision is emotional but requires little involvement, and is reserved for those products that satisfy personal taste (for example, cigarettes, candy, beer or snack food). This is a Do – Feel – Learn model where imagery and quick satisfaction are involved, and the consumer is considered a reactor whose interest will be hard to hold. Vaughn (1980) argues that the creative objective is to get attention with some sort of consistency, and suitable methods may include billboards, point-of-sale or newspaper advertising.

This paper will now focus on a several advertisements and analyze them from the perspective of the two advertising models discussed.

Empirical examination of advertisements

This paper now focuses on evaluating several different advertisements. Each brand will be discussed generally, and each ad will be described briefly before discussing how the three advertising strategies previously discussed may affect the proposed marketing communication. When possible, the advertising agency that created the spot will also be identified.

V.I.P. – Print Ad

Agency: JWT

Established in 1971, VIP Industries Limited is the flagship company of the 200 million dollar DG PIRAMAL Group. Its longstanding familiar Indian Brand VIP is the largest luggage brand in Asia and the second largest producer of moulded luggage in the world after Samsonite. The first VIP suitcase was rolled out in 1971, and since then over 60 million pieces of VIP luggage have been sold around the world. In the international market Samsonite leads with 20 % market share whereas VIP follows at 6 % with operations spread across 5 continents and 27 countries.

Ever since its launch, VIP has been an epic brand synonymous with luggage in India. Its products priced for the masses, enjoyed a near monopoly till the mid 90's and its sentimental, powerful and long-playing advertising campaign ' Kal Bhi, aaj Bhi, Kal Bhi...' remained in the minds of consumers.

In the wake of changes in Indian luggage industry, the age – old leader in luggage segment, VIP realized that youngsters perceived VIP as a brand belonging to their parents and grand parents era. In order to be in sync with the times, VIP decided to change this perception and reposition itself as a contemporary lifestyle brand.

The print ad shows a glamorous model sitting at the airport with VIP bags next to her and the subhead says " Looking at me? Body copy is like – noticed a VIP lately? You'll find the Atlantis DLX in Raven Black, Emerald Green and Midnight Blue, Rs. 2395 onwards. At VIP lounges, VIP Worlds and leading VIP outlets.

Given company's heritage and iconic status, the underlying objective of the new campaign was to get VIP to own the travel space, rather than just the luggage space that is occupied earlier.

The company hoped that this would increase consumer's involvement with VIP during their

travel planning process. The time of departure was chosen for portrayal in the ads since the agency felt that this was the time that caught a range of emotions – people bidding farewell to their dear ones, looking forward to the journey and to returning home, and being most closely involved with luggage.

AIDA

The AIDA model suggests consumers move from an Awareness Interest Desire Action (or that the consumer has a Learn Feel Do mentality). For the most part, this advertisement fails to encourage customers to buy its product. It recreated the magic of yesteryears with a more encompassing campaign that would reposition itself as a fresh, young, smart and exciting brand.

Instead, this spot increases consumer's feelings towards the brand itself, suggesting that VIP is a reliable and trustworthy name in the world of luggage industry, and leaves the onus on the consumer to learn more about what it offers and why it might be "the right" decision to buy VIP therefore suggesting a Feel Learn Do mentality.

FCB Grid

The FCB grid places jewellery, cosmetics, designer clothing and we can safely include also designer travelling bags in quadrant 2 : Feeling , Affective (feeler)- Feel- Learn – Do. The FCB model suggests products in this category adopt a Feel Learn Do model of behaviour, and recommend communicating attitude change and emotional arousal which requires creative executional impact.

Naukri.com – TV Commercial

Agency : FCB Ulka

Naukri.com is India's no. 1 job site and the fifth popular website across all categories, had briefed its advertising agency to create a campaign with an attitude for its brand.

The communication message was that employee leave the job not because of money or designation, but more often due to intolerable boss. The commercial of Hari Sadu is third in the series of its television commercial that articulated the terrible boss factor and also gave options of better job opportunities with naukri.com

The film opens on an employee submitting his job reports to the boss – without even looking these submissions the boss throws them on the junior's face. Just then the secretary comes out with a phone call from hotel reservation desk....Taking the call the angry boss books a table for two at poolside and tells his name as Hari Sadu. Unable to understand this name, the person on the other side requests him to

repeat. Offering help, the junior takes the phone call and speaks it for his boss. " Yes, write down. Hari Sadu. H for Hitler, A for Arrogant, R for Rascal, I for Idiot". The flabbergasted boss looks on as the super plays, " Guess who's just heard from us? Naukri. com. India's no. 1 job site. As the junior says , " Now write down Sadu. S for , " his colleague completes " shameless", leaving the boss totally astonished.

The scene played out in the advertisement was borrowed from a typical Hindi film formula of a villain, a hero and a supporting actor. A fictional character of Hari Sadu was created to sketch an irritating and conceited boss, who would be blown up to the proportions of a Hindi Film villain.

The Hari Sadu commercial illustrates how an original advertising idea was executed effectively through a humorous and dramatic story line. The humour in the advertisement helped in building recall value and in entertaining the audience. The bringing up of the brand name only towards the end of the commercial added to the impact and created a punch and a better boss- was compelling proposition to drive them to try the services of Naukri.

AIDA

The AIDA model suggests consumers move from an Awareness Interest Desire Action (or that the consumer has a Learn Feel Do mentality). For the most part, this advertisement successfully creates impression among its target audience the impact of a not-so-good boss and the reasons to leave the job.

FCB Grid

The FCB grid places car, house, furnishings , new products (services) in high involvement thinking category – first quadrant. The advertisement related to job options also requires high involvement from prospective employees and they think couple of times before switching to their new job.

It requires a rational behavior and for that information and demonstration are used as creative. Similarly in naukri advertisement they showed through dramatization and adding ting of humour in building recall value and entertaining the audience.

The reward promised to job seekers – hope of finding a better job and a better boss was a compelling proposition to drive them to try the services of naukri .com. Car, House , Furnishings, new products (services) and in services category we can include naukri.com- job portal.

The model over here goes through the phase of learn- feel – Do with rational implications and

exactly the ad of naukri.com has tried to make its target audience understand. They demonstrated the fact of empowerment and generated hope of better opportunities for jobseekers .

Cadbury Dairy Milk : Television Commercial

Since its launch in India, Cadbury's Dairy Milk has promised a ' moment of the pure magic' through its best tasting chocolates. Through years, Dairy Milk has stood for an array of emotions such as shared family values, togetherness, celebration, fun, personal enjoyment, wholesomeness etc. During its launch years, the hurdle to overcome was of getting people to accept chocolates, which were primarily considered a western taste. To do this, it positioned itself as the ' perfect expression of parental affection'.

This helped the chocolate manufacturer gain round with the masses, but when it did a brand audit in the '90s, it found both positive and negative brand associations: chocolate was considered 1) indulgence product, 2) the prerogative of kids alone and c) bad in excess. To increase consumption and break the brand free from stagnation, the challenge facing Cadbury was to extend the relationships to grownups. It embarked with the latest campaign ' Kuch Meetha Ho Jaaye' associated with celebratory occasions, especially that of passing in exams, and the silver phase "Pappu Pass Ho Gaya' got accepted into common language.

AIDA

The AIDA model suggests consumers move from an Awareness Interest Desire Action (or that the consumer has a Learn Feel Do mentality).

FCB Grid

The FCB grid places food, Household items in Habit Formation quadrant – Low Involvement and Thinking. Especially food items, baby care products et al are kept in thinking since their consumption, post-consumption can create health issues . So especially mothers while buying baby care products are more conscious as to which brand they pick up and what are the ingredients, calories intake, expiry date etc.

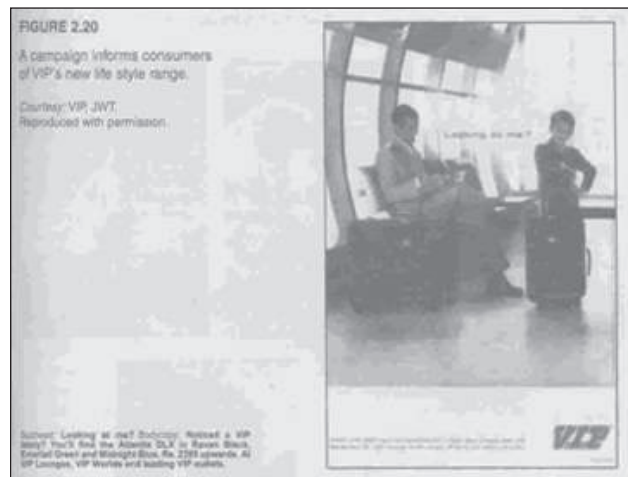
Dairy milk – product worth nominal amount Rs. 10/s does not require any brain work while going for it. Similarly purchasing chocolates mothers are conscious regarding its over eating may cause teeth problems and health problems.

It is positioned as a brand ' Kuch Meetha Ho Jaye' trying to tap any kind of occasions . So Consumer pass through Do – Learn- Feel

Conclusion

This paper explored several advertisements and evaluated them on the practicality and consistency with the two advertising models presented. Despite widespread popularity and near universal acceptance, the standard hierarchical advertising model suggesting consumers move from a level of awareness, to interest, to desire and finally to action appears to be inconsistent with the actual communication strategies employed by the firms in this paper. A more appropriate model is the FCB grid that recognizes that different categories of products involve different stages of consumer action and therefore require different advertising strategies to achieve the desired objective. This grid divides category purchases into four quadrants with low involvement versus high involvement on one axis and thinking versus feeling on the other.

Exhibit : VIP Print Ad



Naukri.com Story board



Dairy Milk Storyboard



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CLOUD COMPUTING & ORGANIZATIONAL CHANGE- THE MYTH AND THE FACT

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Abstract: Cloud Computing is the latest development in information technology arena which has started changing the way the business used to be conducted till few years back. This seems to be the next generation watershed event in the field. A simple example of cloud computing is Yahoo email or Gmail etc. Here somebody does not need a software or a server to use them. All a consumer would need is just an internet connection and can start sending emails. The server and email management software is all on the cloud (internet) and is totally managed by the cloud service provider Yahoo, Google etc.

Cloud computing represents a shift away from computing as a product that is purchased, to computing as a service that is delivered to consumers over the internet from large-scale data centers – or ‘clouds’. This paper discusses the research challenges for cloud computing from an enterprise or organizational perspective, and puts them in Management context by reviewing the existing body of literature in cloud computing. Various research challenges relating to the Cloud Computing have been discussed before but the organizational changes brought about by cloud computing is the core focus area of this research work. It is important to highlight these research challenges because cloud computing is not simply about a technological improvement of data centers but a fundamental change in how IT Organizations would be affected internally right from decision making to authority & Climate to Culture.. This type of research has the potential to influence wider adoption of cloud computing in enterprise & management approach to tackle and execute the organizational change. This paper characterizes management challenges arises with the adoption and implementation of cloud and the organizational change caused by the same.

Key Words : Cloud Computing, Organizational Change, IaaS, Paas, SaaS.

Introduction

Progressions in computers and technology improve the efficiency of a business. Organizational structure adapts to these changes by restructuring departments, modifying position requirements or adding and removing jobs. Employers often require training on new software programs or equipment as

a job requirement if it becomes industry standard. Web-based businesses may add new departments or jobs to specialize in new areas of technology. On some occasions, implementing new forms of technology may render certain job duties obsolete in some industries. Which may result in a great level of insecurity and job dissatisfaction among the existing employees

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Adding into the same I. Sommerville and I. Sriram explores and says significant changes in the workplace are the result of new and advanced technology [1]. For the past generation, technological inventions and improvements seem to be introduced every week. The trend is guaranteed to continue. Technology's impact on the 21st century workplace will result in rapid changes. Technology makes it possible to telecommute, work from virtual offices and communicate with businesses and individuals across the globe. Flexible work schedules are popular because so many duties and responsibilities can be accomplished from an employee's home or while the employee is traveling. The private sector initially became the test case for telecommuting arrangements, and the federal government followed suit in its attempt to be competitive with industry in attracting qualified candidates. Remote reporting relationships are also a factor of improved technology. Managers of team members who live and work in different cities, and even different countries is becoming more common.

Cloud Deployment Models

Service models described in the definition of cloud computing provided by NIST, can be deployed in the clouds in different ways. Based on these ways, we can have different deployment models depicting the way users and owners of a cloud can deploy and use its services. There are four main deployment models:

1. **Private Cloud:** is a cloud that is used merely by one organization. The cloud can be provided either by the same organization that uses it, or by a third-party cloud provider.
2. **Public Cloud:** is a cloud that can be used (possibly for free) by the public. Providing public clouds requires vast investments and is usually limited to very large IT companies like Amazon, Google and Microsoft.
3. **Community Cloud:** is a cloud that can be used commonly by several specific organizations and is provided and developed based on their specific requirements.
4. **Hybrid Cloud:** can be any combination of three cloud deployment models mentioned above. Hybrid clouds allows for "cloud bursting" in which a private cloud can turn into a public cloud if it needs more resources.

Cloud Characteristics

Cloud Computing has five key characteristics:

- Providing on demand self service
- Based on broad network access
- Making advantage of resource pooling

- Rapid elasticity based on cloud consumers' resource needs and
- Providing the ability to measure the provided services.

Cloud Service Models

Three main service models are defined in cloud computing:

- SaaS: Software as a Service
- PaaS: Platform as a Service, and
- IaaS: Infrastructure as a Service, however, other issues can, as well, replace "X" in "XaaS".

The transitioning of IT staff to cloud operating models has proceeded relatively smoothly. But to address IT professionals' initial concerns about the impact to their jobs, they say their leadership teams had to articulate a clear cloud vision and explain how the move was going to improve IT professionals' day-to-day work experiences. Birman, K., Chockler, G., and van Renesse, (R. 2009) emphasizes the importance of transparent communications between IT leaders and their staff regarding cloud adoption and its organizational impact. "To minimize employees' uncertainty, present facts first [6]. Be clear about your plans and play up the fact that cloud can help move IT up the value chain and lead the business to view IT as a strategic partner, rather than a cost center," he says. Both the above scenario explains that a virtual set up may create huge Internal Communication Issues from Management perspective.

According to them, part of what makes these tools just work is their air of neutrality. If you've ever worked with a consultant or collaborated with a colleague in another organization, you probably hit a roadblock when you realized that that person didn't have access to an internal system. Maybe she needed to be able to access files that were on a server in your network, or maybe you were using the Tasks function in Microsoft Exchange to keep track of deliverables for the project. Perhaps you went through the work of setting her up with a temporary account on your network, but that can raise security and privacy issues. It's more likely that you cobbled together an imperfect solution, sending updates by email attachment. That works in a pinch, but if you're going through more than one or two rounds of edits, it can get messy in a hurry. I've lost hours of work because two people were unknowingly working on different versions of the same document. Hence the ambiguity of performing the job functions with a tentative idea and uncertainty may cause internal conflicts which can reflect in the less confrontation and ultimately affect the organizational climate.

Managing projects in the cloud is a way to sidestep all of those hassles. As Budhwar, R. (2010) put it, the cloud is a "demilitarized zone" of organizational culture [7]. Using a tool like Basecamp or Google Docs, you can invite someone to work with you on the project itself, without spending time navigating barriers in security or organizational culture, or worrying about oversharing. Even more provocatively, Budhwar suggested that cloud computing can change how the organization works internally. When someone's slipping on a deadline and promising it'll be done Monday morning, politely ask them to upload the current draft to Basecamp for archival purposes. In other words, keep projects moving by keeping them in the group's purview, not rotting on a single staff member's hard drive. "And that's when [they'll say] the dog ate their hard drive," Budhwar warns, "but you're moving them into a role of accountability and driving more transparency so that stuff gets in front of more eyeballs sooner." This particular example explains that the overall behavior, norms & moral of an employee would be in an experimental phase as the working conditions and climate are changing around him.

That same heightened accountability can also transform how the staff works with leadership. Accountability can be a two-way street, with the same system that tracks staff's deadlines tracking the ED's work too. "If you can get the executive director to put stuff in [Basecamp], then they're as accountable to the staff as the staff is to them." That's a powerful idea, but does it work? Getting people in leadership roles to substantially commit to changing how they work can be very difficult. In my experience, when an organization starts using the cloud, it often begins with a small group using cloud-based systems as a way of sidestepping organization infrastructure. It's not easy to make the shift from avoiding standard practice to changing it. Again decision involving risk is a key attribute to leadership and strategic management.

"The ongoing growth and significance of cloud computing, along with the complexity it adds to organizations' technical environments, is causing workloads and responsibility inside corporate IT departments to increase. Also job responsibilities shifting in IT departments. Due to adoption of certain cloud technology providers, such as Salesforce.com and Service Now, has necessitated changes to Java and .Net developers' roles and skills. Rather than troubleshooting technical problems with applications, they're doing higher end software development work, including gathering business requirements from end-users. Over the past 18 to 24 months, between 5 and 10 Java and .Net programmers have shifted into roles that are more like application developers or technical analysts than traditional coders.

M. Creeger (2009) discussed how cloud computing will affect the authority of the IT department within universities; however, this also applies to IT departments in enterprise [13]. The IT department gained its authority in the early days of computing when they had the majority of the programming skills and control of mainframes within an organization. As the use of IT expanded within organizations, system administrators and developers were forced to learn new skills as their role was no longer just about keeping the technology running. Until the invention of the PC, users relied on the services provided by the IT department for systems support. The adoption of the PC eroded some of the IT department's authority as it provided users with an opportunity to create and use applications without the explicit support of the IT department. Users went on to form online communities to support each other as they were more experienced in solving technical problems. Although the IT department no longer had full control over the technology, it did have "a set of carrots and sticks at hand including the supreme sanctions of refusing support for shadow systems or cutting off network connectivity". The authority of the IT department is going to be further eroded by cloud computing.

The type of organizational change that cloud computing results in can be demonstrated by taking a look at, for example, IT procurement within enterprise. Simplistically, procurement is based on obtaining estimates for things, then getting those estimates signed-off by management to allow the procurement to proceed. Capital and operational budgets are kept separate in this process, and it can take several months between the decision to procure hardware and the hardware being delivered, setup and ready to use. The use of cloud computing can greatly reduce this time period, but the more significant change relates to the empowerment of users and the diffusion of the IT department's authority as pointed out by him. For example, a company's training coordinator who requires a few servers to run a week-long web-based training course can bypass their IT department and run the training course in the cloud. They could pay their cloud usage-bill using their personal credit card and charge back the amount as expenses to their employee. A similar scenario was recently reported by BP, where a group bypassed the company's procurement, IT department and security processes by using AWS to host a new customer facing website. Which shows the Personnel & organizational ethics and culture could be very well on stake in these kind of arrangements.

An organization should recognize the risks and other effects cloud computing can have on its operating environment and account for them in its ERM programs. In some cases, cloud computing can easily enter into

an organization while bypassing typical management oversight controls. When an organization invests significant resources in an endeavor that could take months or years to complete, conventional processes and controls require management's involvement and approval. Such endeavors are highly likely to attract senior management's attention in the form of risk assessments, audits, and steering committees.

Cloud Computing and Organizational Change

As more businesses move their IT systems to the cloud to support rapid business model innovation, new services, and cost efficiencies, how are IT organizations evolving? On a HR Executives Debriefs webcast, "Changes in the Air – Cloud Computing's Impact on IT Organizations" held on September 14, 2011, Stephen Redwood, Principal and Chris Weitz, Director, Deloitte Consulting LLP [17], discussed:

- Corporate IT's changing mission to facilitate the benefits of cloud through rapid deployment, flexibility, scalability and improved economics.
- Considerations for restructuring its service delivery models and approach to client services.
- Rapidly evolving IT skills that can support cloud services and software models.
- Emerging job definitions and organization structures for the cloud era.

Transitioning to an optimized organizational model, including a properly skilled IT staff to support cloud is an iterative process. Individuals and teams will need to take incremental steps to achieve the final outcome. Key to this journey is the recognition of different inflection points and insights, which will change how individuals, and the organization as a whole, interact. Business and customer service skills will become more and more important, and behavioral changes driven by organizational realignment will become necessary. Training and education will be a critical element of both creating and evolving through these inflection points. Only a true learning organization can accelerate the benefits of the transformational change that cloud computing will bring [17].

The Baker Tilly International in their latest research paper on "Change and Cloud Computing Separating Mythology from Fact" stated that "if the implementation takes less effort, shouldn't there be a corresponding drop in change management activities? The short answer is: No. Many of the implementation savings are due to the elimination of some upfront technical tasks. However, the following activities must still be done:

- Business Process Optimization
- Change Readiness

- Communications
- Governance Policies and Controls
- Organizational Alignment
- Technology Vision
- Training and Support

When people implement a new system or application, their focus is around the technology; they often forget that the success of the project is determined by how well users will respond to the system. Changes still need to be managed, communicated and aligned with any other service, process or integration that may be impacted by change.

While IT departments continue to be service providers, they will also become service facilitators, aggregating and maintaining a portfolio of a variety of sourced services. Familiar organizational structures will change as more layering of central and local IT services occurs. Collaborative awareness and cooperation will be vital to providing a successful service delivery model in the future. Having HR fully engaged, with the right policies and practices in place, will be critical as job responsibilities evolve for those individuals with responsibilities over on-premises and cloud computing services.

Hence the research done so far has provided some glimpses of the ways in which enterprise might change but an issue that has not been discussed is that to what significant extent the Cloud Computing's impact may force organizational change and how to plan and design the actual organizational change implementation that will be required as organizations migrates to the cloud, and as cloud services replace current desktop services. We know from the years of experience that the benefits of new technologies can only be realized when enterprises change their structure and processes to take advantage of technological innovation and, for sure, we can only realize the benefits of cloud computing if such changes take place.

Foster Organizational Change to Make Cloud Solutions a Success

A "one-size fits all" change management approach does not achieve organizational change. Organization need to work with their employees, clients and their vendors to implement a change solution that encompasses both the current business state and the targeted, cloud-based future state. Through target-state visioning, development and alignment of cloud value propositions via stakeholder analysis, change impact assessment, policy review, and targeted communications to drive employee understanding and behavioral change, we can deliver results that endure.

Targeting the Future State

Most organizations, static and stovepiped before transitioning to the cloud, have limited opportunities to experience and thus address rapidly changing external or internal pressures and cross-unit information sharing. Because they successfully navigate their current state environment, many leaders do not fully understand the impact of a cloud-based environment—resources, training, communications, and cultural changes.

Building Internal Support and Momentum

Most discussions about cloud computing raise a variety of questions and concerns among employees, ranging from “Does a transition to the cloud mean there will be changes in our mobility policies and devices?” to “Will there be tools that enable document sharing and management?” All staff must be confident that the cloud solution delivers the appropriate result for the entire organization. Through stakeholder engagement strategies, proofs of concept, business testing, and change teams, there is the need to assist the organization in understanding the full range of staff and management perspectives, and offers the recommendations necessary to enable employee support for implementation success.

Cultivating Collaboration and Adoption

Many leaders believe simply acquiring a cloud solution with collaboration tools, such as instant messaging or document sharing, translates to employees immediately understanding and using those tools. However, large-scale use of new tools does not happen overnight or simply by “flipping a switch.” Leveraging results from engagement strategies approach incorporates leadership action planning, change agent networks, strategic communications, and training to develop personal understanding and adoption of the new cloud tools.

Supporting Mobility and Aligning Policy

With the mobility improvements that result from cloud solutions, staff no longer need to be at the office or use a specific device to access their files or engage with their team. The “anywhere desktop, anywhere device” becomes a reality. To achieve these performance efficiencies, legacy policies and “rules of behavior” need to be reviewed and updated to reflect a mobile culture. In addition there is need at every step to monitor, measure, and adjust roll-out plans to help staff understand new capabilities and expectations and adapt to new more agile ways of working.

By addressing mobility, collaboration, and security, through organizational readiness, stakeholder adoption, and change communications tactics, organization can target the future state

and underlying culture reasons where so many organizations fail to see a successful transition. Organizational change approach to cloud transitions should balance the complexities of the cloud computing technologies with organizational change strategies to help the employees realize their anticipated technology benefits.

Conclusion and Future Work

With the emergence of new technologies and paradigms, organizations have to get aligned with them, especially in Change management area. Cloud Computing paradigm is becoming more and more popular, due to its specific characteristics. These characteristics includes:

- Decrease in time, cost and effort for meeting software development needs
- Scalability
- Reliability
- Security

Ease of deployment and management

- Trust
- Privacy
- Availability
- Performance
- Ownership and more

The impact that cloud computing has on each IT organization will depend on the blend of cloud based services that each institution adopts. Some IT organizations will grow, some organizations will inevitably shrink, but most will simply evolve. Some organizations will become part of the cloud, some will maintain their own cloud, and others will remain consumers of the cloud. Whichever category your institution falls under, an understanding of the entire IT organization (central and distributed), coupled with ongoing investments in training and professional development will be critical in positioning for success. Or, as our fellow Weather Channel meteorologist might say, monitor the radar, keep your eye on the sky, and prepare in advance.

The significance and scope of the research lies in the detonation of the software industry in the recent years. Where on one hand the sector is growing with leaps and bounds giving employment to more than 2 million people with a contribution of 5.8% towards the GDP of India, on the other hand, the changing technologies and high level of attrition is tarnishing the rosy picture of the Indian software industry. The study is an attempt to assess the dimensions of organizational change related to Cloud Shift in Indian software industry and analyze the relationship between the organizational change and Cloud Impact so as to ensure the successful, smooth and transparent implementation of the organizational change. This is not only significant for academicians as it adds

to the existing body of knowledge but also for the organizations which are battling to control the failure of Organizational Change & technology shift.

As cloud adoption continues to sweep across IT organizations, Industry anticipates that HR departments will take on more integration and Internal management functions as they weave their many cloud services into a common back end and manage interactions between internal and external functions of the Organization. Going with the Pros and Cons as discussed in the whole study Organizational Change would be one of the most critical aspect for the Human Resource Professionals as well as organizations. The remaining factors puts a huge contribution towards the Organizational change itself.

Limitations and Scope for Further Research

The research study is limited to a few aspects. Firstly, the study has considered only the organizational Change specific dimensions while assessing the cloud impacts on the organizational change. Secondly, only the IT organization's change attributes that emerged out after the data collection during pilot study were considered while evaluating the various change dimensions and the impact of the Cloud. Thirdly, measuring attitudes of respondents is quite subjective. Although great care will be taken for precision, yet there may be certain gaps which need to be rectified. Thirdly, the model needs to be tested on a larger dataset with more than 500 software service companies of various specializations, sizes and turnover in India spread across the Indian sub-continent, dataset can be further increased to garner better results.

The exact problem and research challenge identified through the in-depth analysis is to identify the major organizational change factors forced by cloud shift from management perspective. Hence there is huge requirement of the research work to be done and purpose a framework which will demonstrate the Cloud Computing Impact as direct and indirect force for Organizational Change & suggest a model from the Management Perspective to implement a smooth organizational change with major focus on the following areas:

- Organizational Climate
- Work Culture
- Job Satisfaction
- Decision Involving Risk
- Internal Communication
- Organizational Ethics

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A STUDY OF FOREIGN INVESTMENTS IN RETAIL SECTOR-AN FII PERSPECTIVE

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Sunil Gupta***

Abstract : *Developing Countries like India have got two options of Raising capital first, either by creating 'capital surplus' from within the ongoing business (controlling consumption, borrowings, taxation, cost control and savings by budgeting etc.) However, the capital accumulation rate may not be noteworthy as the demand of business expansion may outpace the inflows by this method. The second method put forth is by foreign assistance which accelerates the internal capital formation in less time as compared to the first method. This paper analyses the option availability for Indian Businesses and evaluates the trends of foreign capital in Indian economy with focus on retail Industry. There has been an ongoing debate since 1997 when 100% FDI was allowed in Wholesale cash and carry businesses in India. Since then, the permissions have got percolated down to single brand and thereafter multi brand retail in various levels of stake holdings. With this had come the complexities like the automatic or approval route in case of FDI. In case of FIIs there has been a sectoral limit wherein retail organizations enjoys investment up to 24% of share paid up capital. This paper also envisages the roles of FDI and FIIs and suggestions for the choices in the given economic Indian retailing scenario.*

Keywords : *Retail sector, foreign investments, FII, online retail sales*

Introduction

Retail sector has emerged as one of the most important pillars of Indian economy and is growing steep. As this sector is heavily cash and labor intensive, external sources of funds are required to keep the business going. The business potential comes with the fact that India has the highest retail density in the world, with 12 million shops catering to about 209 million households. This fast changing FDI climate has led to the dynamic emergence of international retailers with big expansion plans for India. But, as on date, despite the Indian government's stance to attract foreign retailers, the efforts have gone more or less futile. The established cash and carry formats like Metro, Carrefour and even Bharti-Walmart's one are struggling to get a foothold amongst the traditional

wholesale distribution system. Order delivery, lead times and credit being major work areas for the organized foreign 'CnC retailers'.

Before we elaborate on the subject further some terms which require to be clarified conceptually.

Foreign investment is any kind of money or investment coming from one country into another is foreign investment. A financial investment by which a person/ entity acquires a lasting business curiosity in, and impact over, the management of a business entity in a foreign country.

Indian government distinguishes foreign capital inflows into various kinds as FDI, FII, NRI and PIO Investment. Foreign Investment is promoted as it sets off domestic investments in capital-starving

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developing countries. Also, it helps promote additional economic activities thereby stepping up employment opportunities. With Foreign investment, the domestic industry becomes more competitive by adopting new technology. It also helps the developing nations to overcome economic crisis like balance of payments.

The reason behind segregating the foreign investments by the government as it feels that foreign investors favor FDI over the FII route as it is more beneficial for the country's economy. The investments are directly made into the business for measured returns. It aims a specific business enterprise targeting to being in additional production capacities/or implementing productivity enhancing tools and may be altering the management control, if required. On the other hand FIIs money pours into the secondary market major investments being reflected in sensex.

Generally, FII inflow translates into deployment of additional production resources which in-turn depends on decisions by somebody else than the foreign investor — a local investor/business may avail this surplus funds available via the FII inflows to enhance his production. If flown in FDI is used to acquire an existing asset, the business may forego for any additional production capacity plans as a direct result of the FDI inflow.

As with FII inflows, here also, the addition to production capacities doesn't result because of the foreign investor rather; on the contrary, the domestic seller has to invest the sales proceeds in a mode that enhances capacity or productivity for the foreign capital inflow thus increasing the domestic output.

It is widely believed that FII inflows are hot money i.e., that it comes and goes, to create unpredictability in the stock exchanges and currency rates.

While individual funds may hold true on the above but, cumulatively, FII inflows have commonly provided net inflows of capital. Still FDI being specific in nature, have a stable tendency when compared with FIIs.

Besides, FDI bringing in capital, it adds with enhanced management skills and governance practices. It has been witnessed that technological transfer and up-gradation also happens along-with and this has proved crucial than the capital per se. whereas, no such benefits are noticed to build up with the FII inflows. Since FIIs always look for credible investment options, the organizations seeking them have preferred to significantly improve accounting, governance and people management practices as witnessed with listed Indian companies. Transparency

in worker compensation, child labor, international accounting and work practices are some of the active areas showing some considerable improvement.

The government defines FIIs to include asset management companies (AMCs), pension funds, mutual funds, investment trusts as nominee companies, incorporated/institutional portfolio managers or their power of attorney (PoA) holders, university funds, endowment foundations, charitable trusts and charitable societies.

Besides the above roles, FIIs face many restrictions in Indian governance as they can buy or sell securities on Indian bourses, but for doing so they have to comply by getting registered with SEBI. These FIIs can also invest in listed and or unlisted securities outside the bourses only if the stake selling price is duly approved by the RBI.

Further," No individual FII/sub-account is allowed to acquire a more than 10% of the paid up capital of an Indian business house. All FIIs with their sub-accounts taken together cannot acquire more than 24% (in total) of the paid up capital of the said Indian Company, if not the Indian Co. raises the 24% upper limit to the sectoral cap (statutory ceiling, as applicable) by proposing and passing a board resolution and a special resolution by its general body" as per RBI press release of September 20, 2001 and FEMA Notification No.45 of the same date.

Adding further, the government keeps on introducing new regulations from time to time to ensuring FIIs are checked and remain in order. Eg. Foreign investment through participatory notes (PNs) was observed tended to be mis-utilized and hence was duly curbed by SEBI recently.

Objective Of The Study

- To examine the foreign inflow of investments especially in the retail sector.
- To find the relationship between FII and retailers in India, online and offline.
- To analyse the behavior and trend of FII's in Retail industry.
- The role of government in influencing the investment decision of FII's.

Research Methodology

This paper analyses investment inflows in the ailing retail sector. The scope of the work takes into the account the various means the foreign funds opt to be a part of one of the fastest growing economy. The information is derived from secondary data available from various sources. The information and

statistics were structured and analysed from diverse sources like websites journals, online subject material, periodicals and books.

Besides, following the bourses, Sensex and Nifty was a expected mode for inclusion in this study, wherein market indices were widely used for analyzing and benchmarking. The period covered in this study is from 2001 to March'2014. As this study is analytical in nature the main data sources was Secondary data used to conduct this research. This secondary data constituted daily FII inflows data (in BSE and NSE websites) into especially into the retail Sector and correlating with the returns while exits.

Hypothesis

Null Hypothesis (Ho): There is no influence of FIIs in retail sector.

Alternative Hypothesis (Ha): There is an influence of FIIs in retail sector.

If we reject the Ho, then we accept the Ha, setting the significance level to 5% and 1% at Degree of Freedom = n-2.

Background Of FDI In Retail Sector

As part of the economic liberalization process set in place by the Industrial Policy of 1991, the Indian government has opened the retail sector to FDI slowly through a series of steps:

- 1995 : World Trade Organisation's (WTO) General Agreement on Trade in Services, which includes both wholesale and retailing services, came into effect
- 1997 : FDI in cash and carry (wholesale) with 100% rights allowed under the government approval route;
- 2006 : FDI in cash and carry (wholesale) was brought under automatic approval route; Up to 51% investment in single brand retail outlet permitted, subject to Press Note 3 (2006 series)
- 2011 : 100% FDI in Single Brand Retail allowed
- 2012 : On Sept. 13, Government allowed 51% foreign investment in multi-brand retail
- 2013 : Government allows sub brand sales in single brand retail stores.

Limitations

The study subject being vast, the paper mainly focused on identifying and understanding the relationship between FIIs and the retail sector. It is principally based on the data available in various

websites as not much of the industry specific research was found.

Company law practitioners have cited a potential confusion cropping up out of sectoral caps on foreign investments. Then, sectors like multi-brand retail defense & aviation had a foreign investment limit of 49%. Insurance & Real estate companies had a foreign investment up to 26%.

There has been not much clarity on foreign investments, FDI and FIIs which requires to be specified, thus some sectors had been specified the foreign investments as FDI, some do not. This permits a single foreign company to raise the investment limit up to 49% in a firm using one of its FDI entities and an additional 10% stake via one of its FII unit, thereby taking the cumulative stake in the same company up to 59%

Finance Minister Mr. P Chidambaram's statement that up to 10% foreign holding in an Indian Business entity shall be treated as FII, further adds to the confusion

Moreover, the definition and interpretations of FIPB, DIPP, SEBI and RBI differ adding complexity to the understanding

The new classification will also allow foreign investors to invest more as institutional investment and may not be considered a part of FDI in a company. One of the risks could be that companies investing as FDI and FII may act in concert and exercise significant influence on the voting decisions of the company.

Current Scenario Of Indian Corporates

Of the total of about 5,500 firms listed in Indian bourses, 586 have mentioned to be having FDI holdings and 1,317 firms with FII holdings. The latter includes business entities with holdings from both FDI as well as FIIs.

FDI entities generally prefer entries thru' joint ventures and strategic alliances to give larger powers (like share transactions and voting rights, veto powers thru board of directors nominations, wherein FIIs can only trade in open market dealings with reserved voting rights, defined by the capital market regulator. Also, FDI entities are authorized to carry private transactions while FIIs not.

The deterrent to the above is that FDI entities are liable to pay up to 40% towards taxation as compared with a low 30% for FIIs. The former being bound by investment lock-in periods as company promoters.

FIIs are liable to allot the funds in equity and debt instruments in a 70:30 ratio. However, an FII can declare itself as a 100% debt FII i.e making its entire

investments in debt instruments only. Inclined with the commitment (and a lock-in period) the government permits for a greater autonomy to FDI in various sectors which is not in the case of FIIs. However, one of case like Aviation sector where foreign investment, including the FII investments, is permitted upto 49%, wherein FDI from foreign airlines is not allowed.

It was observed in the year 2013, that the retail investors though didn't favored the equity investment way, FIIs purchase shares worth Rs 1.1 lakh crore. In Dec'13 itself, FIIs bought shares worth INR 15,614 cr. Thereby raising their stakes to over 30% in Indian corporates like IDFC, HDFC, HDFC Bank, HDIL, Glenmark Pharmaceuticals, Havells India etc. obviously this raises the speculations levels alarmingly and thus the volatility index.

Findings The Impact Of FII On The Retail Sector

Leading Indian retail chains like Future Group, Spencer's and Next electronic chain are seeking alternative sources of capital after cold shouldered response to the latest FDI policy notification by the Indian Government on the multi brand retail.

India's largest listed retailer Future Group's CEO Kishore Biyani said the his company is not exploring the FDI route and has taken up the matter with FIPB for seeking an approval for increasing the FII holding in his entity 'Future Retail' to 49% from the present 24%. In December'13, Future Retail had 20.89% FII investments, down from 21.48% as of September'13.

Its very much obvious that the back end investments have longer gestation periods so the foreign investors with longer Indian capital commitments have to invest in Greenfield back-end retail before resorting a frontal retail network. Such foreign retailers playing a long waiting game for an Indian entry (Walmart, Carrefour, Tesco, Groupe Auchan etc) are still evaluating their options and evaluating the policy scenarios before coming up making a formal proposal. Government's string of conditions and checks like receiving individual state governments' formal consent, the clause of minimum up-front investment of \$100 million and the most debated being the 'mandatory 30% sourcing from local small enterprises'. Besides, the government has negotiated this on a one to one basis with Ikea for multi brand entry to India. On the other hand, DIPP has come with the clarification that for foreign retailers who have already got into the cash and carry operations in India as that their investments in existing wholesale cash-and-carry operations will not be counted as a back-end investment for multi-brand

retail. The back end retail investments for the multi brand retail shall have to be treated separately.

DIPP has further ruled out the franchisee operations for front-end retail too making it imperative for the foreign retailer to invest his own funds rather than arranging local investments through franchising.

In all these restrictions, there has been some positive moves too like in Dec'13, the British supermarket chain Tesco Plc. got approved by FIPB for investing \$110 million for a 50% stake-holding in Tata group's Trent Hypermarket Ltd (THL).

Earlier, TPG and Shriram Group acquired debt-ridden business of Vishal Retail, through a JV entity, TPG Wholesale Pvt. Ltd, post paying INR 700 million rupees through a slump sale approved by the Delhi High Court on March 14. Vishal's retail trading unit has been sold to Airplaza Retail Holdings Pvt. Ltd, owned by the Shriram Group, while the wholesale trading, institutional sales and franchise operations has been taken over by TPG Wholesale.

A marked observance, despite being a JV subsidiary between TPG capital and Shriram group, TPG's wholesale's role has been strategically kept confined to roles which are not related with the concern activity set for multi brand retailers

E-Commerce: A New Paradigm

An investment tracker VCCEdge reports that the Investments in e-commerce firms rose phenomenally from 258.31% to \$805.36 million in 2013-14 from \$224.85 million just a year ago. Investments in retail e-commerce and quick service restaurants (QSRs) rose to \$1.142 billion through, 94 deals, in 2013-14, from \$855.53 billion (across 107 deals) in 2012-13. But inflows in e-commerce firms rose 258.31% to \$805.36 million in 2013-14 from \$224.85 million in 2012-13. This jump in e-commerce investments was compensated with the reduced inflows in consumer products and restaurants which fell by more than half. Industry lobby Internet and Mobile Association of India, reported that 'the total digital commerce market in India jumped by 33% reaching Rs.62,967 crore (in sales) in 2013 from Rs.47,349 crore in December 2012'.

A few weeks back, one of the biggest, US-based online retailer eBay led a group of investors, including Kalaari Capital, Nexus Venture Partners, Saama Capital, Intel Capital and Bessemer Venture Partners to invest USD 133.77 million (about Rs 830 crore) in the New Delhi-based Snapdeal. This is a A few weeks back, one of the biggest, US-based online

retailer eBay led a group of investors, including Kalaari Capital, Nexus Venture Partners, Saama Capital, Intel Capital and Bessemer Venture Partners to invest USD 133.77 million (about Rs 830 crore) in the New Delhi-based Snapdeal. This is a clear indicator of western countries interests for Indian business pie and the stakes to become a part of the largest growing online retail economy.

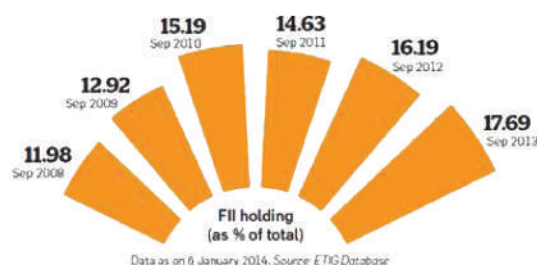
Most recent CRISIL Research report, forecasts that the Indian online retailing will rise at a massive 50-55% rate to be a INR 50,000-crore industry size by 2016. This is supported with the facts that the leading Indian E-tailer Flipkart, last year raised US\$360 million, spread across two investment rounds. With the first tranche with USD 200 million in July 2013 from Tiger Global Management, Accel India Venture Fund, Iconiq Capital, MIH Holdings, Morgan Stanley and others. The second round came three months later to this for another USD 160 million.

Similar is the case with Bangalore-based fashion

portal Myntra which accumulated INR 300 crore (USD 50 million) through a consortium of investors like Premji Invest, Tiger Global, Accel Partners in Feb'14. Earlier, it raised USD 25 million in May 2013.

These funding are generally meant to strengthen the online retailer's technology infrastructure and fuel its growth initiatives. This also is used to extend the product base with introducing new categories for customers to choose from.

FII holding in Nifty firms is at a 6-year high



FDI Equity Inflows from 2000-2012

S. No	Financial Year (April- March)	Amount of FDI Inflows		%age growth over previous year (in terms of US \$)
		(In Rs, crores)	In US\$ million	
1	2000-01	10733	2463	-
2	2001-02	18654	4065	(+) 65 %
3	2002-03	12871	2705	(-) 33 %
4	2003-04	10064	2188	(-) 19 %
5	2004-05	14653	3219	(+) 47 %
6	2005-06	24584	5540	(+) 72 %
7	2006-07	56390	12492	(+) 125 %
8	2007-08	98642	24575	(+) 97 %
9	2008-09 **	142829	31396	(+) 28 %
10	2009-10 #	123120	25834	(-) 18 %
11	2010-11 #	88520	19427	(-) 25 %
12	2011-12 # (Apr - Jan' 12)	122307	26192	-
CUMULATIVE TOTAL (from April'00 to Jan'12)		723367	160096	-

- (a) including amount remitted through RBI s-NRI Schemes (2000-2002).
- (ii) FEDAI (Foreign Exchange Dealers Association of India) conversion rate from rupees to US dollar applied, on the basis of monthly average rate provided by RBI (DEAP), Mumbai.
- (iii) Variation in equity inflows reported in above

Table II-A & II-B for 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11 is due to difference in reporting of inflows by RBI in their monthly report to DIPP & monthly RBI bulletin.

(IV) # Figures for the years 2009-10, 2010-11 & 2011-12 are provisional subject to reconciliation with RBI.

(V) **, * An additional amount of US\$ 4,035 million

pertaining to the year 2008-09, since reported by RBI, has been included in FDI data base from February 2012.

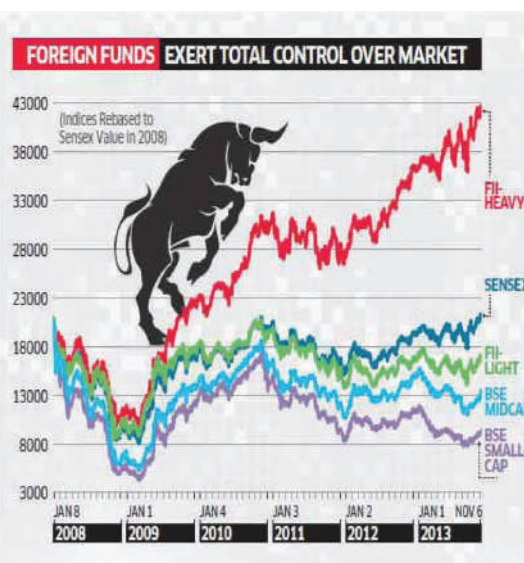
Country	Inflow in % age terms	Inflows in absolute Terms (million US dollars)
Mauritius	42%	50164
Singapore	9%	11275
USA	7%	8914
UK	5%	6158
Netherlands	4%	4968

The majority of the foreign investment into the securities market in India comes from Mauritius, a member country of International Organisation of Securities Commissions (IOSCO), because of the existence of a favorable tax treaty between the two countries. These dual tax avoidance agreements with countries (called tax heavens) like Mauritius, Cyprus, Netherlands and Singapore from where India can't levy capital gains tax. From them, the first two i.e Mauritius and Cyprus are India's largest and seventh-largest sources of FDI inflows, respectively, together comprise about 45% of Indian FDI inflow (which is approx. US\$10 billion) in Indian FY 2012-13

FII NET EQUITY INVESTMENT

Date	₹ crore	\$ mn
Jan '13	22,230	4,096
Feb '13	22,122	4,143
Mar '13	10,399	1,913
Apr '13	5,788	1,070
May '13	20,678	3,796
Jun '13	-10,530	-1,764
Jul '13	-5,909	-986
Aug '13	-6,200	-947
Sep '13	12,633	1,994
Oct '13	18,013	2,927
Nov '13	7,080	1,130
Dec '13	15,614	2,527
Total	1,11,920	19,898

Source: Sebi Compiled by BS Research Bureau



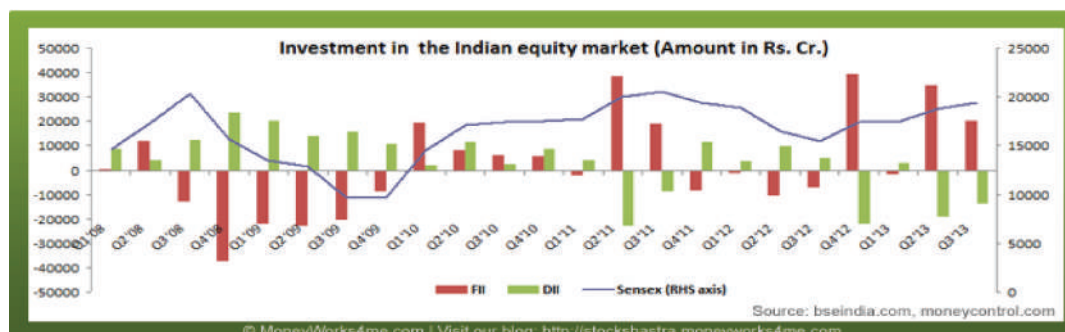
Positive Indicators

The committee headed by economic affairs secretary Arvind Mayaram has recommended 49% foreign investment through the automatic route in all sectors except defence, insurance and media.

The government in September 2012 allowed 51% FDI in multi-brand retail companies without carving out any separate ceiling for FIIs. The government left it to the discretion of state administrations whether or not to permit FDI in supermarket chains on their territory.

Allowing domestic retail companies to raise portfolio limit to 49% would provide a level playing field to domestic retail companies by providing them an edge over the foreign retailers with strong financial muscles.

As the FIIs overall participation has to be approved by the board and shareholders of the company, the company continues to be Indian as owned and controlled by Indian resident shareholders.



Analysis

Given no dearth of Knowledge content in India, the nation has been a 'country of shopkeepers'¹ meaning that the business understanding persists with us. The retail percolation has been widespread across the metros, cities, towns, suburbs and villages. Adding the demographics in the diverse cultural and geographical characteristics of India, the tastes and preferences gets changed at short distances so distribution channels holds the key in retailing.

Given the demand of time, the Indian retailer requires to move on to give its customers a 'one stop shopping experience' thereby repositioning itself to the niche.

Retail industry in India has an immense scope of growth with latest organized retail percolation upto to just 10%.

Complying with its membership commitments to WTO, the Indian retail sector has to compete with foreign retailers who in-turn have to face the grilling Indian environments and established neighborhood mom-n pop stores.

Foreign Institutional Investors should serve the purpose of fulfilling the above as they being with profit centered mindsets don't intervene much in day to day businesses by the time results are coming. This is contrary to the FDI where the investor tends to gain the business control in lieu of investments made.

Also, FIIs generally behave in a consortium which reflects in the stock market patterns, so the retailer is comparatively cushioned against an abrupt decision with direct investor in the business.

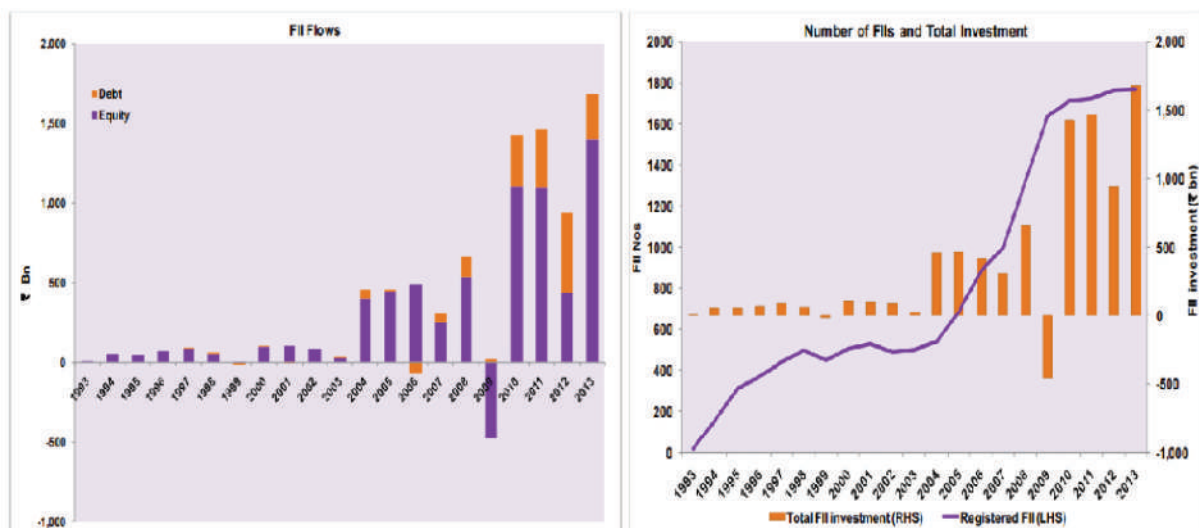
FII allows new age entrepreneurs get access to large portions of capital but in turn requires them to improve disclosure and governance standards. The indirect benefits to the market would include alignment of local practices to international standards in trading, risk management, new instruments and equity research, thus facilitating the markets to become more deep, liquid and efficient in feeding new information for research which inturn leads to better pricing for better capital allocation in the new. sectors being opened up besides the already existing globally competitive sectors of the economy.

With the inherited opportunistic nature of FIIs, these portfolio flows can technically, get reversed at any time, the large number of international capital funds chasing a wide number of available growth opportunities across the nations, by the time the host country follows rational economic policies, the risk is not high as perceived. The Indian experience spread over the last fifteen years is that 'despite economic slowdowns, war, drought, flood, political uncertainties the foreign inflows have behaved less irrationally.

With a common understanding that FDI does crowd out indigenous entrepreneurship if the non-financial traits of FDI are immaterial to the potential success of the project, from the host country's viewpoint, it is preferable that a Indian Retailer put up the project with the FII capital, if need be.

Recommendations

- Do away with too many caps in the overall regulatory regime.



Source : SEBI

- Increase FII limit for Retail Sector.
- Allow FII 100% ownership
- Easy access to Foreign Investors by simplifying the approval procedure and industrial license
- Liberalize the locking period for FII & FDI
- "Better Investment Climate" Need of the Hour.
- Liberalise the economic policies further so as to overcome the fiscal deficits faced by Industry
- Invite corporate giants from countries like USA, China and south Korea
- Maintain a balance between domestic companies and foreign companies so as domestic companies could survive in front of foreign giants.

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CRITICAL SUCCESS FACTORS OF MOBILE BANKING ADOPTION

Ajay Kumar Rathore*
Raj Kumar**

Abstract : India is considered a young country in the field of mobile banking and need to grow and promote in this section. Although mobile banking services are offered in most public and private banks, but still many customers have not welcomed to these services because they are not familiar with the way using these services and most important is the lack of confidence to electronic systems. Perceived ease of use is defined as "the degree to which a person believes that using a particular system would be free of effort". Extensive research over the past decade found that perceived ease of use had a significant positive effect on intention to adopt the software among the potential adopters. In the present study questionnaires are distributed to a targeted population of seven private commercial banks in Rohtak city. The targeted population was estimated 5000 customers from these seven banks. The study was conducted in the selected area because of high mobile and broadband penetration rate. This study met the general objective, finding out the factors determining the intention to adopt mobile banking in Rohtak.

Over the last few years, the mobile and wireless market has been one of the fastest growing markets in the world and it is still growing at a rapid pace. Apple's initial success with iPhone and the rapid growth of phones based on Google's Android (operating system) has led to increasing use of special client programs, called apps, downloaded to the mobile device. The convenience of mobile banking is that the banks undertake the banking transaction outside of the working hours and is accessible from anywhere and indeed has become of the customer preference (Sohail and Shaikh, 2008). Since mobile banking was introduced consumers have been able to do banking services 24 hours a day using their mobile phones without having to visit the traditional bank branches or to find a computer with broadband connection for personal transactions. This lead to the ease of use of mobile banking since the availability of the system whenever they need it will increase

their intention to adopt the system and become their preference as compared to the traditional banking system. Although mobile banking is relatively new in Malaysia compared to Internet banking, it is very important for the banks to examine this usefulness factor affecting customers' intention to adopt and to take the necessary steps to However, perceived ease of use and perceived usefulness may not fully explain customers' behaviour and their intention to use mobile banking. There are still other factors that influence customers' intention and this includes perceived credibility to which will affect the users' intention toward using mobile banking services. This factor may impact user acceptance and the past researcher found that perceived credibility had significant effect on intention (Wang *et al*, 2003). Customers are worried that the mobile banking is risky to them, and are worried on the security and privacy concerns especially on their financial information (Howcroft, 2002).

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India is considered a young country in the field of mobile banking and need to grow and promote in this section. Although mobile banking services are offered in most public and private banks, but still many customers have not welcomed to these services because they are not familiar with the way using these services and most important is the lack of confidence to electronic systems. Obviously, if customers not welcome mobile banking system, providing these services will fail. Today, despite the late acceptance of mobile banking in India, the banks seem to be aware of opportunities that the technology is provided for them. In fact, they are moving very fast towards a modern mobile banking and providing services to customers in higher levels. On the other hand, despite the great investments made in the field of mobile banking, reports indicate that some users not use this technology, though they have access to it. So, studying behavioural factors influencing customer adoption of mobile banking will make the banking system to identify factors related to adoption of the technology and to strengthen relevant factors in order to encourage customers to use this service and thus develop the electronic banking. This reveals the need to perform investigations to identify factors determining adoption of the mobile banking system and customers attitude toward it.

In the banking industry, bank branches alone are no longer adequate to provide banking services to cater the needs of demanding customers. Therefore, the provision of banking services through mobile banking has provided an alternative means to acquire banking services conveniently and timely to bank customers (Amin *et al.*, 2008). In this paper an attempt has been to predict critical success factors in adoption of mobile banking. Do Perceived Ease of Use, Perceived Usefulness, Perceived Risk, Perceived Credibility and Awareness of Its Benefits influence the intention to adopt mobile banking.

Review of Literature

Perceived ease of use is defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989). Extensive research over the past decade provides evidence of the significant effect perceived ease of use on intention to use (Karahanna *et al.*, 1999; Taylor and Todd, 1995; Lau, 2002; Davis, 1989; Norzaidi and Intan Salwani, 2009). Karahanna *et al.*, (1999) found that perceived ease of use had a significant positive effect on intention to adopt the software among the potential adopters. Likewise, bank customers are likely to adopt online banking when it is easy to use the technology (Guriting and Ndubisi, 2006).

Perceived usefulness is defined as "the degree to which a person believes that using a particular system would enhance his or her job performance" (Davis *et al.*, 1989). Perceived usefulness is strongly associated with productivity. It suggests that using in the workplace would increase user's productivity, improve job performance, and enhance job and usefulness. Earlier studies have shown that there is a positive relationship between perceived usefulness and intention to use (Yang, 2001; Karahanna *et al.*, 1999; Taylor and Todd, 1995).

According to Hanudin (2007), perceived credibility is a determinant of behavioral intention to use an information system. Perceived credibility consists of two important elements: privacy and security. Security refers to the protection of information or systems from unauthorized intrusions (Egwali, 2008). Fear of security is one of the factors that have been identified as impediments to the growth and development of mobile banking including electronic banking adoption (Ezeoha, 2005). For the purpose of this research, "perceived credibility" (PC) is defined as users' perception of protection of their transaction details and personal data against unauthorized access. It is about personal belief that a user in the system to carry out a transaction securely and maintain the privacy of personal information. Perceived credibility has also been tested and confirmed to have a significant effect on perceived ease of use and perceived usefulness (Karjaluoto 2002; Muniruddeen 2007).

Pikkarainen (2004) has reported that the amount of information a customer has about Internet banking and its benefit may have a critical impact on the adoption of Internet banking. Moreover, Sathye (1999) note that low awareness of Internet banking is a critical factor in causing customers not to adopt internet banking. In addition, Howcroft *et al.* (2002) found that lack of awareness of Internet banking services and its benefits are found to be reasons for consumers' reluctance to use Internet banking services.

The theory of perceived risk has been applied by Pavlou (2001) of which defined perceived risk as "the user's subjective expectation of suffering a loss in pursuit of a desired outcome". When customers are uncertain

about product quality, brand and online services, they may worry about an unjustified delay in product delivery, providing payment without receiving the product and other illegal activities and fraud.

Sample of Study

The questionnaires are distributed to a targeted population of seven private commercial banks in Rohtak city. The targeted population was estimated 5000 customers from these seven banks. The study was conducted in the selected area because of high mobile and broadband penetration rate. Mobile technologies and broadband are pre-requisite for mobile banking services, which is defined as a subset of electronic banking that is conducted in a wireless environment (Coursaris and Hassanein, 2002). The respondents from this population are likely to be the first consumer segments to adopt mobile banking services because of their high educational level and income potential. In addition, age and "well to do" positions also makes the customers of both banks more open to new ICTs (Lightner *et al*, 2002). In addition, the study is only intended to investigate the bank customers' intentions to use mobile banking in the future. The study was conducted in the selected area because of high mobile and broadband penetration rates. Mobile technologies and broadband are pre-requisite for mobile banking services, which is defined as a subset of electronic banking that is conducted in a wireless environment (Coursaris and Hassanein, 2002). In addition, the study is only intended to investigate the bank customers' usage intentions for mobile banking in the future. The respondents are likely to be the first consumer segments to adopt mobile banking services because of their high educational level and income potential. Generally, the respondents have been exposed to the enhancement of mobile phone technologies as well as having been exposed to the concept of internet banking applications but never used mobile banking. In addition, age and "well to do" positions also makes the customers of both banks more open to new ICTs (Lightner *et al*, 2002). About 350 questionnaires were distributed to the respondents at these 7 private commercial banks in Rohtak and 334 questionnaires were returned. 300 of the returned questionnaires were completed and usable. This sample size satisfies the requirement of social science research as stated by Pinsonneault and Kraemer (1993) and higher than the acceptable range (30 percent) as proposed by Sekaran. The sample size is comparable to other TAM studies such as Legris *et al*. (2003) meta-analysis indicates that the sample size involving respondents range from 786, Taylor and Todd (1995) involves 262 respondents and Davis (1989) involving 107 respondents. . It is considered to be high to represent of the population studied as Sekaran (2003) indicated that an analysis should obtained at least 30 percent responses. Moreover, in

order to avoid sample bias, response rate should be more than 10 percent (Roscoe, 1975). Furthermore, the results obtained can be generalized (Sekaran 2003).

Respondents Profile

The demographic characteristics of 300 respondents are analyzed by seven categories, namely gender, age, marital status, current occupation, highest level of education and income level. 51 percent of the respondents are female, while 49 percent of the respondents are males. It is surprising to note that there is almost equal number of respondents in terms of gender considering the nature of the industry.

In summary, this study met the general objective, finding out the factors determining the intention to adopt mobile banking in Malaysia. All two specific objectives were answered as follows: In determining the extent to which factors influenced the level of intention to adopt mobile banking, three variables were found to have significant influence on intention to adopt mobile banking (perceived usefulness, perceived credibility and awareness). Overall, 71.7 percent of variance in the intention to adopt mobile banking was explained by the three variables. Furthermore, this study helped to narrow the knowledge gaps and provided useful information and guidelines that could trigger the intention to adopt mobile banking in the banking industry by answering the primary and sub-research questions: Primary research question (i) that an answer on the factors that influence the intention to adopt mobile banking, the empirical evidence provided in this study concluded that three variables namely perceived usefulness, perceived credibility and awareness were found to be significant factors of intention to adopt mobile banking. In answering sub-research questions, perceived usefulness, perceived credibility and awareness were found to have significant influence on intention to adopt mobile banking and the other two factors (perceived ease of use and perceived risk) are not significant. The most significant implication of mobile banking services is the need to recognize that technology acceptance should be managed with the objectives of creating a useful services and secured system besides ensuring that the privacy of users' banking information and transactions are well taken care of. While the explicit essence of the consumer's relationship is to get a useful and efficient service, awareness on how beneficial mobile banking is to each targeted market segment among existing banking customers is also an essential aspect. Banks should continuously promoting their services and selling on the benefit to attract more customers to adopt mobile

banking. Finally, the use of mobile digital signature is critical to ensure the confidentiality, authenticity and integrity of payments initiated from mobile phones, is one of the ways forward towards building a secure mobile infrastructure that is conducive for the delivery of financial services.

Regression analysis is constructive technique that can be used to analyse the associations between a set

independent variable and single dependent variable (Hair et 2005). Multiple regressions were used to study the direct effect of adoption drivers on the intention to use mobile banking. For this purpose multiple regression analysis were conducted to analyse the direct relationship between perceived ease of use, perceived carefulness, perceived risk with intention to adopt mobile banking.

Profile Of Sample

Gender	F		%
	M	152	50.66
	F	148	49.33
Age	21-29	135	45
	30-39	127	42.33
	40-49	25	8.33
	49 Above	13	4.33
Education	Professional	162	54
	Bachelor	48	16
	Metric	46	15.33
	Sr. Secondary	44	14.66
Monthly Income	Above 1 lack	188	62.66
	75- 1 lack	100	33.33
	Less than 75 lack	12	4
Occupation	Medical	100	33.33
	Teaching	98	32.66
	Administrative service	52	17.33
	Others	50	16.66

(Source : Primary Data)

Table 1: Regression Analysis Summary for Variables Predicting Intention

Model	R	Adjusted R Square	R Square	Std. Error of the Estimate
1	0.787a	0.675	0.672	0.70309

(Source: SPSS RESULT)

- a. Predictors: (Constant), Perceived Ease of Use, Perceived Usefulness, Perceived Credibility, Customer Awareness, Perceived Risk.

Table : 2 ANNOVA Table For Variables Predicting Intension

MODEL	SUME OF SQUARE	DF	MEAN SQUARE	F Value	P Value
Regression	416.152	5	83.23	148.625	0.000
Residual	166.593	294	0.56		
TOTAL	582.746	299			

(Source: SPSS RESULT)

- α. Predictors: (Constant), Perceived Ease of Use, Perceived Usefulness, Perceived Credibility, Customer Awareness, Perceived Risk.

Table : 3 Coefficient Table For Variable Predicting Intension

Model	Un-standardize coefficient	Standard Error	Standardize Coefficient	T Value	P Value
Constant	- 0.687	.271	.05	-2.533	0.011
Perceived Ease of Use	0.06	.68	.424	0.092	0.922
Perceived Usefulness	.510	.074	.159	6.617	0.000
Perceived Credibility	.161	.061	0.328	2.615	0.008
Perceived Awareness	.393	.071	0.551	5.398	0.000
Perceived Risk	.47	.31	0.051	1.398	0.148

Dependent variable: Intention

(Source: SPSS RESULT)

Table 1 shows that Rsquare was .675, representing 67.5 percent of the critical factor in adoption can be explained by perceived ease of use, perceived usefulness, perceived credibility customer awareness and perceived risk. The Table no. 2 conforms the goodness fit of the model. Table no. 3 explains individual variable coefficient that perceived usefulness $t = 0.617$, $p > 0.05$, perceived credibility ($t=2.615$ $p < 0.05$) and customer awareness ($t=5.398$, $p < 0.05$) were found to have a significant relationship in adoption of mobile banking, perceived ease of relationship with adoption factor. The result of this study will have important implication and is believed to be very useful for the mobile banking sector in formulating appropriate strategies for banking sector. Banker should recognize that technology acceptance should be managed with the objectives of creating useful services and service system. In the early stage of mobile banking service, it is essential to create awareness among customer through advertising and promotion by selecting right kind of messaging and celebrities. The Bank that will manage to attract more customers to use mobile banking will save in term of in term of reducing number of ATM and branches. This in term will reduce in handling transactional manually in global competitive era and increase bank profitability in long term.

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SATISFACTION AND EXPECTATION WITH MODERN INDIAN BANKING: AN EMPIRICAL ASSESSMENT

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Abstract: *This paper attempts to study the importance of banking sector in current dynamic scenario. All banks are continuously changing their strategies to attract and satisfy more and more customers. Through this paper researcher tried to analyze the effectiveness of banks in customer's satisfaction and fulfillment of expectations? Data were collected through structured questionnaire. Statistical tool like correlation, t test were used to test the significance of hypothesis.*

Our research states that banks are lagging behind in some crucial factors like modern looking equipment, cooperation, smartness, error free service at top priority, trust of customers on banks, customized services, convenient banking hours, e channel network, paper less formalities. Apart from this banks are also doing well on some part like providing of value added services like ATM, lockers, mobile banking and price for various services

Key word: *Banking service, customer's expectation, customer's perception, and modern banks.*

Introduction

The importance of commercial banks in the progress of the economic development has been stressed from time to time by many economist and progressive bankers in the country. Commercial banks are the heart of Indian financial structure with the ability to add the supply and circulation of money by creating additional purchasing power in the country. So ultimately this can be achieved only by increasing or focusing on the hospitality with customers in the bank which should be dynamic, multidirectional and multidimensional in growth.

In current dynamic scenario, many of the banks have formed strategies to survive by concentrating on rapidly changing markets, new technology, solving trade union issues, foreign banks entry, bank regulations, economic meltdown, fierce competition and have also understood the realities of long term survival which depends on the satisfaction of customers expectation in all aspect including service provided in banks. Still many of the banks are facing

challenges to understand the mindset of their clients due to often changing preferences and expectation of the customers. Earlier the banks rarely evaluate customer's expectation but now well known MNCs and banks continuously evaluate the consumer mindset with the help of marketing consultants, educational institutions and then concentrate on fulfilling their requirements. As V. Krishnamurthy (Staff Reporter, The Hindu) of Banking Ombudsman for Kerala and Lakshadeep said Indian banking industries biggest challenge is not from its trade unions and foreign banks but meeting the rising hoe of the customer. Now days most of the winning companies and banks are focusing on continuously fulfilling their clientele expectations or beyond like "customer delight".

In the current trend, customer satisfaction plays a major role in all the parts of the services. This research work is used to predict the overall customer expectation and satisfaction with banking services with the help of few dimensional services such as loan

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services, bank deposits, insurance, services, value added services, hospitality, attitude of employees towards clients etc.

Undoubtedly owing to the belief that delivery of higher service quality is a must for retaining customer satisfaction and a number of other desirable behavioral outcomes, recent years have witnessed a outcry of research exploring interrelationship between service quality and satisfaction and behavioral outcomes (Festus and Hsu et al, 2006; Thamariselvon and Raja, 2007).

Objective of Study

- To analyze the overall customer satisfaction and dissatisfaction with banking services with the help of few important dimensional services such as loan services, bank deposits, insurance, services, value added services, hospitality, attitude of employees towards clients.
- Expectation of customers with bank.
- To study the customer's satisfaction in public sector banks.
- Effect on performance of bank's due to the service market.
- To reveal the future trend and challenges for achieving excellence in service marketing in the banking sector

Scope of the Study

The growing competition and highly stressed profits have not only introduced a new marketing concepts in Indian banking sector but has also brought the customer satisfaction to the centre of the focus. It has become very important for the banks to retain their existing customer base as well as to enlarge the same. It is reported that 90% of bank switching in the Asian Banking market occurs due to pricing, service quality and inconvenience (Gerrard and Cunningham, 2004). Since pricing in Indian banks is regulated. It is the service quality delivered which then becomes important if the bank wants to retain and attract customers. Evaluation of judgment of service quality is necessitated by the fact that it can significantly influence bank loyalty (Lewis, 1993). Also a positive correlation exists between image, perceived quality, satisfaction, commitment and loyalty (Veloutsou et al., 2004)

Review of Literature

There are a number of studies that refer to the importance of client/customer perception of quality

(Takehchi & Quelch, 1983). These result from comparison by expectation of service with actual performance (Gronroos, 1982 & Berry, et al 1985). Berry (1980) along with Booms and Bitner (1981) argued that due to intangible nature of services, customers use elements associated with the physical environment, when evaluating service quality. Managing the evidence and using the environment. Psychology is often seen as an important marketing tool. Levitt (1981) proposed that customers use appearance to make judgment about realities and has identified two service quality dimensions, viz functional quality and technical quality. Functional quality represents the perception of the manner in which the services are delivered technical quality or outcome quality on the other hand, represents the outcome of the service act or what the customer receives in the end (Brady and Cronin, 2001). Parasuraman, et al (1985) suggested that the criteria used by consumers mould their expectations and perception of delivered service quality fit into ten dimensions; tangibility, reliability, responsiveness, communication, creditability, security, competence, courtesy, understanding the customer and access.

The 5 dimensional model has now becomes the standard way of measuring service quality in banking sector.

Tangibility: include physical facilities equipment appearance of personnel.

Reliability; includes ability to perform promised service accurately with reliability.

Responsiveness; includes willingness to help customer and provide promised services.

Assurance; includes knowledge and courtesy of the employer and their ability to convey trust and confidence.

Empathy; includes caring and individualized attention the company provide to its customers.

Parasuraman, et al (1988) developed 22 items scale referred to as SERVQUAL scale, which is widely used as a generic instrument for measuring service quality. The basis for identifying the five components was factor analysis of the 22 item scale developed from focus group and from the specific industry applications undertaken by the authors (Parasuraman, et al 1985, 1988 and Zeithamal, et al 1990). Through the veracity of conceptualizing the SERVQUAL scale has been questioned by Carmen (1990).

Gronroos (1985) suggests that the perceived quality of a service will be the result of an evaluation

process in which customers compare their perceptions of service, quality delivery and its outcome against what they expected. Expectation provides a standard of comparison against which customers' judge an organization's performance (Lovelock, 2001). It is defined as the customers' frame of reference with respect to a product/service that allows anticipation of product / service performance (Bitner et al.1990).

Research design

In light of the aforesaid objectives, an instrument was developed to collect information on desirability and in reality of bank's customers regarding reliability, accuracy, confidentiality, flexibility, e-channels, high attention to customers, low services charges and overall satisfaction of customers. Since our study was focus on customers satisfaction level, gap between customer's expectation from excellent bank and in actual (in reality) service availed in **PNB account holders in different district**, to check association among different attributes like income of customers, preference of any account mode, type of depository in banks with income, preference of bank's branch, expectation of customers for services, age of banking relation with customers.etc.

Data collection

Information was collected through primary source like survey with structured questionnaire and secondary sources like journals, periodicals, books, websites etc.

For data collection, the respondents were selected with the help of an abridged list of random numbers. Convenient sampling was done according to researcher's convenience.

Moreover, Ghaziabad is a representative of people

belonging to various demographic profiles of urban life relevant to modern banking services. Likert type five point scales were used to know the desirability and availability of the services quality parameters.

Samples

The survey was conducted in **Ghaziabad** district and other place in the month of August to November 2011, at various places like at ATM(PNB) , outside PNB's branch like Ambedkar road, Rajnagar, N.H.58 Morta road, Kavi nagar, Faculties, Employees & Students of my colleges whose salaried and saving account are mostly with PNB Ambedkar road etc with **sample size of 300**.

Analysis Techniques

The various statistical methods like Percentage, Average, Standard deviation, coefficient of variation and weighted Average Score (WAS) were used to compare the result. To test hypothesis 't test' was used. SPSS 20 version was used for analysis.

SERVQUAL was used which is originally measured on 10 aspects of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding or knowing the customer and tangibles. It measures the gap between customer expectations and experience.

Finding and Interpretations

Demographic and Descriptive profile of Respondents

Male respondent	255
Female respondent	45
Total	300

Table 1: Demographic Profile

S. N.	Characteristic		Numbers	%
1	Gender	Male	255	85
		Female	45	15
2	Annual Income	< 1 lac	60	20
		1 -4 lac	195	65
		> 4 lac	15	05
3	Occupation	Business / Self Employed	96	32
		Employee salaried	129	43
		Professionals	30	10
		Others(housewife, students etc)	45	15

4	Education	Up to HSC	36	12
		Graduate	165	55
		PG	69	23
		Professionals	30	10
5	Age	Below 25	60	20
		26-35	69	23

Sources : Data computed

The demographic profile helps bankers to analyze the demographic factor which influence customer and are associated with the preference and behavior. In the gender response male respondent were 5.66 times more than female as it is indicated that 255 (85%) are male and 45(15%) are female. This shows that even today male visit to banks more than woman.

Researcher approached to respondent of various Income level, like 60(20%) are below to 1 lac in annual income, 195 (65%) are in between 1-4 lac and 15 are earning more to 4 lac per annum. This shows that in our society medium class family are more in number.

Occupations wise also researcher visited to different type of respondent like 96 (32%) where of business / self employed class, 129(43%) are from salaried class, out of total 30(10%) are professionals, rest 45(15%) belongs to other categories like housewives, students, etc.

On the education part researcher distinguished the respondent on basis of High school, graduation, Post graduation, professional and found that 36(12%) respondent are simply passed high school, 165(55%) are graduation, 69(23%) are Post graduation, 30(10%) are professionals.

Researcher classified the respondent on the base of biological age and found that 60(20%) are below 25 years, 69(23%) are between 26-35 years, 144(48%) are between 36-45 years and 27(9%) are greater than 46 years. Out of this it can be seen that majority of customers are of age between 36-45, so banks should focus on age of this segment.

Age, education, occupation, income decide the uses of banking services.

Occupation is a predominant factor that reveals the customers social class, life style and willingness to buy. Rest data is very clear from above table 1.

Customer's bank details

Table 2, reveals the details of customers having account in PNB bank and tenure of relationship with it. It is palpable that 6(2%) respondent are banking with PNB bank from more than 15 years, 36(12%) with 10-15 years, 75(25%) with 5-10 years, 123(41%) are having new relation with banks like 2-5 years, 60(20%) are having very new relation with bank.

One of the most important success factors of any bank in the competitive environment is to retain customers on a long term basis. Table 2 show majority of respondent have relation with their bank from between 2-5 years.

Table 2 : Customer 's relationship with Banks

S.N.	Characteristic	Duration	Number	%
1	Duration of banking relationship with customers	> 15 years	6	2
		10- 15 years	36	12
		5- 10 years	75	25
		2-5 years	123	41
		< 2 years	60	20

Sources : Data computed

Gap between Desirability and Availability on basis of WAS collected through likert scales.

	D	A	Gap= (D-A)
Your Bank have modern looking equipment (Tangibles)	3.95	3.516	0.434
Employees at Your banks are smart (Tangibles) and cooperative(Reliability).	4.186	3.396	0.79
Your banks performs the Service (error free) at top priority with interest. (Reliability)	3.883	3.26	0.623
Customers of bank have trust on their bank and its employee. (Reliability)	3.86	3.533	0.327
Your banks gives to customers individual attention(Reliability) with convenient hours and Customized service. (Empathy)	4.023	3.166	0.857
Your banks have well developed e-channels.(Empathy)	3.95	3.69	0.26
Your banks have low interest rate for loan, low service charge, no hidden charges, less penalty .	3.273	3.28	-0.007
Your bank have easy & paper less formalities, good insurance product, etc.	3.74	3.37	0.37
Your banks have good value added services like ATM, lockers, mobile banking, trading accounts, good deposit scheme, etc.	3.933	4.04	-0.107

The average mean in the desirability and availability is 3.933 & 4.043 for value added services like ATM at nearest locations, lockers, mobile banking, trading accounts, good deposit scheme respectively which indicate that banks are providing more value added value than desired by customer which delight them.

Next feature which delighted customers more is interest rate for loan, low service charges, no hidden charges, less penalty as customers are getting more what they expect from excellent banks or we can say that banks are in position to woo the customers on rate matter (gap is -0.007).

As now days, it is difficult to differentiate the banks between public and private on terms of looking of ambience of banks as they are investing huge amount to fulfill the expectation of customers and it is also shown by gap of mean which is 0.434 as desirability and availability respectably 3.95 and 3.516.

Banks are focusing more on tangibles parts. The gap between desirability and availability regarding the smartness (tangible) and cooperation (Reliability) is 0.434 as desirability and availability respectably 3.95 & 3.516.

Banks are focusing more on tangibles parts. The gap between desirability and availability regarding the smartness (tangible) and cooperatives (Reliability) is large (0.79) means banks are not stressing towards employee's attitude and smartness. Many banks employees are not upgrading themselves according to need of hours.

Customers are also not happy with the services which should be error free and employee do not perform their duty with interest (gap is 0.623).

Gap (0.851) between desirability and availability of employee's attention towards bank with convenient hour are even not available to customers up to their expectation.

Testing of Hypothesis for

Factor 1: Your Bank has modern looking equipment

Hypothesis 1

H_0 : There is no or insignificant difference between the mean of desirability and availed by customers for factors "Your Bank have modern looking equipment".

Pair 1: Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 1 & expected1	300	.375	.000

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 1 - expected1	-7.300	299	.000

Since we can see from above output of SPSS, p value is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for modern equipment.

Factor 2: Employees at Your banks are smart (Tangibles) and cooperative (Reliability).

Hypothesis 2

H_0 : There is no or insignificant difference between the mean of desirability and availed by customers for factors "Employees at Your banks are smart (Tangibles) and cooperative (Reliability)."

Pair 2 : Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 2 & expected 2	300	.020	.727

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 2 - expected 2	-9.930	299	.000

Since we can see from above output of SPSS, p value is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for smart and cooperative.

Factor 3: Your banks performs the Service (error free) at top priority with interest. (Reliability)

Hypothesis 3

H_0 : There is no or insignificant difference between the mean of desirability and availed by customers for factors "Your banks performs the Service (error free) at top priority with interest. (Reliability)."

Pair 3 : Paired Samples Correlations:

		N	Correlation	Sig.
Pair 1	act 3 & expected 3	300	-.116	.044

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 3 - expected3	-6.735	299	.000

Since we can see from above output of SPSS, p value is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for error free service at top priority.

Factor 4: Customers of bank have trust on their bank and its employee. (Reliability)

Hypothesis 4

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors "Customers of bank have trust on their bank and its employee. (Reliability)."

Pair 4 : Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 4 & expected 4	300	.117	.042

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 4 - expected 4	-3.826	299	.000

Since we can see from above output of SPSS, p value is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for trust on banks and its employees.

Factor 5: Your banks give to customer's individual attention (Reliability) with convenient hours and Customized service. (Empathy)

Hypothesis 5

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors, "Your banks gives to customers individual attention(Reliability) with convenient hours and Customized service. (Empathy)."

Pair 5: Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 5 & expected 5	300	.128	.027

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 5 - expected 5	-10.777	299	.000

Since we can see from above table value of p is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for customers individual attention (Reliability) with convenient hours and Customized service. (Empathy).

Factor 6: Your banks have well developed e-channels. (Empathy)

Hypothesis 6

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors, "Your banks have well developed e-channels. (Empathy)."

Pair 6 : Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 6 & expected 6	300	.346	.000

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 6 - expected 6	-4.102	299	.000

Since we can see from above table value of p is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for e channel network.

Factor 7: Your banks have low interest rate for loan, low service charge, no hidden charges, less penalty.

Hypothesis 7

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors, "Your banks have low interest rate for loan, low service charge, no hidden charges, less penalty."

Pair 7 : Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 7 & expected 7	300	-.106	.068

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 7 - expected 7	.070	299	.945

Since we can see from above table, value of p is insignificant and greater than 0.05. So there is enough evidence to accept null hypothesis. Hence the mean rating of desirability and response of actual for interest rate, low service charge etc are equal or we can say that banks are meeting the customer's expectation.

Factor 8: Your bank has easy & paper less formality, good insurance product, etc.

Hypothesis 8

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors, "Your bank has easy & paper less formalities, good insurance product, etc.."

Pair 8 : Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	act 8 & expected 8	300	.031	.596

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	act 8 - expected 8	-4.836	299	.000

Since from above table, value of p is significant and less than 0.05. So there is enough evidence to reject null hypothesis. Hence there is significant gap of mean difference of desirability and response of actual for paper less and easy formalities.

Factor 9: Your banks have good value added services like ATM, lockers, mobile banking, trading accounts, good deposit scheme, etc.

Hypothesis 9

H_0 : There is no or insignificant difference between the mean(rating) of desirability and availed in actual by customers for factors, "Your banks have good value added services like ATM, lockers, mobile banking, trading accounts, good deposit scheme, etc."

Pair 9 : Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 act 9 & expected 9	300	.112	.053

Paired Samples Test

	t	df	Sig. (2-tailed)
Pair 1 act 9 - expected 9	1.511	299	.132

Since we can see from above table, value of p is insignificant and greater than 0.05. So there is enough evidence to accept null hypothesis. Hence the mean rating of desirability and response of actual for value added services are equal or we can say that banks are meeting the customer's expectation.

Conclusion

Empirical study has proved that banks are trying to give their maximum output and satisfying the customers on almost every front.

Our research states that banks are lagging behind in some crucial factors like modern looking equipment, cooperation, smartness, error free service at top priority, trust of customers on banks, customized services, convenient banking hours, e channel network, paper less formalities.

Apart from this banks are also doing well on some part like providing of value added services like ATM, lockers, mobile banking and price for various services.

Limitation of study

The factors and the items taken into account in the present study are highly flexible, in the sense that these item can be modified to suit to any category of service industry, but due to practical difficulties and constraints in raising a major project, the current study has been confined to banking sector only. Further, one particular sector out of the wide ambit of organization in the service industry is chosen in order to have a high level of internal validity that facilitates an intensive study.

Although the investigator attempt to make an assessment of service quality variations in

various demographic segments, it was not possible to complete the same within the limited time and resources available.

Researcher conducted the survey in urban area which may not yield the same result if the survey is conducted in a rural area. The survey was conducted among students, service class, business class etc whose expectation and priorities are different so the results might have differed.

Scope for further research

The research was conducted out mainly in Ghaziabad, Uttar Pradesh, therefore, the result obtained may not be generalized for country as a whole, since the banking consumers differ in their preference, culture, and demographic in various parts of the country. The small sample size of 300 may also be less to represent all population of country.

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A STUDY ON FACTORS AFFECTING STUDENT'S CHOICE WHILE SELECTING UNIVERSITY FOR MBA PROGRAM, A COMPARATIVE STUDY BETWEEN DELHI UNIVERSITY & GURU GOBIND SINGH INDRAPRASTHA UNIVERSITY

Satish Chandra Gaur*

Abstract : Education gives knowledge, skills and habit to us. The purpose of the research is to identify the reasons, why students choose a particular university? For identifying these reasons objectives of the research are formulated on which investigation are carried out in a qualitative approach through in-depth interviews. The research helps researchers understand that which objective is considered most important by respondents when selecting a university for higher education. As a result of research it can be stated that all sources; word of mouth and other factors of choice have impact on student's decision making process. But the most influential is word of mouth which has great significance for all interviewees. There are also other factors such as environment and social conditions that are the basis of positive word of mouth. The least important in accordance to the research seems to be the role of generic marketing communications such as advertisement when choosing a university.

Keywords : University, higher education, student choice, choice of university, word of mouth

Introduction

The purpose of the research is to identify the reasons, why students choose a particular University? Education in its general sense is a form of learning in which knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, research, or simply through auto didacticism. Generally, it occurs through any experience that has a formative effect on the way one thinks, feels, or acts. Systems of schooling involve institutionalized teaching and learning in relation to a curriculum, which itself is established according to a predetermined purpose of the schools in the system. Schools systems are sometimes also based on religions, giving them different curriculum.

Higher education, also called tertiary, third stage, or post-secondary education, is the non-compulsory

educational level that follows the completion of a school providing a secondary education, such as a high school or secondary school. Tertiary education is normally taken to include undergraduate and postgraduate education, as well as vocational education and training. Colleges and universities are the main institutions that provide tertiary education. Collectively, these are sometimes known as tertiary institutions. Tertiary education generally results in the receipt of certificates, diplomas, or academic degrees.

In the present Era India is an education hub. A lot of businessmen adopted it as a business. Education sector is a fast growing and never failing business in India as well as in whole world. In this thought cut competition result and placement made the goodwill of an institute. Result is first thing that build up a professional institution fills up the seat of that

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particular institute. In the present era a man without education is like a ship without a rudder. Education is gaining prime importance in today's competitive scenario. Master of Business Administration (MBA) is one of the career choices and professional degree that helps the students to make their career and settle to their business and life. So that, Today MBA is one of the most common career choices among youth in India. This is purely because of the benefits that it offers. More and more MBA schools and management institutes are coming up in India. There are more than thousand institutes across the country, offering full-time residential MBAs. In addition, distance learning MBA, online MBA and part-time executive MBA are also gaining momentum.

Pallab Dutta (2009) has described the definition of an MBA degree that, "The MBA (Master of Business Administration) is a master's degree in business management and administration. It is generally a 2 year, full-time program taught in business schools of major universities and colleges. Refer to the complex of economic changing, business schools need to adapt and monitor that they are providing graduate student's skills which match the economic climate situation. Among the climate of globalization changes, in the opinion of writer suggested that business schools need to concentrate on "soft" skills such as ethics and increase focus on practical more than just put them purely academic skills.

Research Objectives

The following research objectives were determined:

1. To identify the factors of choice for students while choosing a university.
2. Impact of word of mouth in choosing a university
3. Importance of the role of marketing communications in choice making process of students.

Table No. 2 Represents the demographic features of the respondents.

Demographics	Bifurcation	Frequency	Percentage	Total Respondents	Total percentage
Gender	Male	36	36%	100	100 %
	Female	64	64%		
Age	18-21	0	0	100	100%
	22-24	20	20%		
	24-27	60	60%		
	28- above	20	20%		
Post Graduation	MBA	100	100%	100	100%
University	Delhi University	50	50%	100	100%
	Guru Gobind Singh Indraprastha university	50	50%		

4. To study the difference between the students preference while considering MBA course from Delhi & Guru Gobind Singh Indraprastha University.

Research Considerations

A qualitative approach was adopted in carrying out the research. This approach has been chosen because it has a number of implications for the research objectives. First of all a qualitative research enables the researcher to have a better understanding of the relationship between factors of choice, word of mouth and role of marketing communications in choosing a university. The qualitative approach would yield results that offer some insights into the most important factors that will determine underlying reasons for selecting a university.

Methodology used for data collection

Primary Data for this project has been collected through a simple and easy to understand Questionnaire.

Secondary Data are those which have already been collected by some other person for their purpose and published. Secondary data are usually in the shape of finished products. Researcher has used web links, brochures, magazines, books, etc for the same

Reliability of questionnaire for the first 25 respondents.

Table No. 1: Reliability Statistics

Cronbach's Alpha	N of Items
.714	25

Data Presentation and Data Analysis

It represents the demographic features of the respondents.

Data Analysis

Table representing a comparison of Mean and Standard Deviation among (gender) male & female respondents with regard to income of the students, facilities, ethnicity (nationality), and management role.

Table No. 3: Descriptive Statistics

	N	Mean	Std. Deviation
Gender	100	1.64	.482
Valid	100		

Interpretation: It represents the mean and standard deviation of gender which comprises of male and female respondents who belong to either Delhi University(DU) and Guru Gobind Singh Indraprastha University(GGSIPU) which also belong to different age group as well. The combined mean of gender comes out to be 1.64 and the standard deviation is 0.482 respectively where the number of males in the research are 64 that either belongs to Delhi University or Guru Gobind Singh Indraprastha University and in case of females who are around 34 and belong to either Delhi University or Guru Gobind Singh University. The respondents that were selected was selected on random basis.

Table representing a comparison of Mean and Standard Deviation among age of respondents with regard to income of the students, facilities, ethnicity(nationality), and management role.

Table No. 4 : Descriptive Statistics

	N	Mean	Std. Deviation
Age	100	2.00	.636
Valid	100		

Table No.6 : Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Income of DU Income of GGSIPU	3.480	3.908	.553	2.369	4.591	6.296	49	.000

Analysis: In the above table the mean and standard deviation is 3.480 and 3.908 and significance (2 tailed) is .000.

Hypothesis I

H1₀: Income is not likely to directly affect student's university choice decision.

H1_a: Income is likely to directly affect student's university choice decision.

Variables of the hypothesis: Income

Paired sample t-test technique

It is a test that is used to measure the difference between two different populations and compare the same. It helps to find out the mean that are significantly different from one another or are relatively same.

Paired Sample T-Test: Income of students from Delhi and Guru Gobind Singh Indraprastha University

Table No.5 : Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Income of DU	17.00	50	3.375	.477
	Income of GGSIPU	13.52	50	2.102	.297

Analysis: In paired sample statistics table, the mean of Delhi University and Guru Gobind Singh University is 17.00 and 13.32 respectively. The standard deviation of DU and GGSIPU is .477 and .297 respectively. The number of participants in both the variables is 50.

Interpretation

The Sig. (2-Tailed) value in our case is 0.000 & this value is less than .05. Because of this, we can conclude that there is a statistically significant difference between the mean of Delhi University and Guru Gobind Singh Indraprastha University and accept alternate hypothesis. Since our Paired Samples Statistics table revealed that the Mean of DU is greater than the mean of GGSIPU, we can conclude that participants of Delhi University are more affected by income which affects their decision making than the respondents in case of Guru Gobind Singh Indraprastha University.

Hypothesis 2

H_{2o}: The facilities are not likely to affect student's the university choice decision.

H_{2a}: The facilities are likely to affect the student's university choice decisions.

Variables of the hypothesis: Facilities

Paired sample t-test technique:

It is a test that is used to measure the difference

Paired Sample Test

Table No. 8 : Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Facilities of DU – Facilities of GGSIPU	2.080	3.404	.481	1.113	3.047	4.321	49	.000

Analysis: In the above table the mean and standard deviation is 2.080 and 3.404 and significance (2 tailed) is .000.

Interpretation

The Sig. (2-Tailed) value in our case is 0.000. This value is less than .05. Because of this, we can conclude that there is a statistically significant difference between the mean of Delhi University and Guru Gobind Singh Indraprastha University. Since our Paired Samples Statistics table revealed that the Mean of DU is greater than the mean of GGSIPU, we can conclude that participants of Delhi University are more affected by facilities and role

between two different populations and compare the same. It helps to find out the mean that are significantly different from one another or are relatively same.

Paired Sample T-Test: Facilities of Delhi and Guru Gobind Singh Indraprastha University.

Table No. 7 : Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Facilities of DU	17.96	50	2.499	.353
	Facilities of GGSIPU	15.88	50	1.769	.250

Analysis: In paired sample statistics table, the mean of Delhi University and Guru Gobind Singh University is 17.96 and 15.88 respectively. The standard deviation of DU and GGSIPU is 0.353 and 0.250 respectively. The number of participants in both the variables is 50.

of management which effects their decision making than the respondents in case of guru gobind singh indraprastha university.

Conclusions

1. The Sig. (2-Tailed) value in our example is 0.000. This value is less than .05. Because of this, I can conclude that there is a statistically significant difference between the mean of Delhi University and Guru Gobind Singh Indraprastha University. Since my Paired Samples Statistics table revealed that the Mean of DU is greater than the mean of GGSIPU, I can conclude that participants of delhi university are more affected by income which

effects their decision making than the respondents in case of Guru Gobind Singh Indraprastha University.

2. The Sig. (2-Tailed) value in our example is 0.000. This value is less than .05. Because of this, I can conclude that there is a statistically significant difference between the mean of Delhi University and Guru Gobind Singh Indraprastha University. Since my Paired Samples Statistics table revealed that the Mean of DU is greater than the mean of GGSIPU, I can conclude that participants of delhi university are more affected by facilities which effects their decision making than the respondents in case of Guru Gobind Singh Indraprastha University.
3. Word of mouth, distance from house, faculty of university, placement records and rank of university these are few important factors affecting student's choice while selecting university for MBA program,

Demographic data analysis

Gender and Age

There are majority of female respondents in the study which shows that females were more active during study and were more conscious about brands. There are majority of respondents whose age lies between 24-27 years. These respondents are more concerned about the factors affecting student's choice while selecting university for MBA program.

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RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE AND EMPLOYEE ENGAGEMENT: A STUDY OF LEADING PRINTING PRESS IN NCR

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Abstract : In today's world of cut throat competition, it has become very important for organizations to nurture, develop and engage their talents in the best possible manner. Employee engagement can be defined as the degree to which a person is emotionally attached with the organization. Recent researches indicate that emotional intelligence has a strong impact on the engagement level of employees. Therefore, nowadays organizations are focusing on measuring the emotional intelligence of employees during hiring and selection process to determine the best role fit and attitude of employees. The purpose of the study was to know the relationship between emotional intelligence, the individual relationships between the dimensions of emotional intelligence viz. well-being, self control, emotionality, sociability with the employee engagement and also to know impact of emotional intelligence on employee engagement in one of the leading printing press in National Capital Region (NCR) in India. The study was conducted on 80 respondents of the organization under study. Data was analyzed using correlation and regression analysis through SPSS. The study revealed that there exists a moderate but positive and significant relationship between emotional intelligence and employee engagement. It was also found that there exist positive but insignificant relationship amongst various dimensions of emotional intelligence and employee engagement except well being. Interestingly, 15.9% of variance in employee engagement was found due to emotional intelligence. Since, apart from emotional intelligence, there are various other factors which effect employee engagement, this study leaves a scope for further research in terms of exploring these factors.

Key Words : Emotional intelligence, employee engagement, well-being, self control, emotionality, sociability.

Introduction

In order to be successful in a dynamic and competitive business environment, organizations need to have those employees who are dedicated towards the job assigned to them. The success of any enterprise depends on its engaged and committed

employees. Every organization is having an objective towards optimum performance and the employees are the key in achieving that. It is essential that the employee's performance should reach optimality for the success of the organization. Employee engagement is the degree of devotion and commitment a worker

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has towards his or her organizational system. It is a measurable level of an employee's positive or negative emotional attachment to their job and organization which positively influences their willingness to learn & perform at work. Employee engagement has direct impact on the employee's productivity.

Emotional intelligence (EQ) is the ability to identify, use, understand, and manage emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges, and handling conflict. Emotional intelligence impacts individual's daily life in many ways, such as the way one behaves and the way one interacts with others. An employee with high emotional intelligence can manage his or her own impulses, communicate with others effectively, manage change well, solve problems, and use humor to build rapport in tense and difficult situations. Behind the emotional intelligence model is the theory that personal improvement will lead to professional success and enhanced workforce engagement through building happy, self confident and well rounded employees. Ability to control one's emotions and the ability to positively manipulate other people's emotions play a key role in employee engagement. When employees are emotionally engaged, they feel a sense of pride in their organization and become motivated to work for it. Their positive energy becomes instrumental in enhancing growth and productivity of the organization.

Review of literature

Greenberg (2009) believed that employee engagement is a higher level of commitment and involvement an employee has towards their organization and its values. In either case engaged employees are more than committed to organizational mission, vision and tries to add value to organizational processes. It is not just satisfaction of an employee to work at the assigned job but willingness to exceed expectation of employers and customers through their attitude and behavior.

Schaufeli, et al. (2002) defined engagement "as a positive fulfilling, work related state of mind that is characterized by vigor, dedication and absorption". The research conducted by Gallop helps to confirm that engaged workers help to promote good business results.

According to Kahn (1990), engagement means to be present psychologically as well as physically when occupying and performing an organizational role.

Masterangelo (2009) defines engagement as being comprised as both "micro level" elements (personal

growth, perception of supervisor, performance feedback) and "macro level" element (company leadership, honest communication, belief in future company success) and further that engagement is found in employee's minds, hearts and hands. Gallup inc. (2010) asserts that his research indicates that increasing employee engagement at a company will result in positive correlation with key business performance metrics.

Emotional Intelligence became a popular topic in the business world because researches supported that individuals who possessed a higher level of emotional intelligence helped to positively impact business performance. Emotional Intelligence relates to how individuals handle themselves emotionally (Goleman, 2006).

Salovey and Mayer (1990) defined emotional intelligence as "a form of intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions.

Joseph and Newman (2010) define emotional intelligence somewhat disparagingly as "(a) ability to perform emotional tasks, and (b) a grab-bag of everything that is not cognitive ability". Goleman (1996) asserts that his research indicates that a worker's level of emotional intelligence is strongly correlated with job performance.

According to Davidson and Begley (2012), emotions are frequently associated with the self side of humanness. Emotions help to bring purpose and fulfillment to lives of individuals and help them to appreciate one another.

Momeni (2009) asserted that more than 70% of an employee's view of the organizational climate of a company directly results from their manager's emotional intelligence. He also suggested that a manager with high level of emotional intelligence positively affects employee morals. Klem and Schechter (2008) emphasized that there was significant positive relationship between leader's emotional intelligence and psychological climate. Engaged employees feel motivated to do their best work and therefore it is important that managers understand what motivates his or her workers individually. Various researches have also suggested that emotional intelligence of a manager could have an effect on his or her worker's emotional intelligence. Workers can be positively engaged with a manager who is emotionally intelligent and he can intrinsically get his workers motivated at work place. Llorens & Bakker Solanova (2006), found a positive relationship

between employee engagement and leader's emotional intelligence in a study of the Spanish and Dutch workers. Anand & Uday Suriyan (2010) studied the relationship between leadership practices and the emotional intelligence of leaders and found a positive relationship between the constructs.

Objectives and Hypothesis of the study

Based on the preceding review of the literature the following research objectives were identified and hypotheses were formulated. Emotional intelligence influences a person's decision to engage or remain disengaged. This study tries to achieve the following:

1. To study the emotional intelligence level of the employees in the organization.
2. To study the engagement level of the employees in the organization.
3. To study the relationship between Emotional Intelligence and Employee Engagement.
4. To study the relationship among various dimensions of emotional intelligence (Well-being, Self control, Emotionality and sociability) and employee engagement.
5. To study the impact of Emotional Intelligence on the Employee Engagement.

Believing that there exists a relationship between emotional intelligence and employee engagement, following hypothesis were formulated for testing:

H01: There is no significant relationship between emotional intelligence and employee engagement.

H02: There is no significant relationship between Well-being and Employee engagement.

H03: There is no significant relationship between Self control and Employee engagement.

H04: There is no significant relationship between Emotionality and Employee engagement.

H05: There is no significant relationship between Sociability and Employee engagement.

Research Methodology

This research is empirical in nature. The research was conducted amongst the employees of one of the leading printing press located in the National Capital Region (NCR) with a sample size of 80 respondents in the year 2013. The rationale behind selecting a single organization was to minimize the impact of variables like organization culture, general working conditions, management policies etc on the employee engagement. 140 employees were asked to participate

in the survey and questionnaires were handed over to them manually. From the target sample, 80 (N= 80) of them responded and returned questionnaires. The selection of the sample was done based on convenience sampling method. Out of 80 respondents, 82 percent were male and 12 percent were female.

Two standardized questionnaires have been used to gather information for this study. *The independent variables* was emotional intelligence as measured by Pertrides and Furnham (2006) questionnaire. *The dependent variable* was a composite employee engagement score as measured by the Utrecht Work Engagement Scale (Schaufeli & Bakker, 2003).

Data was first analyzed through SPSS based on mean weighted scores to assess emotional intelligence and engagement level of employees. To test the third and fourth objectives and various hypotheses Pearson correlation analysis was used. For fifth objective, multiple regression technique was used.

Measures

In accordance with the objective of the study, two standard questionnaires were utilized namely:

1. Employee engagement (EE) was measured using the *Utrecht Work Engagement Scale (UWES)* developed by Schaufeli and Bakker (2003). It contains 17 items and has three dimensions: Vigor, dedication and absorption. Six items represent vigor and absorption each and remaining five items focus on dedication. This 17 item scale uses 7 point Likert scale ranging from 0-6(0= Never, 1= Almost Never, 2= Rarely, 3= Sometimes, 4= Often, 5= Very Often, 6= Always).

2. Emotional intelligence was measured by a scale developed by Pertrides and Furnham (2006) named Trait emotional intelligence (Short Form) which is based on full form of TEIQue was used. It was designed to measure global trait emotional intelligence. This Trait emotional intelligence Questionnaire focuses on 15 facets: adaptability, assertiveness, emotion perception (self and others), emotion expression, emotion management (others), emotion regulation, impulsiveness, relationships, self-esteem, self-motivation, social awareness, stress management, trait empathy, trait happiness and trait optimism. All these facets scores are combined to give overall EI score. These facets are organized under four factors: well-being, self-control, emotionality and sociability. It contains total 30 items and two items represent one facet. This scale uses 7 point Likert scale ranging from 1-7 (1= Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree, 4 = Neither Agree nor Disagree, 5 = Somewhat Agree, 6 = Agree, 7 = Strongly Agree.).

Results and Analysis

The Emotional Intelligence Level of Employees in the Organization

The average score of employee emotional intelligence was found to be 4.87, which indicates the existence of above average level of emotional intelligence for the employees in the organizations under study. Out of the four dimensions, "well being" was found to have the highest average mean score of 5.34, followed by sociability with average mean score of 4.84 and emotionality score of 4.65 and then self control score of 4.46.

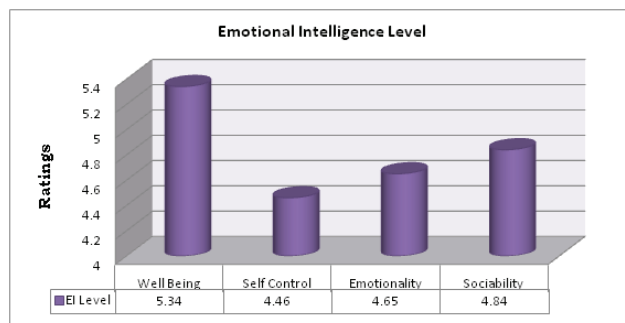


Figure 1: Emotional Intelligence

The Engagement Level of Employees in the Organization

The average score of employee engagement was found to be 4.72, which indicates the existence of a considerable (above average) level of engagement for the employees in the organizations under study. That reflects that employees of the organization are engaged. They have adopted good approach towards their work which is actually creating friendly environment in the organization. However there is

substantial scope for improvement. Out of the three dimensions, dedication was found to have the highest average mean score of 5.08, followed by vigor with average mean score of 4.68 and then absorption score of 4.46.

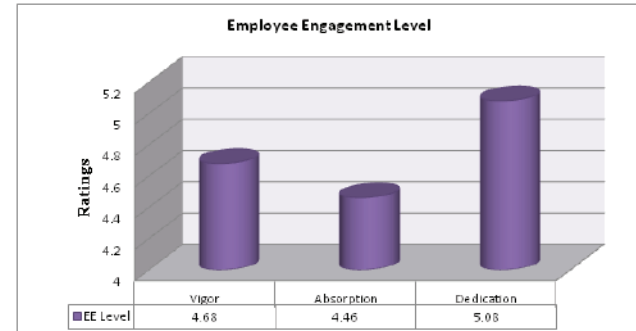


Figure 2 : Employee Engagement

Relationship between Emotional Intelligence and Employee Engagement

The third objective was to study the relationship between Emotional Intelligence and Employee Engagement. The following hypothesis was formulated on the basis of this objective.

H01: There is no significant relationship between Emotional Intelligence and Employee Engagement.

In order to examine the relationship between emotional intelligence and employee engagement, statistical tool of Pearson correlation has been used. Pearson correlation signifies the magnitude and direction of relationship between two variables. Its value lies between 0 to 1, if the value of coefficient of correlation comes out to be near to 1 it will signify a strong relationship between the variables and if it is close to 0 it signifies a weak relationship.

Table No. 1: Correction Analysis

Factors		Employee Engagement	Emotional Intelligence
Employee Engagement	Pearson Correlation	1	.399**
	Sig. (2-tailed)		.011
	N	80	80
Emotional Intelligence	Pearson Correlation	.399**	1
	Sig. (2-tailed)	.011	
	N	80	80

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

Table 1 shows the relationship between emotional intelligence and employee engagement. Here, the

correlation coefficient comes out to be .399 ($r = .399$) and the significance level is .011 ($p = .011$) which shows that there is a significant positive and moderate correlation between emotional intelligence and employee engagement. Hence, null hypothesis (H_0) is rejected as this relationship is significant ($p < .05$). This indicates that the employees with higher level of emotional intelligence will be more engaged in the organization and vice-versa. Management of emotions can be a reason behind it. An employee who is emotionally intelligent will have more control

over his/her emotions, will deal positively with all kind of people and situations, perform better, will be more satisfaction with his job which will ultimately lead to higher engagement level.

The next objective was to study the relationship among various dimensions of emotional intelligence (Well-being, Self control, Emotionality and sociability) and employee engagement. Next four hypothesis were tested to fulfill this objective.

H02: There is no significant relationship between Well-being and Employee Engagement.

Table No. 2 : Correlation Analysis

Variables		Well-being	Employee engagement
Well-being	Pearson Correlation	1	.340**
	Sig. (2-tailed)		.032
	N	80	80
Employee engagement	Pearson Correlation	.340**	1
	Sig. (2-tailed)	.032	
	N	80	80

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

Table no. 2 shows the relationship between well-being and employee engagement, the correlation coefficient came out to be .340 ($r = .340$) with the significance level of .032 ($p = .032$). Hence null

hypothesis can be rejected. This shows that there is a moderate but positive and significant relationship between well being and employee engagement.

H03: There is no significant relationship between Self control and Employee Engagement.

Table No. 3 : Correlation Analysis

Variables		Self control	Employee engagement
Self control	Pearson Correlation	1	.015**
	Sig. (2-tailed)		.928
	N	80	80
Employee engagement	Pearson Correlation	.015**	1
	Sig. (2-tailed)	.928	
	N	80	80

** . Correlation is significant at the 0.01 level (2-tailed).

From the table no. 3 analysis of the relationship between self control and employee engagement can be done. The correlation coefficient came out to be .015 ($r = .015$) with the significance level of .928 ($p = .928$).

Hence, null hypothesis can be accepted. So, it can be concluded that there is no significant relationship between these two variables.

H04: There is no significant relationship between Emotionality and Employee Engagement.

Table No.4 : Relationship between Emotionality and Employee Engagement

Variables		Emotionality	Employee engagement
Emotionality	Pearson Correlation	1	.133
	Sig. (2-tailed)		.413
	N	80	80
Employee engagement	Pearson Correlation	.133	1
	Sig. (2-tailed)	.413	
	N	80	80
**. Correlation is significant at the 0.01 level (2-tailed).			

The table no.4 show that the correlation coefficient came out to be .133 ($r=.133$) with a significant level of .413

($p=.413$) in case of relationship between emotionality and employee engagement. Hence, the null hypothesis can be accepted. This shows that there is a positive

but low and insignificant relationship between these emotionality and employee engagement.

H05: There is no significant relationship between Sociability and Employee Engagement.

Table No.5 : Relationship between Sociability and Employee Engagement

Variables		Sociability	Employee engagement
Sociability	Pearson Correlation	1	.296**
	Sig. (2-tailed)		.064
	N	80	80
Employee engagement	Pearson Correlation	.296**	1
	Sig. (2-tailed)	.064	
	N	80	80
**. Correlation is significant at the 0.01 level (2-tailed).			

The table no. 5 shows the relationship between sociability and employee engagement. In this case the correlation coefficient comes out to be .296 ($r=.296$) with the significance level of .064 ($p=.064$). Hence, the null hypothesis can be accepted. So it can be analyzed that there is a moderate, positive but insignificant relationship between sociability and employee engagement.

The Impact of Emotional Intelligence on Employee Engagement

To know the impact of emotional intelligence on employee engagement multiple regression method was applied between emotional intelligence scores and employee engagement scores of the respondents.

Table No. 6 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.399 ^a	.159	.137	.66627
a. Predictors: (Constant), Emotional Intelligence				

Table No. 7 : Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.185	1	3.185	7.175	.011 ^a
	Residual	16.869	78	.444		
	Total	20.054	79			
a. Predictors: (Constant), Emotional Intelligence						
b. Dependent Variable: Employee Engagement						

Table No. 8 : Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.695	1.134		1.494	.143
	Emotional Intelligence	.621	.232	.399	2.679	.011
a. Dependent Variable: Employee Engagement						

The Table no. 6 shows the Regression Model Summary. Table displays R, R Square, Adjusted R Square, and the standard error. R is the multiple correlation coefficient, is the correlation between the observed and predicted values of the dependent variables. In the model, the R value of .399 indicates the moderate relationship between emotional intelligence and employee engagement. R squared value of .159 (15%) indicates the proportion of variation in the dependent variable explained by the regression model. The R square moderate values indicate that the model fit the data satisfactorily. Adjusted R squared value of .137 attempts to correct R squared to more closely reflect the goodness of fit of the model in the population. The unstandardized coefficients are the coefficients of the estimated regression model. The t statistics can help to determine the relative importance of each variable in the model.

ANOVA table no. 7 tells that the overall model is significant as $F=7.175$ and $p=.011$. So, the individual variable i.e. emotional intelligence have a significant relationship with the dependent variable i.e. employee engagement.

Coefficients tell the unique effect size for the variable. In the table 8, Independent variable uniquely predicts the value of dependent variable.

Emotional Intelligence, $\hat{\alpha}=0.621$, $p=0.011$

Model

Employee Engagement = $1.695 + .621$ (Emotional Intelligence)

Table 6 indicates that for this Model, the coefficient of determination, $(R^2) = .159$. This implies that 15.9% of the variation in the employee engagement of employees is explained by their emotional intelligence only.

Conclusion

Employees are the valuable assets of any organization. The study was carried to examine the relationship and the impact of Emotional Intelligence and its various dimensions on engagement level of employees. The results of the study proved that both emotional intelligence and employee engagement in the organizations under study were more than average level. The moderate, positive but significant relationship was found between emotional intelligence and employee engagement. So it can be interpreted that if an employee can understand and manage his/her emotions well then he/she can be more engaged. The correlation analysis of the study variables revealed that well being was positively and significantly correlated with employee engagement whereas other three dimensions of emotional intelligence viz., self control, sociability and emotionality were not significantly related with employee engagement. Moreover, it was analyzed that 15.9% of variance in employee engagement is due to emotional intelligence. Thus the organization should be focused on the insignificant dimensions (self control, sociability and emotionality) of emotional intelligence.

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IMPACT OF SPIRITUAL MARKETING ON DIFFERENT SEGMENTS OF TOURISTS AND THEIR EVALUATION OF THE SITE.

Rachin Suri*
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Abstract : *Spirituality, belief and religion have been since and in future will be one of the major factors for travelling. Using the correct stimuli called spirituality the tourism industry can excel. The search for spirituality has always been and will remain a major motivator for tourist for exploring religious and spiritual destination. We need to understand and outline a strategy after understanding that not all visitors to a spiritual destination are 'pious travelers'. Understanding the motives of their visit is the key that will unlock the door for an ideal strategy. In this study the authors have collected primary data with help of a schedule on the site from the tourists for checking their attitudes towards the destination and also tried to know the major motivating factors for their visit. The authors found that even till today more than promotion other factors (belief, inner peace, family suggestions etc.) are responsible for the visit of the person. The findings of this study can serve as one of the platforms for making future strategies in the industry related to promotional and segmentation decisions and also how the revenue creation can augment at these sites and what prerequisite improvements are vital for that destination.*

Keywords : *Spirituality, tourism, demographics, self actualization.*

Introduction

The word spirituality has been derived from the Latin word '*spiritus*' which means '*breath of life*' (Principe, 1983) is related to spiritual practices for God. There are two different view about spirituality; One is desire or need to find out the connotation and purpose of one's own life to exist in the universe; Other is a belief of supremacy of God, who controls the whole universe (Hunsberger & Jackson 2005; Mitroff & Dentan, 1999). The most accepted definition of spirituality is an inner peace or experience of an individual that changes his/her conduct of life (Clark 1958). In July 2011 a USA weekend poll was conducted in which described that 47% of Americans feel spirituality is the most important part of their happiness. So with this we can easily conclude to the fact that spirituality can act as a strong stimuli for attracting the foreign tourist to our country.

Spiritual tourism is a term that has been recently developed in marketing, sociology and business research. Reason why this term came in use is the importance of foreign tourist to any destination. Tourist flying in to any nation from another country brings a whole new set of business and foreign exchange. The word '*spirituality*' is one of the major factors that heave the foreign tourists to any second or third world countries. The urge for foreign exchange in any developing nation is the same as the need of a life saving drug for dying person. The amount of people that visits religious places such as Varanasi, Mecca, Madina, Kashi etc are increasing constantly every year. There are two different aspects of religious tourism in India; One is the faith, beliefs, motivation of domestic tourist who has spiritual attachment; Other is foreign religious tourist who belongs to different religion, region or country come

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in India for exploring spirituality diverse from their own (Strategic initiatives & government advisory team: April 2012).

The sudden shift of people attention towards spirituality has caused an impact on number of industries other than just tourism. The reason for that is the way it has been marketed as a self actualization product, as social phenomena and personal well-being, but the most affected industry among all with the concept of spirituality, is tourism beyond suspicion (Brownstein 2008: Fernand & Jackson 2006: Lewis & Geroy 2000: Mitroff & Denton 1999: Cohen 1972: Tilson 2005: Smith & Kelly 2006). Now a day's tourism is budding service industry in India because 20% of revenue generated from movement of domestic tourist who visit spiritual places. More than 70% of domestic tourist visit spiritual places every year (Cox & Kings 2008-09). Tourism industry plays a significant role in GDP and foreign exchange. Tourism is the second largest industry to generate foreign currency (Bhikha bhajji, vabhivaniya mahavidyalaya).

There is an imperative need of creating a strategy for the segmentation so that we can tap the maximum of the market and it can only be done by identifying the diverse motivating factors that makes the people visit these destinations. The aspect of religiousness and spirituality is so strong that some scholars argue

those 30000 years ago, it made people travel for days, months and even years to reach to the sacred place (Blackwell, 2007).

With this paper the authors have tried to find out those factors that play the major role in pulling the visitors to sacred destinations. For this we have studied two major destinations, Himachal Pradesh and Rajasthan. One is in the north region of the nation and other one is in the west corner.

Spiritual tourism in Himachal Pradesh

Himachal Pradesh is known as "*Devabhoomi*" which means *Abode of God*. The tourism industry is mounting because of its uniqueness in various spiritual places. Every year many pilgrims visit Himachal Pradesh for spiritual experience in different places like Naina Devi, Laxmi Naryan Temple, Jawalaji, Chandmunda Devi, Baba Balaknath, Deotsidh Temple, Hadimba Temple, Shikari Devi Temple, Chintpurni Mata Temple, Kinnarkailash, Poanta Sahib Gurudwara ,etc.

The state Government establish a tourism development board under the chairmanship of Hon'ble Chief Minister of the state for the purpose of increase the number of pilgrims and other eco tourist. In the year 2011-2012 there is increase in tourist by 7.12% in domestic and 3.30% foreign tourist.

TABLE – I

2011 In lakh)		2012 In lakh		% Growth	
Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
146.05	4.84	156.46	5.00	7.12%	3.30%

Source: (Economic and Statistics Department Annual report 2013-2014.)

Government of Himachal Pradesh, Department of Tourism and Civil Aviation adopt different strategy to attract the pilgrims, spiritual tourist. According to Tourist Policy 2005, the State Government developed parking's, did beautification, and arranged accommodation, cleanliness around the temple with coordination of temple trusts. During fair, festival special safety and security is taken up like information centres, tourist guide, accommodation facilities, transportation, special tourist police force etc. are paid more attention.

Spiritual tourism in Rajasthan

The state Rajasthan is famous for its culture, tradition, fair, festivals, and spiritual places. The religious places in Rajasthan are not attracting

the tourist with the only purpose of religious importance but it also attracts with beautiful historic architectures. Rajasthan is mostly visited to splendid forts and ancient places but now a day Rajasthan attracts thousands of pilgrims, devotees and spiritual tourists.

Some of the famous spiritual places in Rajasthan are Dargah Sharif, Shri Mahavirji Temple, Eklingji Temple, Jain Temple, Brahma Ji's only Temple in the entire world, Pushkar, Ranakpur, Shri Nathji temple, Nathdwara, Govind ji temple, Karnimata temple, Rashvanoth temple. These temples have their unique identity and faith that motivate the tourist.

Tourism was declared as an industry in Rajasthan in 1989. Department of tourism adopt different strategies to attract the tourist.

TABLE – II

2011		2012		% Growth	
Domestics	Foreign	Domestics	Foreign	Domestics	Foreign
27137323	1351974	28611831	1451370	5.43%	7.35%

(Source: Tourism annual report 2012-2013, Department of tourism, Rajasthan)

Review of Literature

Not enough research has been done in this field and the availability of current literature on spiritual tourism in India is even lesser in quantity, so with a little literature review on the topic, we conducted our study. Spiritual and religious tourism are still under research, there are undiscovered potentialities in the area waiting to be discovered (Holman 2011: Sharpley & Jepson 2011: Raj & Morpeth 2007: Hall 2006: Tilson 2005).

Spiritual tourism is a new concept in tourism and business research but not a new phenomenon. (Browan 1998: Coher 1979: Burton 1855) A large number of industries have accepted the influence of spirituality on their business including tourism industry. (Rale 2004: Mitroff & Denton 1999) Several researcher accepted that spirituality became an important area of study in social and business research (Climino & Lattion 1999: Hill 2002: Konz & Ryan 1999: Pesut 2003). A spiritual tourist is also a tourist who visit to any place of their personal interest with a motive of spiritual growth concerned with his/her personal faith, there may or may not be any other religious and non-religious compulsion. (Biswajit satpathy & Debendra mahalik 2010) Religious tourism has been evaluated by tourism as tourists completely influenced or motivated by any religion. These tourists are mostly domestic and their motive if visit is purely confined with religion only (Cochrme 2009: Shuo et al. 2009: Raj & Morpeth 2007: Turner 1973), spiritual tourism on the contrary is a term that's wider in scope as it has got religion as a mere part of it and spirituality makes a person explore more then just one religion. Spiritual tourism has been well established for a long time as an informal part of tourism industry. In the history, oral, archaeological, and written document suggests that people were affected by spiritual experience and use to travel for spiritual activities (Halman 2011: Burton 1855: Shackley 2002: Rountree 2002: Smith & Kelly 2006: Straitwell 2006: Timothy & Olsen 2006). Many scholars from unique discipline in tourism, religious and spirituality, recognized that spiritual tourism has a unique identification too (Herntrei & Pechlanner

2011: Sharpley & Japson 2011: Coachrane 2009: Finney, Orwing & spake 2009: Geary 2008: Timothy & Olsen 2006: Rountree 2002). There are some specific brand that use to market spiritual tourism as, religion-specific, region-specific, family-specific, self-recognition-specific and personal well-being-specific (Andriotis 2009: Tilson 2005: Finney et al. 2009). Spiritual tourism is a new phenomenon for tourism industries to adopt marketing strategies, specifically branding (Haq & Wong 2010: Raj & Morpeth 2007).

The journey of pilgrims start when motivated by faith in a particular religion, and a holy place affiliated to that religion, for connect with God or supreme power is visited (Collins-Kreiner & Klot 2000: Jackowski & sumith 1992). Many religious leaders describe that pilgrims are not tourists because of unique motivation of pilgrims (Hill 2012). Every religious tourist as well as pilgrims in search of God or a supreme power of God is a spiritual tourist, but every spiritual tourist may be or may not be pilgrims or religious tourist (Muhammad Farooq Haq, August 2011). The number of tourist visiting religious destination increases every day (Griffin 2007), the reason behind that is the constant increase of uncertainty in life, people start searching meaning of life. (Richards and Fernander, 2007). While religion is the primary motive of pilgrims there may arise few secondary outcomes either during the visit or at the spiritual destination (Swater 2006: Vukanic 1998). The attitude and behavior of pilgrims, religious tourist may change, alter on their particular religious place or religious affiliation (Poria, Butler and Airey 2003).

In a nation like India the cultural diversity is too high and keeping that in mind the segmentation becomes highly complex. The segmentation in tourism has a nature of being mutually exclusive, as the basis of segmentation is need and demand (Kotler, Bowen and Makens 2008) and it will vary with the varying religion and belief and lifestyle etc.

There is a need to create a model that can identify the spiritual tourists on the basis of their income, lifestyle, belief level, education level and few other types of demographic that can affect the decision of spirituality. (Mc Kercher & Cros, 2003)

Research Methodology

Area of study

The areas chosen to conduct this study are Himachal Pradesh and Rajasthan both the states carry high spiritual value in the eyes of the people of this country. Increasing number of spiritual tourist can be observed every year on various numbers of spiritual destinations in the states. This study covers some famous spiritual places as Naina devi, Chintpurni devi, Jwalaji in Himachal Pradesh and Khatushyamji, Salasarbalaji in Rajasthan. In this study our major focus was on to find out the factors that influence the decision making of a tourist in finalizing a sacred destination as well as the level of those factors. We have also checked the impact of their personal demographics on the same.

We asked the respondents to rate for us those factors because of which a tourist visits any spiritual destination or that destination comes to his or her knowledge. On the basis of their ratings we calculated average means and ranked those factors accordingly to see which one stands as the biggest motivator for the tourist for a visit.

Hypothesis testing was done in order to check the experience of the tourist on that destination and to check the segmentation effectiveness we used three different measures that affects the judgment of a tourist in general. We checked that whether a person's personal income level affects its experience of visit or not, then secondly we checked that whether prior visit to the same destination increases the feeling of belongingness to the site and that in turn affects the level of experience to the site visit and finally we checked the occupational demographic effect on the judgment of a site.

Collection of data

Descriptive research design is used to collect the data. Both primary and secondary data collection methods are used to collect the data. Primary data collected through a schedule from spiritual tourist during the month of March 2014. There were 200 questionnaire distributed and the tourist guided on those questionnaires and interviewed for the information at the same time, among the tourist 130 respondents data was collected. In the structured questionnaire 11 questions with sub questions along

with few multiple choice questions were there. Secondary data were collected through the journals, published research paper, websites, and instrument used was unbiased.

Sampling technique

The data collected through convenience sampling method to develop a sample design total 130 respondent were selected for research study. The study was conducted on a weekday in month when the tourist are spotted a little less in no. although due to this fact the sample size was affected but the study got a focused direction as only the tourist with high motivation were acquainted.

Objective of study

- To study the motives for the visit to spiritual places.
- To study up to what level which motive affects.
- To study the experience of tourist visit to spiritual destination.
- To check the impact of personal demographics on decision making in addition to the motives.

Tools for Analysis

In the research study we used qualitative as well as quantitative approach to analysis the data with the help of few applications like MS Office (Microsoft word, Microsoft excel), SPSS. The collected data has been analyzed with the help of mean score and ranking technique.

The anova test describes the discrepancy among the income level. Hypothesis were made and tested by using anova test.

The tests were carried at the 5% significance level.

Analysis and Interpretation

Profile of Respondent

The profile of respondent evaluate in table no. 1. There are 130 respondents selected for study out of them 56.92% are between 21-30 years old, 80.77% are male respondent, 67.70% are below 2L income, 44.61% are students, 21.54% are visited 2 times in same spiritual destination.

TABLE - III

Particular	Classification	Percentage	Frequency
Income	Below 2L	67.70	88
	2L-5L	15.38	20
	Above 5L	16.92	22
Occupation	Business	23.09	30
	Service	25.38	33
	Student	44.61	58
	Others	06.93	09
Visit Times	None	16.16	21
	1 Time earlier	13.08	17
	2 Times earlier	21.54	28
	3 Times earlier	16.92	22
	4 Times earlier	16.92	22
	5 Times or More earlier	15.38	20

Motives of Tourist

On the basis of primary data collected from the respondent the following motives of tourist behind visiting spiritual destination were found out. They are-

TABLE - IV

Factors	Weighted Mean	Rank
Good Experience earlier	3.71	2 nd
Belief	4.02	1 st
Inner peace	3.61	3 rd
Family/Friends suggestion	3.44	4 th
Advertisements	2.32	5 th
Marketing Promotions	2.09	6 th

Belief-The first and most motivational factor is belief because of 1strank on the behalf of 4.02 arithmetic mean which is highest in comparison to others. So we can say that belief is the primary factor that influences the tourists to visit spiritual destination. Tourists have belief on God so that they come to spiritual destination to search the God and supreme power of God. They believe that there is a power that controls the whole universe.

Experience – Experience is the second largest factor that influences the tourists to visit spiritual destination. Goodness is an inner feeling that arises due to experience, word of mouth, some religious factors, etc.

Inner Peace-The third most influence factor is inner peace. Tourists are visit to spiritual destination because it gives peace of mind and spiritual satisfaction.

Family/Friend Suggestion - The last factor that influenced the pilgrims to some extent to visit the spiritual destination was the suggestion by primary influence group.

Advertisements-The advertisement did not play significant role to influence the pilgrims to come for spiritual visit. The weighted mean score of advertisement is 2.32 which is lower than the average mean score.

Marketing promotion-Marketing promotion is also an ineffective factor in perspective of spiritual tourist. The weighted mean score of marketing promotion is again lower which are 2.09.

Experience of Tourist

The experience of tourist is the main factor that determines the post behavior and satisfaction level about tourist destination. Tourist satisfaction depends on various experience and facilities that provided on spiritual destination. To verify the experience of spiritual tourist there are 14 factors determine to check the level of satisfaction. These are: Nature in general, Local life style, Historical sites, Walking and excursions, Accommodation, Nightlife, Shopping, Hospitality, Tourist information, Feeling of safety, Quality of medical service, Money withdrawal facilities (e.g. ATM), Value of money, Spirituality in area and historical sites.

Hypothesis testing

Hypothesis test has been conducted to know about the experience of the tourist of the visited site. All the factors that have been mention under 'experience of the tourist' were rated by the tourist on Likert scale of 5 and an average of all the factors has been considered as the rating of the site. We have formulated three different hypothesis to check the impact of demographic factors on the judgment of site by the tourists.

Anova analysis

Anova analysis is used for testing the discrepancy among the two or more groups. Respondent profile are classified in more than two catogories based on income, number of prior visits to the same destination and occupation.

Hypothesis

Hypothesis 1 – the impact of Income demographics on the experience of visit to the spiritual destination.

H0 = Null Hypothesis - There is no significant difference in experience of respondent at spiritual destination based on their income level.

H1 = Alternative Hypothesis - There is significant difference in experience of respondent at spiritual destination based on their income level.

Table – V: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.567	2	5.284	44.949	.000
Within Groups	14.929	127	.118		
Total	25.496	129			

An analysis of variance showed that the effect of income was significant, $F(2,127) = 44.94$, $p = .000$.

TABLE – VI Multiple Comparisons

Table no.5 Calculated data

(I) income		(J) income		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
dimension 2	<2 lakh	dimension3	2-5 lakh	-.16445	.08493	.133	-.3659	.0370
			>5 lakh	.71390*	.08172	.000	.5201	.9077
	2-5 lakh	dimension3	<2 lakh	.16445	.08493	.133	-.0370	.3659
			>5 lakh	.87835*	.10593	.000	.6271	1.1296
	>5 lakh	dimension3	<2 lakh	-.71390*	.08172	.000	-.9077	-.5201
			2-5 lakh	-.87835*	.10593	.000	-1.1296	-.6271

*. The mean difference is significant at the 0.05 level.

Our null Hypothesis was accepted and alternate hypothesis was rejected the post hoc analyses using the Tukey post hoc criterion for significance indicated that above 5 lakh income group has different opinion than other two group(below 2 lakh and from 2-5 lakh). This means that the experience of spiritual journey of the respondents in the income category of 5 lakh and above was different then the other two groups. There can be numerous reasons for that respondent falling in the higher income category can afford better accommodations and facilities which makes their journey and its experience better than the rest. The life which a higher income group leads is much better and more fulfilling in nature then the lower

income group.

Hypothesis 2 – the impact of the number of visits prior to the same destination on the experience of this current visit.

H0 = Null Hypothesis - There is a significant difference in experience of respondent at spiritual destination based on no. of times they have visited to the destination prior.

H1 = Alternative Hypothesis - There is no significant difference in experience of respondent at spiritual destination based on no. of times they have visited the destination prior.

TABLE – VII ANOVA

Score					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.131	5	.226	1.703	.139
Within Groups	16.467	124	.133		
Total	17.598	129			

TABLE – VIII

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
None	21	3.29	.420	.092	3.10	3.48
One time	17	3.44	.268	.065	3.30	3.58
Two time	28	3.32	.383	.072	3.17	3.47
Three time	22	3.44	.345	.074	3.28	3.59
Four time	22	3.42	.390	.083	3.25	3.59
Five time or more	20	3.58	.335	.075	3.42	3.73
Total	130	3.41	.369	.032	3.34	3.47

The results showed that there was no significant difference. Our null hypothesis was rejected this concludes to the fact that based on the study we can interpret the no. of prior visit does not play a very significant role in enhancing the experience of a visitor.

Hypothesis 3 – The impact of Occupational demographics on the experience of visit to the spiritual destination.

H0 = Null Hypothesis - There is a significant difference in experience of respondent at spiritual destination based on their occupation.

H1 = Alternative Hypothesis - There is no significant difference in experience of respondent at spiritual destination based on their occupation.

TABLE -IX ANOVA

VAR00009					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.943	3	.314	2.373	.073
Within Groups	16.696	126	.133		
Total	17.639	129			

TABLE – X

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Other	9	3.6270	.28522	.09507	3.4077	3.8462
Business	30	3.4857	.39942	.07292	3.3366	3.6349
Service	33	3.4069	.36223	.06306	3.2785	3.5354
Students	58	3.3325	.35590	.04673	3.2389	3.4261
Total	130	3.4071	.36978	.03243	3.3430	3.4713

Null hypothesis in this case was rejected. On the basis of the primary data the analysis proves that there is no significant difference in the experience of tourist of the spiritual destination based on their occupation.

This means that whether you are working or you are a student or in some other occupation the experience remains almost the same for all. This demographic factor failed to play a significant role.

Findings and Suggestions

On the behalf of above findings there are some suggestions to overcome the problem that are helpful for tourism industry as well as spiritual destination care taker to promote spiritual tourism.

1. Lack of advertisement and marketing promotion is there, the spiritual sites did not get enough publicity. To fetch more foreign tourist we require a fierce effort to publicize our spiritual sites
2. The quality of hospitality services in the spiritual destination is not up to the mark. To enhance the experience of tourists and in order for them to visit again and hard-on effort is required from the side of the government.
3. The quality and quantity of accommodations at spiritual destination are not good enough. An effort is required in this area as well.
4. There is poor experience about walking and excursions at spiritual destination, due to cleanliness and some other reasons. Hygiene is given an utmost importance by the European tourists so this area is need of immense attention.

Conclusion

The spiritual destinations in India are not just mere tourist spots but they are a part of our heritage. Our civilization is considered one among the oldest and that too the finest of the civilizations. We have something in our past that is so enriched with cultural heritage that we have no match. Selling the same should be easy not difficult.

After this study we have come to the conclusion that where we lack in selling and promoting our spiritual destination is that we have not segmented our tourists properly mere a demographic based segmentation will not work. We need to find out a successful segmentation formula and start working on our promotion plans accordingly.

Satisfaction of customer is the key of success of every business. To achieve customer satisfaction we need to know about what the customer want. The first priority of tourism business should be satisfied customer. All the above mentioned factors which helps a tourist to evaluate any site matters and our infrastructure facilities and hospitality has a red dot on it. To convert that color in green we need to make efforts. On the basis of the study the concluding remark is that we have a rich culture to sell but the packaging is not that impressive.

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EFFICACY OF CSR ENTERPRISE AND PROTRACTIBLE DEVELOPMENT- A CASE STUDY

Masroor Ahmad Beg*

Abstract: *Societal Corporate social responsibility (CSR) is not a new idea, but it has never been more prominent on the corporate agenda than it is today, for the uncertainty about the societal obligations of business. Notwithstanding, there are pressures for increased corporate attention to CSR and often there may be a compelling business case for making a substantial commitment. But an individual firm must assess the extent to which the general business case for CSR applies to its specific circumstances. The demands for greater social responsibility are coming from mainstream quarters of society, as well as global at large. Sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs. They are gradually heeding the concepts like 'inclusive growth', 'responsible business enterprise', and to cap it all – good corporate governance and Corporate Social Responsibility practices. They are successfully intertwining their corporate social responsibility (CSR) with their business strategies to the benefit of all.*

Key Words : *Company Bill, Corporate Social Responsibility, Inclusive growth, initiatives and Sustainable Development.*

Introduction

India is widely regarded as a country in which corporate social responsibility has long played an important role. In recent years, CSR or Corporate Social Responsibility has become the latest buzzword among the companies. This refers to the practice of the corporate in "giving back" to society in the form of programs that benefit the less privileged members of society. They can take the form of outreach programs that adopt schools; communities etc. and provide funds for their upkeep as well as promote socially conscious business practices that lead to the betterment of society. This article analyses the statement, "the idea that the company's resources should be devoted to some cause other than making a profit is outrageous".

Need For the Study

While volume of corporate social responsibility in India is increasing after the initiation of the

economic reforms and Companies Bill 2012, there is no corresponding increase in the academic research in this area. A few studies have been conducted in India particularly in Karnataka State on corporate social responsibility in general. There is not much studies conducted in public sector undertakings in Karnataka State. Hence, a comprehensive study is needed to examine the corporate social responsibility initiatives in companies.

Objectives of the study

1. To understand the concept of Corporate Social Responsibility.
2. To examine the CSR initiatives of the biggest Indian Public Sector in Petroleum, Oil and Refinery.
3. To develop the case study of the organisation about the funds allocated and utilised for various CSR activities. To examine the status of MRPL with

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regard to other organisations, the 2011 guidelines and the local socio-economic development.

Scope of the Study

This study may be considered as 'microstudy'. The area of the study limited to some MRPL (Mangalore Refinery and Petrochemicals Ltd.) company and Dakshina Kannada district of Karnataka.

Research Methodology

The present study is descriptive in nature. Conceptual framework was developed from the secondary data comprising of the published literature. The present study is partly descriptive and partly diagnostic in nature. A structured questionnaire, mail survey and telephonic interviews were used to generate primary data. Simple Random sampling method is used to generate primary data.

Conceptual Framework of Corporate Social Responsibility

There is no single, commonly accepted definition of Corporate Social Responsibility. But following the US – UK tradition, it can be defined as follows:

"Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from business."

The World Business Council for Sustainable Development defines CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large".



Figure1: Corporate Social Responsibility Hierarchy

Source: Archie B. Carroll, 'The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders,' Business Horizons, July–August, 1991, p. 42.

- Archie Carroll was one of the first academicians to make a distinction between different kinds of organizational responsibilities. He referred to this distinction as a firm's "pyramid of corporate social responsibility."
- Fundamentally, a firm's economic responsibility is to produce an acceptable return on its owners' investment.
- An important component of pursuing economic gain within a law-based society, however, is legal responsibility—a duty to act within the legal framework drawn up by the government and judiciary.
- Taken one step further, a firm has an ethical responsibility to do no harm to its stakeholders and within its operating environment.
- Finally, firms have a discretionary responsibility, which represents more proactive, strategic behaviours that can benefit the firm and society or both.

Sustainable Development

In 1987, the World Commission on Environment and Development sought to address the problem of conflicts between environment and development goals by formulating a definition of sustainable development:

"Sustainable development" seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs".

Broadly sustainable development can be defined in the three dimensional focus as:

Economic

An economically sustainable system must be able to produce goods and services on a continuing basis, to maintain manageable levels of government and external debt, and to avoid extreme sectoral imbalances that damage agricultural or industrial production.

Environmental

An environmentally sustainable system must maintain a stable resource base, avoiding over exploitation of renewable resource systems or environmental sink functions and depleting non-renewable resources only to the extent that investment is made in adequate substitutes. This includes

maintenance of biodiversity, atmospheric stability, and other eco-system functions not ordinarily classed as economic resources.

Social

A socially sustainable system must achieve fairness in distribution and opportunity, adequate provision of social services, including health and education, gender equity, political accountability and participation.

COMPANIES BILL 2012: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is now accepted as a means to achieve sustainable development of an organization. The Companies Bill, 2012 will make Indian companies to consciously work towards that objective, as it requires a prescribed class of companies to spend a portion of their profits on CSR activities.

CLASUE 135

Corporate Social Responsibility. Who must comply?

Every Company registered under the companies law or any previous laws (Section 1) If (Section-135):

Net worth of rupees 500 crore or more or,

Turnover of rupees 1000 crore or more or,

Net profit of rupees 5 crore or more during any financial year.

Board to ensure that at least 2% of average net profits (V) of the company in the three immediately preceding financial years are spent in every financial year on such activity.

Reasons for Corporate Social Responsibility

CSR could also be analyzed from a point of view that emphasizes the reasons that guide a company's social initiatives.

a. Pragmatic or rational reason (Companies want to do it):

The self-interest motive is undoubtedly the first and foremost impetus of a corporate social behaviour: business organizations assume increased responsibilities and take an active part in social projects in order to gain in terms of image and enhance profits on the long term. CSR actions usually induce companies a competitive advantage and reflect a win-win situation for the society but for the company as well.

b. Deontological reason (Companies feel obliged to do it):

It is assumed that businesses have a moral duty regarding the society and the community environment in which they operate; this obligation goes beyond mere profit maximization. Companies exist in order to satisfy a certain range of social needs; this is the reason why they should act in a correct and responsible way.

c. Social pressure – based reason (Companies are made to do it):

Companies also assume corporate responsibilities because they have to comply with the ever increasing social requirements. Society as a whole rejects companies that do not prove a responsible behaviour and has certain expectations regarding the corporate involvement in social issues.

Arguments favouring to Corporate Social Responsibility

1. Company benefits:

Improved financial performance;
Lower operating costs;
Enhanced brand image and reputation;
Increased sales and customer loyalty;
Greater productivity and quality;
More ability to attract and retain employees;
Reduced regulatory oversight;
Access to capital;
Workforce diversity;
Product safety and decreased liability.

2. Benefits to the community and the general public:

Charitable contributions;
Employee volunteer programmes;
Corporate involvement in community education, employment and homelessness programmes; and
Product safety and quality.

3. Environmental benefits:

Greater material recyclability;
Better product durability and functionality;
Greater use of renewable resources;
Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labelling.

National Voluntary Guidelines on Corporate Social Responsibilities Business in India

This is a summary of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. The National Voluntary guideline on Social, Environmental and economic responsibilities of business is a unique piece of guidelines directed towards Corporate Social Responsibility practiced by corporations - both public and private. These guidelines have been developed through an extensive consultative process by a Guidelines Drafting Committee (GDC) comprising of experienced professionals representing different stakeholder groups. These guidelines have been released by Ministry of Corporate Affairs on July 8, 2011.

The guidelines have been articulated in the form of 9 principles which are as follows:

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Businesses should promote well-being of all employees.
- Businesses should respect interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Business should respect, protect, and make efforts to restore the environment.
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Businesses should support inclusive growth and equitable development.
- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Mangalore Refinery and Petrochemicals Limited

MRPL carries out its main business activities including manufacturing activities at one location namely Mangalore in the State of Karnataka. The Company has 3 offices set up, one each at Mangalore, Mumbai and Delhi to extend support/ liaison services.

- 3 depots, one each at Kasargod (Kerala), Hindupur (Andhra Pradesh) and Hosur (Tamil Nadu).
- 2 retail outlets, one each at Maddur and Hubli in the State of Karnataka.
- National and International covering 22 countries major being Singapore, Mauritius, Netherlands, Japan and UAE.

Sustainable Development Performance Report of MRPL for the year ended 31 March, 2013

Mangalore Refinery and Petrochemicals Limited is exploring potential value added projects and systems for sustainable development. The focus remains towards Value added projects, reduction in energy consumption, to adopt new technologies and yield improvement in projects.

The Refinery Complex will produce an estimated 1 MMTA of Raw Petroleum coke (Pet-Coke). An integrated approach with the Refinery Complex is also being explored to improve upon the project profitability. Energy audits were carried out throughout the Refinery Complex through an in-house multi-disciplinary Audit teams, nominated for this purpose, during 2012-13, in accordance with the parameters set under MOU 2012-13. Energy audits in three areas have been conducted and all audit observations have been attended and closed.

CSR Initiatives

The objective of the company promoted under the name of "SAMRAKSHAN" is to promote a holistic and sustainable manner, development of under- privileged communities, affected by poverty, illness and physical disabilities. Besides these, the company has taken CSR initiatives to protect, to preserve and promote the social, cultural and environmental heritage and wealth in and around the area of company's business and users in sustainable development. The companies with these objectives have implemented a number of CSR programmes.

Major Corporate Social Responsibility (CSR) Initiatives

MRPL's CSR initiative continues to be influenced by the needs and concerns of the community residing in the close proximity of the refinery. The CSR initiative of company known as "SAMRAKSHAN" has 5 areas with a vision to protect, preserve and promote people, peace and progress in and around the refinery as under.

- Shikshana Samrakshan,
- Arogya Samrakshan

- Bahujan Samrakshan
- Prakrithi Samrakshan
- Sanskrithi Samrakshan

With these objectives, the company has implemented number of CSR schemes during the year.

The major scheme covered under the CSR activities during the year includes:

1. Construction of community hall,
2. Road asphaltting,
3. Mid-day meal to support school students,
4. Setting up of computer lab,
5. Construction of school building, toilet blocks for schools,
6. Providing scholarship and financial assistance to girl and meritorious students including SC/ST students,
7. Add on facilities to SC/ST community, to government schools
8. Self employment training for women,
9. Free distribution of sewing machines to women,
10. Construction of Anganwadi, artificial limb camp, mega medical camp and running a free primary health centre,
11. Promotion of livelihood for economically weaker section of society by organising computerised stitch craft,
12. JCB and crane operating training programme, and
13. Participation in development of appropriate access road to and from remote villages to main arterial roads.

Major Findings

- The main thrust area where the company has taken various initiatives is in line with DPE guidelines and has spent Rs. 240 Millions in various CSR schemes during the last 4 years.
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax was approximately Rs. 4.65 Crores during the year 2012-13 whereas it was around 0.5% of profit after tax of Rs. 909 Crore during 2011-12.
- The major area in which the above expenditure has been incurred includes education, health care, livelihood support and community development projects.

Conclusion

It is our opinion that companies and businesses work together with the governmental agencies to promote sustainable practices and alleviate the severe environmental and social problems that are besetting us and in this respect, the firms should indeed look beyond their bottom line and have a social component in their accounting statements as a means of measuring the environmental and social impact of their businesses. It is worth remembering that we have inherited the earth from our ancestors. Hence, we do have a duty to make the world a habitable place for future generations and focus on sustainability instead of destruction.

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STUDY OF CUSTOMER BEHAVIOURAL NUANCES IN BANKING SECTOR : A STUDY OF DELHI NCR

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Abstract: Recent development in global and national scenario presents a mix bag of challenges and opportunities to the banking sector. On the one hand ICT provides a magnificent operational tool on the other hand winning customer trust and confidence after recent experience of worldwide depression is a challenge. Today's customer expects a lot from his banker. Competitions from new age private and foreign banks have forced public sector banks to adopt smart banking practices. This study is carried out with the objective to study the nuances of customer behaviour in banking sector. In order to study customer behaviour in banking sector a questionnaire containing 32 questions was prepared and administered to sample of 600 respondents selected through random sampling. Samples were selected in Delhi NCR area during February -March 2014. It is found that customer is very demanding. Customers have awareness about internet banking, mobile banking and other unconventional services but the depth of usage is low. Banks need to really motivate their staff to train customers for these services and build their confidence in these services.

Key Words : Banks, Customer behaviour, Customer Satisfaction, Banking Services

Banking sector plays pivotal role in the economic growth of any nation. It provides facilitation and lubrication to other sectors of the economy. After liberalisation there has been robust growth in banking sector. Advent of new age private sector banks have changed the customers' expectation from banks. This phenomenon has forced both public and private sectors banks to revisit their marketing strategies. Banks are vigorously vying to woo new customers and retaining existing customers. Thus study of customers behaviour is vital for the existence and growth of any business entity.

Review of Literature

The rapidly changing environment and steep competition has stressed the importance of customer satisfaction and optimisation of service quality for increasing market shares and profitability in the banking sector (Anderson et al., 1994)

Uppal, (2009) in his empirical study on customer satisfaction in Indian commercial banks have concluded that in today's era of globalization and privatization when all products offerings are almost same it is the speed of service which makes difference. Time is most important factor which matters much for customer. He has clearly stressed that only those banks will survive which use internet based services and value of customer time and convenience. Chaudhary and Sharma, (2011) measured the efficiency of bank in India and concluded that in modern world; performance of banking is more important to table the economy. Public sector banks are the ones in which the government as a major account holding. Indian banking industry was dominated by public sector banks. But now the situations have changed new generation banks with used of technology and professional management has gained a reasonable position in the banking industry to take suitable

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and stringent measures to get rid of problem. Bank staff should be developed management information system. The involvement of the proper documentation should be change of securities and motivated to take measures prevention. Both public and private sector banks should be well versed in proper selection of the financial statement. Avasthi & Sharma (2001) have analyzed in their study that advances in technology are set to change the face of banking business. Technology has transformed the delivery channels by banks in retail banking. It has also impacted the markets of banks. B. Janki (2002) analyzed that how technology is affecting the employees' productivity. There is no doubt, in India particularly public sector banks will need to use technology to improve operating efficiency and customer services. Eisa and Alhemoud (2009) identified that the most salient attributes that influence customer satisfaction with retail banks in Kuwait and to determine the level of the overall satisfaction of the customers of these banks. The most crucial attributes for predicting customer satisfaction with retail banks in Kuwait were fast service, courtesy and helpfulness of employees and availability of self-banking services. Hawari et al., (2009) highlight the significance of service quality factors on customer retention within the Australian traditional and automated banking contexts. Their study have the relative importance of traditional and automated service quality factors on customer retention was examined with the intention of determining which indicator factors are likely to have a significant impact on customer retention.

Objective and Methodology

This study is carried out with the objective to study the nuances of customer behaviour in banking sector. It aims to study nuances of how customers trade with banks in their day to life such as preference of timings, mode of transactions, ease in technology adaption etc.

In order to study customer behaviour in banking sector a sample of 600 respondents was taken. Samples were selected on random sampling method in Delhi NCR area during February -March 2014. A questionnaire containing 32 questions was prepared to extract customers' behaviour in banking sector. Questionnaire has been divided in five parts. First part contains question related to personal profile of the respondents. Second part contains questions related to general banking behaviour of respondents. Third part contains questions related to internet banking. Fourth part contains questions related to mobile banking. Fifth part contains 30 statements on various dimensions of service quality. The questionnaire was shown to experts in banking sector for their technical comments. Cronbach's alpha of various dimensions of service quality ranges from 0.511 to 0.802 for sample 100 questionnaires. Thus it validated that statements

were related to a particular latent construct. Thus no revision in any of the statements were required and questionnaire were administered for further study. Data was analysed through descriptive statistics using SPSS 19.

Results discussion and analysis:

All respondents had bank account. It shows that financial inclusion among the selected sample group is cent percent.

Ninety nine percentage respondents had bank account in public sector banks whereas ninety four percent respondents have account with private sector banks. Only eighteen percent respondents have account with foreign banks. Interestingly, three fourth of respondents have bank account with both public and private sector banks. Thus there is a clear trend that people maintain two bank accounts.

In continuation of the above, where respondents have account with both/all three banks, fifty nine percent respondents use private bank account more frequently as compared to public sector bank account. It indicates that now people maintain two three accounts of different banks. More people use private bank account frequently than public sector bank account. During last one to two decades private sector banks have fared well to chase age old public banks. With regard to foreign banks only one percent respondents use foreign bank account more frequently than Indian public and private sector banks. Thus, foreign banks have to work a lot to connect themselves with the customers.

More than eighty percent respondents have bank account older than six years out of which fifty percent had account for more than ten years. More than fifty percent respondents transact with bank once or more in a week whereas eighty percent respondents transact at least once or more in a fortnight. Only eighteen percent respondents transact only once a month.

More than sixty percent respondents maintains monthly average balance of Rs. 50,000 in their bank account whereas around one fourth of respondents maintain monthly average balance Rs. 30,000 to 50,000 in their bank account.

Around eighteen percent respondents have their bank with in 1 km from their residence. Sixty eight percent respondents have bank within a distance of five kilometer. Thus eighty six percent respondents keep their bank account within 5 km distance from their residence. Only four percent respondents have bank account more than 10 km away from their residence. Results indicate that customer keep their bank account near their residence.

Seventy nine percent respondents visits their bank on their own vehicle. Only twenty percent

respondents visit banks on public transport. Forty percent respondents complain that parking facility is not available near bank branch. It indicates that banks should be located in such a way that some parking facility should be there for the convenience of customers or e banking and mobile banking should be strengthened.

Forty four percent respondents prefers to visit bank for transaction during 11:00 am to 1:00 pm but only half of them can actually do it probably due to their office / duty engagements during this period. Around fifty percent customers actually transact between 2:30 pm to 7:30 pm. Banks need to operate during this period. Private sector banks have pitched in successfully and public sector banks are following the suit. In response to who actually does bank transactions it was revealed that ninety nine percent respondents do bank transactions themselves through internet banking or branch. Sometime around one fourth of them take help from their spouse or son / daughter and sixteen percent take help from servant. Interestingly seventy percent respondents use internet banking themselves and eleven percent respondents take help from son / daughter for internet banking.

It is observed that maximum respondent came to know about their existing bank through personal visits of nearby branch. It is observed that reference by family and friends also plays important role in spreading awareness about the bank.

Trust is the major driver which induce a prospective customer to open account with a particular bank. Trust is followed by economical services, new innovative products / services and favorable nearby location as the major drivers which induces a customer to open account with a particular bank. Ninety one percent respondent opened account with their particular bank/ branch because of their trust on the particular bank whereas seventy four percent respondents cite economical services as the important reason for opening account with their bank.

Around ninety to ninety five percent respondents avail saving account, fixed deposit account, ATM/ debit card, internet banking services/ products. Over draft facility, money transfer, credit card, locker facility are availed by not more than thirty percent respondents. Thus maximum respondents avail traditional services/ products except internet banking/ATMs. Internet banking has really come out as a promising bank service whereas mobile banking is still not very popular among respondents. Less than twenty percent respondent availed expert guidance from bank officials/ managers on other financial matters such as taxation and investment planning etc.

It is observed that respondents are satisfied in respect of services of saving account, fixed deposit account and ATMs. With respect to internet banking and mobile banking around fifty percent are neither satisfied nor dissatisfied. For internet banking

and mobile banking nine and thirty six percent respondents are dissatisfied. More than fifty percent respondents are dissatisfied for Loans, overdraft, lockers facility, money transfers and Credit card services/products.

On average of all services and products, Sixty percent respondents are satisfied whereas forty percent respondents are dissatisfied. Out of dissatisfied forty percent respondents only seventeen percent respondents report their dissatisfaction to the bank officials/ branch manager. Many reasons were cited for not contacting branch manager to report dissatisfaction. Some of the important reasons are lack of time to discuss problems with managers, irresponsible behavior of bank staff and managers status-quo attitude as they have permanent jobs. These problems need to be addressed.

Maximum respondents shared that they will not change their bank. Major reasons cited for not shifting from one bank to other bank were bank located near their home/office, satisfied with the bank and trust on bank. Eighty nine percent respondents revealed that they will recommend this bank to their friends and relatives. Respondents revealed many reasons for recommending this bank to their friends and relatives. Major reasons are good and innovative products/ services of their bank, new generation technology, good behavior of bank staff etc. It indicates that banks can use word of mouth marketing as a major marketing tool.

ICT revolution has brought lot of changes in the life banking. Interestingly all respondents were aware of internet and mobile banking. Eighty two percent respondents feel that internet banking is safe whereas only fifteen percent respondents feel mobile banking is safe. Thus banks have to do a lot to make mobile banking safe and train their customers in this regard. Training customer about internet and mobile banking is a big challenge as well as opportunity for the banks it will reduce huge physical infrastructure cost but bringing trust in internet and mobile banking is tough task.

Results shows that maximum information about internet banking is given by bank's advertisement manual and bank staff personally. Thus bank need to specially train and convince its present staff about the use of technology and develop simple self-explanatory text, visuals and demos.

Around sixty percent respondents came to know about mobile banking through banks advertisement whereas only twelve percent were told by the bank staff. It indicates that still bank staff is not very much trained in mobile banking.

Almost all respondents use internet banking for balance checking. Forty three percent respondents use for payment of bills, twenty three percent use for money transfer. Very few respondents use it for payment of taxes, railway tickets etc.

Ninety percent respondents do internet banking

from their own computer/laptop at home. Forty five percent respondents do internet banking from their office computers and only nine percent do it from cyber café. Regarding question on problems faced by respondents in internet banking Eighty eight percent respondents revealed that security risk and slow internet are two major problems in internet banking. Sixty six percent respondents feel it difficult to operate while thirty percent feel it difficult to remember and secure passwords.

Sixty nine percent respondents revealed that bank executives are not very encouraging and helpful in training about internet banking and solving problems related to it. Only thirty one percent respondents feel that bank executives/ managers help them to solve their problems regarding internet banking.

Ninety five percent respondents use mobile banking for accessing account information/ balance enquiry. For money transfer and bills payment only nine and sixteen percent respondent use internet banking respectively. Less than five percent respondents use mobile banking for railway tickets, mobile recharge, mini statements etc. Eighty eight percent respondents feel security threat as major problem in mobile banking. Eighty percent respondents feel compatibility of mobile handset with banks' software and difficult to operate are the major problems in mobile banking.

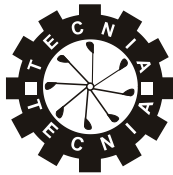
Ninety one percent respondents revealed that bank executives and managers were not very helpful and encouraging in training customers about mobile banking and helping them in solving their problems. Thus banks need to enhance skills of their executives who ultimately train and motivate customers for mobile banking.

Conclusion

There has been unprecedented changes in banking landscape in last two decade on account of liberalisation, privatisation and globalisation in India. Customer is very demanding and banks are leaving no stone unturned to woo existing and prospective customers. Customers are fairly aware and use various unconventional bank products. Customers have awareness about internet banking and mobile banking services but the usage level is low. Banks need to really motivate their staff to train customers for these services and build their confidence in these services.

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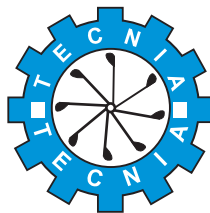
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