BEHAVIOURAL BRAND LOYALTY AMONG THE BRANDS OF TOOTHPASTE:
AN INTEGRATED STUDY OF URBAN AND RURAL PUNJAB

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ABSTRACT

FMCG sector is growing at a fast pace and growing is the competition among the FMCG players. The intense competition is forcing them to achieve competitive advantage and most of them have resorted to achieve it through Brand Equity by focusing on Brand Loyalty. Burgeoning Indian population, particularly the middle class and the rural segments, offers an opportunity to makers of branded products to convert consumers to branded products and then retain customers. In this endeavor, brand loyalty can play extremely important role. It can prove a boon for serving the 700 million-strong group of consumers in rural India also. In this study, effort has been made to ascertain the extent of behavioral brand loyalty, which is based on actual behaviour of the customer, using run test. The longevity of association of customers for their favorite brand of Toothpaste along with the purchase behavior of the customer on different period for their favorite brand has also been explored.

KEYWORDS

Brand Loyalty, Toothpaste, Urban Punjab, Rural Punjab etc.

INTRODUCTION

Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer-packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. These items are meant for daily of frequent consumption and have a high return. According to Indian Equity Foundation, the Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US$ 13.1 billion. It has a strong MNC presence and is characterized by a well-established distribution network, intense competition between the organized and unorganized segments and low operational cost. The FMCG market is set to treble US11.6 billion in 2003 to US $ 33.4 billion in 2015.

Global research company McKinsey had referred to India as the ‘Bird of Gold’ in its report titled ‘The Bird of Gold: The Rise of India’s Consumer Market’. Consumer product makers and analysts now believe that this bird is ready to fly with wings wide spread in the global sky. Income levels will almost triple, and India will climb from its position as the twelfth-largest consumer market today to become the world's fifth-largest consumer market by 2025. According the Indian Attractiveness Survey (2012) conducted by Ernst & Young, despite challenging economic conditions, India continues to be among the fastest growing economies in the world. A large domestic market led by the emergence of a important middle class population, investor-friendly policies, rising foreign exchange reserves, availability of skills and demographic prospects are some of the strong positives that are behind the Indian growth story.

Brand Loyalty

Customer loyalty is a major strategic objective and focus in marketing. Brand loyalty has been proclaimed by some to be the ultimate goal of marketing. As number of players in the market is increasing and they are competing with each other with similar products and services (Tripathi, 2009). It has become imperative for the players to protect the long-term interest of their customers to enhance and sustain their own profitability for longer time (Dick and Basu, 1994. Long lasting relations between the customers and the organization have been favored by many researchers for generating increased sales, continuous profits, lower costs and other tangible benefits (Reichheld & Sasser, 1990). This forces the firms to consider customer loyalty as a source of competitive advantage (Bhartwaj et al., 1993). According to Fournier and Yao (1997), it is at the center of companies’ marketing strategies that the development and maintenance of consumer brand loyalty lies. The phenomenon is especially seen in the markets with tough competition, and low product differentiation.

Brand loyalty exists only when the product has been purchased and there is use experience. Brand Loyalty’s distinction from other dimensions of brand equity lies in that is more closely tied to use experience. Brand loyalty is a basis of brand equity that is created by many factors and top of which is the use experience (Aaker, 1991). Brand would not exist if there is loyalty towards a product but no loyalty towards a brand (Aaker 1991). Brand loyalty represents the core of a brand’s equity. Daryl Travis (2000) considers that brand loyalty is “the ultimate objective and meaning of brand equity” and concluded “brand loyalty is brand equity”. Aaker (1991) also stated that ‘the brand loyalty of the customer base is often the core of the brand’s equity’.

The first idea about the Brand Loyalty was attributed to Copeland (1923) and since then, according to Jacoby and Chestnut (1978) numerous definitions have appeared in the literature. This plethora of definitions provides a clue as to how important this concept

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is in marketing theory. The most accepted definition of Brand Loyalty has been given by Jacoby & Kyner (1973) who defined Brand loyalty as “the biased (i.e., nonrandom), behavioral response (i.e., purchase), expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes.”

**Behaviour Brand Loyalty**

Behavioural brand loyalty can be explained in terms of the actual purchases observed over a certain time, thus focusing on conditions of biased behavioral response, expressed over time, of the conceptual definition. Its advantages are they firstly based on actual purchases, which are directly related to the performance; secondly they are based on actual purchases, which are directly related to the performance and over a period of time; thirdly it is relatively easier to get data than in case of attitudinal loyalty. According to Day (1969), the most important limitation of behavioral measures is that they make no distinction between brand loyalties and repeat buying and therefore may contain spurious loyalty. In other words, underlying customers’ repeat brand purchase may be inertia (i.e. repeat brand purchases for the sake of saving time and energy (Assael, 2004), rather than the customer-brand bond (Fournier, 1998).

**Sequence of Purchase Measures**

A variety of measures has been employed in the research studies related to Brand Loyalty. One of the most prevalent is sequence of purchase. Under this kind of measures, a consistent bias in a purchase sequence towards a brand is an indication of brand loyalty. One simple measure is using purchase sequence ‘three in a row’ criterion (Trucker, 1964) McConnell (1968). According to this type of measure, an individual is considered brand loyal if he buys a particular brand on three consecutive purchase occasions.

Brand runs, is considered as the more advanced version to measure brand loyalty. A brand run is any sequence of consecutive purchases of same brand. In case number of brands runs is small, it indicates brand loyalty. This measure also helps in tracking the order of the choice process. (Bass et al. 1984, Massey et al. 1970)

**SIGNIFICANCE OF STUDY**

Customer loyalty has been a major focus of strategic marketing planning and offers an important basis for developing a sustainable competitive advantage— an advantage that can be realized through marketing efforts (Dick and Basu, 1994). It is reported that academic research on loyalty has largely focused on measurement issues (Kahn et al., 1986) and correlation of loyalty with consumer property in a segmentation context. Many studies have been conducted on brand loyalty. However, in majority of these studies, brand loyalty (e.g. repeat purchase) has been measured from behavioral aspect without considering the cognitive aspects. Moreover, in the era of post-economic reforms, the waves of liberalization and above all globalization have changed the business dimensions in India. A fresh peep into the FMCG market scenario of today is required to get new insights and discovery of new ideas.

**SCOPE OF STUDY**

The study pertains to the state of Punjab and to all the socio-economic strata therein. The Personal Care Products Category of the Fast Moving Consumer Goods is the focus of the study. In further classification, toothpaste has been taken in hand, for the research. All the brands of toothpaste used by the sample have been the part of the scope of the study.

**Sample Design**

In this study, Cluster Sampling Technique has been used. Based on development three districts were selected — the most developed, the moderately developed and the least developed based on Human Development Index Report of Govt. of Punjab. Each selected district was divided into two parts — urban and rural. For the analysis of Urban Markets, respondents from the Municipal Council/Corporation limits were selected. In the present study 600 respondents were selected on Cluster sample basis to ensure that respondents from different socio-economic background e.g. education, income, service/business occupation are covered in the sample from urban and rural markets.

**Population of the Study**

In the present study, population of the study is the buyers of the products from every type of socio-economic strata. The buyer has been the unit of analysis. Most of the time, the buyer is the decision makers in certain matters and of course, the purchasing decisions are also influenced by others in the family but they would not be able to understand the questionnaire and respond to it properly. A buyer is taken to be a family member and who take the decision to buy a particular brand of toothpaste.
Cluster Sampling

In the present study, cluster sampling has been used. Under this process of sampling requires disintegrating the population into a number of groups referred to as Clusters, each of them comprising of a range of characteristic features. These groups are referred as clusters because of the reason that all the individual members of the highlighted clusters are included in the sample. The process of selecting specific clusters is employed using a simple random method (Walliman, 2005). In general, cluster sampling is used for widely distributed and majestic population. However, it also has certain limitations in relation to representation of the total population because of the reason that it describes the population inadequately in comparison to the sampling approach.

DATA ANALYSIS TECHNIQUES

Run Test

According to Bradley (1968), the runs test can be used to decide if a data set is from a random process. A run is defined as a series of increasing values or a series of decreasing values. The number of increasing, or decreasing, values is the length of the run. In a random data set, the probability that the (I+1)th value is larger or smaller than the Ith value follows a binomial distribution, which forms the basis of the runs test. The first step in the runs test is to count the number of runs in the data sequence. There are several ways to define runs in the literature; however, in all cases the formulation must produce a dichotomous sequence of values.

Paired T-Test and Repeated ANOVA Analysis

Repeated measures ANOVA is the equivalent of the one-way ANOVA, but for related, not independent groups, and is the extension of the dependent t-test. A repeated measures ANOVA is also referred to as a within-subjects ANOVA or ANOVA for correlated samples. All these names imply the nature of the repeated measures ANOVA that of a test to detect any overall differences between related means. The paired t-test is the means comparison between the two dependent groups while repeated ANOVA is used in the situation of three or more dependent group’s comparison.

OBJECTIVES OF STUDY

The objectives of the study are given below:

1. To study the prevailing extent of Brand Loyalty among the consumers.
2. To ascertain whether consistency is maintained among the customers regarding the purchase of the particular brand of toothpaste or not?
3. To study the purchase behavior of the customer on different time frame for their favorite brand.
4. To study the longevity of association of customers for their favorite brand of Toothpaste

ANALYSIS AND INTERPRETATION

Prevailing extent of Brand Loyalty

Based on run test, the randomness of the responses was ascertained regarding the purchase of their favorite brand in the last six purchases and three categories emerged based on their purchase pattern.

<table>
<thead>
<tr>
<th>Categories on the basis of Behavioral Loyalty</th>
<th>Consistent Loyal</th>
<th>Divided Loyal</th>
<th>Unstable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>469</td>
<td>30</td>
<td>65</td>
<td>564</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Consistency among the Customers Regarding the Purchase of Particular Brand of Toothpaste

H0: There was no significant difference was analyzed in buying behavior of the customers in their last six buying is regarding particular brand of toothpaste.

A repeated measures ANOVA with a Greenhouse - Geisser correction determined that buying behavior of the customer regarding a particular brand of toothpaste differed statistically significantly between time points ($F = 19.453^*$, $P < 0.05$). Since, it was established that there was no consistency maintained among the customers regarding the purchase of the particular brand of toothpaste and our next purpose was to evaluate the longevity of the consistent behavior of the customers towards particular brand. Thus, paired t – test was conducted starting from the present buy of brand from the customers with their last buy and moving so on.
Table-2: Repeated ANOVA Analysis of Choice of Brand of the Customers in Last Six Buying’s of Toothpaste

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying Behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sphericity Assumed</td>
<td>593.754</td>
<td>5</td>
<td>118.751</td>
<td>19.453</td>
<td>.000</td>
</tr>
<tr>
<td>Greenhouse-Geisser</td>
<td>593.754</td>
<td>4.070</td>
<td>145.878</td>
<td>19.453</td>
<td>.000</td>
</tr>
<tr>
<td>Huynh-Feldt</td>
<td>593.754</td>
<td>4.104</td>
<td>144.692</td>
<td>19.453</td>
<td>.000</td>
</tr>
<tr>
<td>Lower-bound</td>
<td>593.754</td>
<td>1.000</td>
<td>593.754</td>
<td>19.453</td>
<td>.000</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Purchase Behavior of Customer on Different Time Frame for their Favorite Brand

H₀: There is no significant difference in purchasing behavior of the customer in two consecutive periods of their favorite brand of toothpaste

Table-3: Paired t-test

<table>
<thead>
<tr>
<th>Time of Purchase</th>
<th>Mean</th>
<th>T-test</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present Purchase</td>
<td>10.37</td>
<td>0.428</td>
<td>0.669</td>
</tr>
<tr>
<td>Last Purchase</td>
<td>10.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last Purchase</td>
<td>10.31</td>
<td>7.579*</td>
<td>0.000</td>
</tr>
<tr>
<td>Second Last Purchase</td>
<td>11.17</td>
<td>0.816</td>
<td>0.415</td>
</tr>
<tr>
<td>Third Last Purchase</td>
<td>11.30</td>
<td>6.871*</td>
<td>0.000</td>
</tr>
<tr>
<td>Fourth Last Purchase</td>
<td>10.27</td>
<td>1.401</td>
<td>0.162</td>
</tr>
<tr>
<td>Fifth Last Purchase</td>
<td>10.48</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The above table reveals that the buying behavior of the customers towards the brand of toothpaste is very uneven as it changes with each purchase, so more on the customers seems un-loyal with the brands of toothpaste. The analysis reveals that regarding toothpaste brand the customers does buy same brand at the maximum twice but after that, they shift to another brand and the process goes on.

The non-significances result between the present buy and last buy tells there is no shift in brand and similar scene was in the second last and third last purchase and lastly in case of fourth last and fifth last purchase but in the last purchase and second last purchase and in between the third purchase and fourth last purchase their was shift of brands for toothpaste among customers.

Longevity of Association and Purchase Behavior of their Favorite Brands of Toothpaste

Table 4, reveals that the length of the period for which the respondents have used their most favorite brand of Toothpaste. Majority of the 40.4% respondents (228) have been using their favorite brand for more than 1 year to 3 year. 155 respondents (27.4%) have been using their brand for a year or less, those using their most favorite brand of toothpaste for more than 3 years to 7 years, which is a considerable period to prove loyalty to their brand, are 20.75% (117) respondents. Only 11.5% (65 respondents) of the respondents have been consistently using it for more than 7 years, which reflect their staunch loyalty for their most favorite brand of toothpaste.

The table 4 also shows the frequency of purchase by the respondent of their most favorite brand of toothpaste. A majority of the respondents 45.0% (254 respondents) purchase their most favorite brand of toothpaste once in a month which is the usual behavior found among Indian families of salaried class, then followed by the 16.0% (90) respondents purchase their most favorite brand once in a fortnight and rest of them surveyed reported at different time intervals but their proportion as lesser than 8.0% but also 15.1% (85) respondents stated that they do not have fixed intervals of purchasing.
Table 4: Response Analysis

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A year or less</td>
<td>155</td>
</tr>
<tr>
<td>More than 1 year to 3 years</td>
<td>228</td>
</tr>
<tr>
<td>More than 3 years to 7 years</td>
<td>117</td>
</tr>
<tr>
<td>More than 7 years</td>
<td>65</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency of Purchase of Favorite Brand</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twice a week</td>
<td>2</td>
<td>0.4</td>
</tr>
<tr>
<td>Once a week</td>
<td>46</td>
<td>8.2</td>
</tr>
<tr>
<td>Once in 10 days</td>
<td>32</td>
<td>5.7</td>
</tr>
<tr>
<td>Once in fortnight</td>
<td>90</td>
<td>16.0</td>
</tr>
<tr>
<td>Once in a month</td>
<td>254</td>
<td>45.0</td>
</tr>
<tr>
<td>Once in 2 months</td>
<td>31</td>
<td>5.5</td>
</tr>
<tr>
<td>As and when need arises</td>
<td>19</td>
<td>3.4</td>
</tr>
<tr>
<td>No fixed intervals</td>
<td>85</td>
<td>15.1</td>
</tr>
<tr>
<td>Any other, please specify . . .</td>
<td>5</td>
<td>0.9</td>
</tr>
</tbody>
</table>

FINDINGS AND CONCLUSIONS

As far as the first objective about the extent of brand loyalty is concerned, based on run test i.e. taking into consideration the purchase of their favorite brand in the last six purchases, the randomness of the responses was ascertained and three categories emerged based on their purchase pattern. A large majority of the buyers of toothpaste happens to be consistently loyal to their brands. Since the prevalence is associated with the time, which is also habit of buying, thus in this objective the customers were surveyed for their last six buys including their present buy of the favorite brand of the toothpaste. The purpose was to assess whether or how long the customer was associated with the buying of their favorite products of particular commodity as it is related with their loyalty with that product. Repeated ANOVA was used to analyze the significance difference in buying pattern of the customers for their favorite brand of toothpaste for all six buys and significance of results was obtained signifying that there was shift in the purchasing behavior of the customer for their favorite brand somewhere in last six buys.

Since it was established that the shift is there in buying behavior the next purpose was to assess the time of shift from favorite brand and for that paired t – test was used among the present buy and last buy, then last buy and second last buy then second last buy and third last buy and so on till sixth buy, as purpose was if there was no significant difference is their buying pattern for two consecutive time is same. It was revealed that for the two buys, the customers stick to their favorite brands but after that, they tend to change to some other brands of toothpaste. The paired t – test results was significant for the comparison of the pairs of the last purchase and second last purchase and third last and fourth last buy of favorite product of the toothpaste among the customers. Then further frequency of purchase of brand was surveyed and it was revealed again that a majority of buyers prefer to buy every month.

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TAX TREATY POLICY: TAXATION OF SERVICES

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ABSTRACT

Tax treaties serve the purpose of providing protection to tax payers against double taxation and thus preventing the discouragement which taxation may provide in the free flow of international trade, international investment and international transfer of technology. These treaties also aim at preventing discrimination between the taxpayers in the international field and providing reasonable element of legal and fiscal certainty within a legal framework. In addition, such treaties contain provisions for mutual exchange of information and for reducing litigation by providing for mutual assistance procedure. Internationally, two basic principles of taxation are followed- the residence based taxation and the source based taxation.

The modus operandi regarding the taxation of profits from services performed in the territory of a Contracting State by an enterprise of the other Contracting State are not taxable in the first-mentioned State if they are not attributable to a permanent establishment situated therein (as long as they are not covered by other Articles of the Convention that would allow such taxation). The provisions regarding the Permanent Establishment and Taxation of services provided by such permanent establishment are vexed and ambiguous under the Income Tax Act of 1961 in India.

The most conventional areas, which succor as a basis for the asseveration of a PE, include accidental expatriates or seconded employees, provision of services and subcontracting arrangements. The Research question here is that whether keeping the present scenario in mind, whether the prodigious challenge of updated commentary on Article 7 of the OECD Model Tax Convention: Service Permanent Establishment, Maintenance Provisions and Attribution of Profits to PE will work well in the global business community.

KEYWORDS

Tax Treaties, Tax Payers, Legal Framework, OECD Model Tax Convention etc.

INTRODUCTION

Domestic tax laws have an impact on cross-border transactions. Regardless of a taxpayer’s background or geographical location, international tax law and practice are underpinned by generic principles, which must be considered when a country taxes cross-border transactions and economic events. International Tax Policy and Double Tax Treaties give the reader a perusal of the concepts that underlie international tax law and double tax treaties3.

With the corporates expanding beyond the local shores and have started working in various economies of the world, there is a significant movement of employees from one country to another. The movement of employees has given rise to personal tax implications in multiple countries resulting in double taxation. To counter this problem countries have entered into Double Taxation Avoidance Agreements (Tax Treaty)4 or they sign another class of tax treaties like Tax Information Exchange Agreements (TIEAs). This was developed by OECD Global Forum Working Group on Effective Exchange of Information to promote International Cooperation in tax matters through exchange of information. The agreement grew out of the work undertaken by OECD to address harmful tax practices. The key criterion in determining harmful tax practices is the lack of effective exchange of information. The mandate of the Working Group was to develop a legal instrument that could be used to establish effective exchange of information. The new updated Article 26 of OECD Model facilitates exchange of tax information among law enforcement agencies to fight tax crimes and other criminal activities more effectively. These are far narrower in scope and concern only the provision of information. Generally, countries prefer to sign TIEAs instead of DTAs with tax havens, for fear of fiscal leakage5.

Tax treaties serve the purpose of providing protection to tax payers against double taxation and thus preventing the discouragement which taxation may provide in the free flow of international trade, international investment and international transfer of technology. These treaties also aim at preventing discrimination between the taxpayers in the international field and providing a reasonable element of legal and fiscal certainty within a legal framework. In addition, such treaties contain provisions for mutual exchange of information and for reducing litigation6 by providing for mutual assistance procedure. The Mutual Agreement Procedure (‘MAP’) clause in various Double Tax Avoidance Agreements (‘DTAA’) entered by India and other countries/ territories allows designated representatives (‘the Competent Authorities’) from the governments of the contracting states to interact with the intent to resolve international tax disputes. These disputes involve cases of double taxation as well as inconsistencies in the interpretation and application of a convention. Broadly, income tax treaties set out the parameters by which residents - both individuals and corporations - of one country are taxed with respect to income derived from sources within the

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treaty partner jurisdiction. Generally, the provisions of income tax treaties are complimentary, meaning that taxpayers resident in one country also receive the same or substantially similar benefits with respect to income from sources in the foreign jurisdiction if residency and other requirements specified in the treaty are met.

Double Tax Agreements tend to be based on two models: a dominant OECD model, on the one hand, and a model put forward by the United Nations on the other. The Organization for Economic Cooperation and Development (OECD) developed its original Model tax Convention on income and on capital (OECD Model) and gives greater emphasis to residence-based taxation.

United Nations Model Double Taxation Convention between Developed and Developing Countries (UN Model) is preferred by the developing countries. The UN Model explicitly states that an intention of the convention is to promote tax treaties that “contribute to the furtherance of the development aims of developing countries.” The UN Model seeks to achieve this goal by addressing issues of specific interest to developing countries. The UN model gives greater taxing rights to source jurisdictions, which are typically developing countries receiving inward investment. Presently, the majority of countries with which the United States does not have a treaty overwhelmingly favors the UN Model and are reluctant to enter into negotiations where the US Model is the starting point.

**ATTRIBUTION OF PROFITS TO PERMANENT ESTABLISHMENT (PE)**

The history of permanent establishment is as long as the history of double taxation conventions. Article 7 of the OECD Model Tax Convention provides the international tax principles for ascribing profits to a PE, which forms the basis of bilateral income tax treaties between OECD member countries and between many OECD member and non-member countries. These principles are, to a certain extent, also incorporated in the Model United Nations Double Taxation Convention between Developed and Developing Nations. The PE risk is the risk of the company creating a taxable presence in a foreign country. Article 5 and Article 7 of the OECD Model is that the profits from services performed in the territory of a Contracting State by an enterprise of the other Contracting State are not taxable in the first-mentioned State if they are not attributable to a permanent establishment situated therein (as long as they are not covered by other Articles of the Convention that would allow such taxation). It is consistent with the principle of Article 7 that until an enterprise of one State sets up a permanent establishment in another State, it should not be regarded as participating in the economic life of that State to such an extent that it comes within the taxing jurisdiction of that other State. The UN Model, however, grants greater taxing rights to the source State through the inclusion in Article 5 of a deemed service PE provision (Art. 5 (3) (b)), which is based on a time threshold (i.e. 183 days in any 12-month period) concerning the service activities within a Contracting State. The OECD approach is that the profits to be attributed to a PE are the profits that the PE would have earned at arm’s length, if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions through permanent establishment and through other parts of the enterprise. Where the PE is created through a fixed place of business within the meaning of Article 5(1), the determination of which activities and responsibilities of the enterprise are associated with the PE should be determined from an analysis of the “fixed place”. As per Section 5 of the Income Tax Act, 1961 residents of India are liable to tax on their global income and non-residents are taxed only on income that has its source in India. Section 9 (1) (i) of the Indian Income Tax Act lays down provisions regarding business connection which is Indian equivalent to Permanent Establishment. The Finance Act, 2003-inserted inclusive definition mainly including business carried on through Dependent Agent as Business Connection. “Real and intimate connection” and “Continuity” are the two major factors which are relevant in the determination of the Business Connection.

Section 92F of the Act of 1961 only states that “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on. The Finance Act, 2001, has substituted the existing section 92 of the Income-tax Act by new sections 92 and 92A to 92F. These new provisions lay down that income arising from an international transaction between associated enterprises shall be computed having regard to the arm’s length price.

**FIXED PLACE PERMANENT ESTABLISHMENT**

In fixed place Permanent Establishment, there is a fixed place of business and the business of foreign enterprise is wholly or partly carried on through such place.

The Supreme Court of India on July 9, 2007 delivered a landmark judgment in the CIT (International Taxation), Mumbai v. Morgan Stanley and Co. Inc that outsourcing of services such as back office operations to a captive service provider will not per se create a permanent establishment of the parent in India. With that judgment, the Supreme Court has laid down the difference in the tax treatment between persons performing the stewardship function in relation to the deputation of employees. It has also accepted a single entity approach for attribution of profits to the PE by ruling that the payment of an arms-length price by the non-resident to PE extinguishes any further attribution of profits to tax and it has reiterated the importance of considering the economic nexus before taxing a non-resident’s global profit in India.

The test of ‘at the disposal’

In Article 5(1), the place of business serves as the magnet for attracting every activity to it that is done “through” it. The premises can therefore not be considered to represent a fictitious place of business. If an entrepreneur has no right to use the premises as he
sees fit and in fact maintains no presence on such premises, the same will apply \textsuperscript{18}. A three-fold test is given by the OECD: The first one referring to the existence of the “effective power to use” the location; The second one indicating the extent (i.e. duration) of actual presence; and lastly, the nature of the pertinent ‘activity’.

The Supreme Court decisions in the cases Dell \textsuperscript{55} and Zimmer\textsuperscript{55} in Norway and France respectively found that only legal binding is pertinent in determining whether a permanent establishment is created when the business of the enterprise is conducted through commissionaire.

**The time requirement: a prerequisite for the existence of PE**

The general practice of a six month minimum period has been retained in the OECD proposals but there is an extension of the discussion to include two new examples where the six month period is not relevant (i.e. where there is regular short term activity in a State each year but recurring over a number of years and also where the business concerned is conducted in its entirety for a short duration only). \textsuperscript{184}It is all left to ‘best practice’ of the Member Countries. There is no coherence on the point at which a PE may be materialized in a country in case of short-term activity over the period of years. Article 15 of the OECD Model Tax Convention uses the concept of time frame of 183-day rule with great success and minimum amount of disputation cognate in defining the scope of this definition.

**INDIAS POSITION ON FIXED PLACE PE**

The perspective of India towards fixed place PE is that the stated example under the illustrative list under Article 5 (2) of the OECD Model Tax Convention will necessarily be regarded as Permanent Establishment. The geographic and commercial coherence is not necessary. A person working at different places on unrelated contracts for short duration may be held to have a PE if threshold period is exceeded. Tangible/intangible property itself could be PE in certain situations and bare letting of property itself in certain situations can create Fixed Place PE.

**Construction or assembly project not to trigger Permanent Establishment merely on the satisfaction of the ‘fixed place of business’ test.**

In the case of GIL Mauritius Holdings Ltd \textsuperscript{58} (the assessee), the Delhi Bench of Income tax Appellate Tribunal held that a pipeline assembly project would constitute a PE only when the period of activity exceeded nine months as per Article 5 (2) (i) of the Double Taxation Avoidance Agreement between India and Mauritius. This is an important ruling by the Delhi Tribunal, where the activities of offshore, transportation and installation of pipe line carried out by marine vessels have been held to be falling under the term ‘construction and assembly’ under Article 5(2)(i) of the tax treaty. Accordingly, these activities would result into a PE under Article 5(2) (i) of the tax treaty provided the activities carried out by the PE lasts for a time period, which exceeds the period specified in Article 5(2)(i) of the tax treaty. This case was dealing with the India Mauritius tax-treaty where the time period specified is of nine months for the activity to result into a PE. The tax department contended that there was a PE under Article 5(1) of the tax treaty and therefore there was no need to examine Article 5(2) of the tax treaty. However, the Tribunal observed that Article 5(1) and 5(2) needs to be read together in a harmonious manner. Further, if PE was to be determined only under Article 5(1) of the tax treaty then Article 5(2) of the tax treaty will become superfluous.

**Agency PE**

The Indian Income Tax provides that if the Permanent Establishment has and habitually exercises in India, an authority to conclude contracts on behalf of the non-resident or has no such authority, but habitually maintains in India habitually secures orders in India, mainly or wholly for the non-resident or for that non-resident and other non-residents controlling, controlled a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the non-resident is said to have Agency PE in India.

**SERVICES PERMANENT ESTABLISHMENT**

The service sector currently accounts for approximately 70% of the world’s Gross Domestic Product (“GDP”) \textsuperscript{185}. Depending on category of services, range of different tax treatments of income derived by non-resident has been provided by the tax treaties giving rise to the income. Since the tax treatment countenanced under the treaty can range from exemption from source taxation to exclusive source taxation, from limited to unlimited rates of source taxation, and from gross to net taxation, taxation of non-resident service providers can present a number of challenges to tax administrations. In addition to that, the wide range of thresholds provided under treaties for source taxation of services income, and the rules can become extremely complex to administer, particularly for tax administrations in developing countries where both the tax systems and the tax administrations may be less enlightened and intellectual than those in developed countries. In developing countries, where sparse resources have to cover a wide range of issue, availability of personnel skilled in international tax and tax treaty matters may also be a problem for tax administrations.\textsuperscript{xx}
Categorization of Services

The World Trade Organization (“WTO”) defines services broadly in Article 1 of its General Agreement on Trade in Services:

a) For the purposes of this Agreement, trade in services is defined as the supply of a service:
   a) from the territory of one Member into the territory of any other Member;
   b) in the territory of one Member to the service consumer of any other Member;
   c) by a service supplier of one Member, through commercial presence in the territory of any other Member;
   d) by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.

For the purposes of this Agreement:

a) “services” includes any service in any sector except services supplied in the exercise of governmental authority;
   b) “a service supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.”

From a taxation perspective, it is useful to consider the way in which service supplies are generally taxable with respect to the four broad modes of supply:

Mode 1 - Cross-border supply: supply of a service from the territory of one WTO member into the territory of any other member;
Mode 2 - Consumption abroad: supply of a service in territory of one member to the service consumer of any other member;
Mode 3 - Commercial presence: supply of a service by a service supplier of one Member, through commercial presence (including through ownership or lease of premises) in the territory of any other Member;
Mode 4 - Presence of natural persons: supply of a service by a service supplier of one member, through the presence of natural persons of a member in the territory of any other member.

There is no specific rule on the creation of PE for furnishing of services under the OECD Model Tax Convention.

The United Nations modus Operandi

The provisions of the UN Model deal comprehensively with all types of services. However, the treatment accorded to different types of services varies enormously. Several specific types of services, such as government service, employment, pensions, shipping and air transportation, are given special treatment in separate articles of the Model. In contrast, Article 7 deals with business profits generally and includes income from services in certain circumstances.

Difficult issues of stipulation have been raised by the different treatment of various types of income from services under the UN Model. For example, if services are considered to constitute the carrying on of a business, the source State is authorized to tax the income from such services only if, in general, the business is carried on through a PE or a fixed base in the source State.

On the other hand, if the services are performed by an employee or an entertainer or sportsperson, the source State is entitled to tax the income from such services simply if the activities take place in the source State.

A services PE exists in two different sets of circumstances. One considers the days of presence of the individual in combination with the gross revenue and other considers the days of activities for the project(s).

A service PE could be constituted in India, where any enterprise:

- Renders services in India (other than fees for technical/included services),
- To third party/associated enterprises,
- Through employees or other personnel,
- For a specific period.

Service PE provisions are present in India’s 40% of the bilateral tax treaties, broadly on the lines of Article 5 (3) (b) of the UN Model.

Professional Services Income Taxable only as to Services Performed in India

The special Bench of Mumbai Income Tax Appellate Tribunal in the case of ADIT v. Clifford Chance held that the income of the non-resident law firm related to India would be taxable only to the extent attributable to services performed in India. Secondly, the Special Bench determined that, in interpreting Article 7(1) of the India-U.K. Tax Treaty as it relates to businesses with a permanent establishment in India, consideration attributable to services rendered in the resident State (U.K.) is not taxable in the source State (India).
**Feas for Technical Services: Vexed Issue under Tax Treaties**

The term “Fees for Technical Services” is not defined under the Tax Treaties, and it is left to the definition under domestic law, subject to the context of the treaty requiring otherwise. It is questionable whether the use of domestic law meaning is appropriate for purposes of the treaty in these circumstances. Many countries treat all income from services in the same way so they have no meaning for technical, managerial and consultancy services in their domestic law. In Direct Tax Code, “technical services” (“business profits”) is often used in contrast to “know-how” (“royalties”). 60% of India’s tax treaties provide for taxation of FTS (in 96% of treaties with OECD economies).

The Madras High Court in the case of Bangkok Glass Industry Co. Ltd. vs. ACIT held that the services rendered towards technical expertise were royalty under Article 12 of the India-Thailand Tax Treaty and the service of providing technical advice and assistance (FTS) was covered under Article 7 of the tax treaty, which deals with business profits. Further, it was held that there was no Permanent Establishment (PE) of the taxpayer in India and therefore, the FTS cannot be taxable under Article 7 of the tax treaty.

**Payment made for financial, sales, and risk management services, ‘make available’ technical knowledge, experience and skills- to be included under “fees for included services”.

The Cochin bench of Income Tax Appellate Tribunal in the case of US Technologies Resources Pvt. Ltd v. ACIT held that financial sales, risk management services provided by the US Company are technical in nature. Such services ‘make available’ technical knowledge, experience, skills etc. to the taxpayer. Therefore, it is taxable as “Fees for Included Services” under the India-US Tax Treaty.

**Interpretation of the phrase “make available” under technical services**

The Kolkata Bench of Income Tax Appellate Tribunal in the case of ITO v. Right Florists Pvt. Ltd held that the presence of search engine of Google or Yahoo through websites- when servers are located outside India did not constitute business connection or permanent establishment (PE) in the India. The Tribunal also held that the payments for the display of advertisements along with the search results did not constitute ‘equipment royalty’. In the absence of any human intervention in the whole process of serving advertisement, payments for the same could not be classified as the ‘fees for technical services’ (FTS). Accordingly, the payments to the yahoo or Google were not subjected to Indian withholding of tax.

**EXCLUSIONS**

An enterprise shall not be deemed to have a permanent establishment merely by reason of:

- The use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise;
- The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;
- The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- The maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise; or
- The maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research, or for similar activities which have a preparatory or auxiliary character, for the enterprise;
- PE may not come into existence if the activities carried out are purely “preparatory” or “auxiliary” in nature.

**THE PRODIGIOUS CHALLENGE: SERVICE PERMANENT ESTABLISHMENT, MAINTENANCE PROVISIONS AND ATTRIBUTION OF PROFITS TO PE**

The ‘assessment of the value chain between the head office and the potential PE in its entirety’ is the modus operandi to allocate profit to a PE in new commentary language in Article 7 of the OECD Model tax Convention. Article 7 reengineers transfer-pricing methodology as the tool to identify and qualify the value of the activities undertaken throughout the value chain between the head office and the potential PE and the performance of the proper allocation of profit. It then proceeds to allocate income between the home office and the PE based on transfer pricing principles, treating the PE as a notional separate entity.

The arrangement between PE and its head office is referred to as ‘Dealing’. For multinational companies (MNCs) working cross-border without established legal entities in host countries, the question of whether an arrangement may constitute dealing can appear in cross-border projects, where people from the head office are on the ground for a longer period of time, or are making decisions that significantly influence the outcome to the project; or if the head office engages in extended maintenance or warranty provisions; or all of the above.
Seconded Employees or Accidental Expatriates

When a multinational tapped an employee and assigned him to go off to work abroad, it gives rise to an expatriate assignment traditionally.

The employee originally hired by and working for a multinational in one country and was later asked by the employer to work temporarily abroad in a new overseas place of employment is a Business Expatriate. Under this arrangement, the home entity remains as the legal employer, but the employees work for and report to the host entity during the duration. These arrangements should generally not give rise to a PE exposure for the home entity. However, if the arrangement is not executed properly or if it is not supported by proper agreements, the home entity may end up with a PE exposure in the country of the host company.

In the most common scenario, the Overseas Parent Company seconds their employees to Indian Subsidiary Company. The overseas employer remains the legal employer of the seconded employees and the Indian subsidiary becomes the economic employer of the said employee. The overseas employer remains the legal employer, so that employee does not have to suffer because of social security schemes or other employment benefits, which depend upon the continuity of the employment with the said company or in the home country. However, the Indian company becomes the economic employer, which means that employee works under direct control and supervision of the Indian Subsidiary. The overseas company is not responsible for the work and performance of the employee. The risk and reward of the work done by the seconded employee would go to the Indian Company. The Indian Company has the right to demand the replacement of the employee and parent company retains the right to replace or terminate the employee. However, for administrative convenience the seconded employee remains on the payroll of the overseas company. The parent overseas company pays salary to the seconded employee, which is reimbursed on cost-to-cost basis by the Indian Subsidiary. Certain local benefits, such as accommodation, local conveyance, etc., are provided locally by the Indian Subsidiary to such seconded employee.

The tax implications in such case arises when even if employee is paying taxes on the income earned in India by way of salary, Withholding tax obligations on the Indian Subsidiary in case of reimbursement of salary of seconded employee on the contention that reimbursement of salary to Overseas Company is actually, payment for Technical or Consultancy Services.

As per OECD Model Convention also concept of economic employer has to be taken care of in cross-border secondment of employees and substance over form has to be seen to determine as to who is the real employer of the seconded employee.

The Concept of ‘make available’ - In certain DTAA’s there is concept of ‘make available’ of technical services, i.e., obligation to withhold tax under the Indian Income Tax Act on recipient of the service would arise only if the receiver of the service is able to use the service itself in future, without the help of service provider, once the services have been rendered by the service provider. However, the courts have held that in case of secondment agreement the Indian Company is the real and economic employer and services are rendered by employee directly to the Indian company and not on behalf of foreign company and, hence, presence of employee in Indian would not lead to Service PE in India.

It is necessary that intention of the parties involved should be clear while engaging in the secondment agreement as to control, supervision, risk and responsibility, right to termination, etc. Only then, risks of services being regarded as technical services or Service PE would be mitigated. If the foreign employee severs the relation with the parent overseas company and becomes full time employee of Indian Subsidiary, then there is no risk of parent company being regarded as a Service PE in India or providing technical services through employee to Indian company. However, due to protection of the interests of the employee in home country relating to social security, etc., secondment arrangements are entered into. Hence, such agreements should be supported by requisite documentation, so that actual purpose is clear and is not doubtful.

Subcontracting Arrangements for Providing Extended Warranty Services

The assignment of part of the obligations and tasks under a contract to another party is known as ‘subcontracting’. For instance, a foreign company may subcontract the provision of warranty or trouble-shooting services to a local service provider whilst the company remains as the party legally responsible to the customer. Depending on the duration for which the services are rendered, a potential service PE may arise for the foreign company.

CONCLUSION

The taxmen need to have a more enlightened grasp of the interrogation in order to better understand which part of the value chain is undertaken and by whom. The traditional function and risk analysis must be conducted with due prudence. If dealing is found to exist, the allocation of profit is based on a division of function risks and assets between the head office and the PE. There is a need to build a more intelligent reporting structure to accurately demonstrate whether or not dealing exists. The reporting structure should resemble that of a function and risk analysis, where the tax director seeks to obtain information from both the host and home country of the arrangement in question. A dealing should be documented similarly to a legal arrangement (i.e. establish the terms and conditions) although, by nature it cannot be legally binding on the parties. The documented dealing should also ease the audit process.
The threshold limit of time plays a crucial role in determining the existence of PE and the extended maintenance provisions provided by such service PE. Therefore, such provisions should be clearly embedded in the legal document between the contracting parties. A formulary approach could be used which is a deviation from the conventional arms’ length price approach used in India. While most arms’ length price determination methods work on a case-to-case basis, a formulary approach seeks to apply a pre-determined formula for all taxpayers. Under Indian tax law, an approach similar to a global formulary approach has been envisaged under Rule 10 of the Income Tax Rules, 1962, wherein an AO has been given the power to use such approach where he feels that the actual amount of income accruing or arising (from whatever source it may be) cannot be ascertained. Since, cross border services are between different countries and only Treaties sets out the framework for the same, but at the same time, Income tax Act of 1961 should be amended to provide unambiguous provisions for taxability of services provided by Services PE in India in its entirety.

END NOTES


2Double Taxation Avoidance Agreement is essentially bilateral agreements entered into between two countries. The basic objective is to avoid, taxation of income in both the countries (i.e. Double taxation of same income) and to promote and foster economic trade and investment between the two countries.

3The Central Board for Direct Taxes (CBDT) is pushing for exchange of information for tax administrators globally to tap tax leakage in cross border transactions even as the government is struggling to contain the fiscal deficit by paring expenditure and boosting tax collection. Even under the automatic exchange of information, India has not been very successful in getting information from its tax treaty partners. While it has transmitted about two million pieces of information relating to fiscal years 2009-10, 2010-11 and 2011-12 to at least 50 of its treaty partners, it has received only over 40,000 pieces of information between January 2011 and December 2012, including pieces of information disseminated in January 2011, which were obtained during 2008-10, according to the manual. Under the automatic exchange of information, intelligence data is sent by the competent authority of India’s treaty partners to the Indian competent authority in compact disks. Currently, India has double taxation avoidance agreements with 84 countries and has signed tax information exchange agreements with nine countries with low or no tax. It is also a party to Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which has come into force in June 2012. This multilateral convention is in force in 16 countries.

4The Finance Act, 2012, has introduced a framework for Advance Pricing Agreements (‘APA’) (under Section 92CC and 92CD of the Act) to be entered into with the specified assessee. APA is an agreement between a taxpayer and a taxing authority on an appropriate transfer pricing methodology for a set of transactions over a fixed period of time in future. APA shall be valid in no case shall exceed five consecutive tax years. The APA shall be binding only on the person and the Commissioner (including income-tax authorities subordinate to him) in respect of the transaction in relation to which the agreement has been entered into. The APA shall not be binding if there is any change in law or facts having bearing on such APA. The APA mechanism is still at a nascent stage and its implementation is yet to be tested in the Indian context.


6The U.S. Model Income Tax Convention is used as a starting point in bilateral treaty negotiations with other countries. The Model Technical Explanation will serve as the basis for technical explanations of bilateral tax treaties based on the U.S. Model Income Tax Convention.

7India is one of the many non-member economies with which the OECD has working relationships in addition to its member countries. The OECD has been co-operating with India since 1995. The OECD Council at Ministerial level adopted a resolution on 16 May 2007 to strengthen the co-operation with India, as well as with Brazil, China, Indonesia and South Africa, through a programme of enhanced engagement. It also called for the expansion of the OECD’s relations with Southeast Asia. While enhanced engagement is distinct from accession to the OECD, it has the potential in the future to lead to membership.

8A key feature and often controversial feature of the US Model is the inclusion of the Limitation on Benefits (LOB) provision in Article 22, which is intended to eliminate treaty shopping – an instance in which a company or individual not resident in a treaty country attempts to reposition itself so as to give the appearance of residence in a treaty country and thus access the benefits of the income tax treaty.

9Supra note 5

10Permanent Establishments: now u see them, now u don’t , by E&Y; Available at: http://www.ey.com/Publication/vwLUAssets/You_and_the_Taxman_-_Issue_3_-_2013/$FILE/EY-You-and-the-Taxman-issue3-2013.pdf
In July 2013, the OECD published its Action Plan on Base Erosion and Profit Shifting. The Action Plan identifies 15 actions to address BEPS in a comprehensive manner and sets deadlines to implement these actions. Action 7 of the Action Plan, which deals with strategies that result in the artificial avoidance of permanent establishment status and that raise base erosion and profit shifting concerns, reads as follows:

“The definition of permanent establishment (PE) must be updated to prevent abuses. In many countries, the interpretation of the treaty rules on agency-PE allows contracts for the sale of goods belonging to a foreign enterprise to be negotiated and concluded in a country by the sales force of a local subsidiary of that foreign enterprise without the profits from these sales being taxable to the same extent as they would be if the sales were made by a distributor. In many cases, this has led enterprises to replace arrangements under which the local subsidiary traditionally acted as a distributor by “commissionaire arrangements” with a resulting shift of profits out of the country where the sales take place without a substantive change in the functions performed in that country. Similarly, MNEs may artificially fragment their operations among multiple group entities to qualify for the exceptions to PE status for preparatory and ancillary activities.”

(1) The following incomes shall be deemed to accrue or arise in India: (i) all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India, or through the transfer of a capital asset situate in India. [Explanation 1]. For the purposes of this clause - (a) in the case of a business of which all the operations are not carried out in India, the income of the business deemed under this clause to accrue or arise in India shall be only such part of the income as is reasonably attributable to the operations carried out in India; (b) in the case of a non-resident, no income shall be deemed to accrue or arise in India to him through or from operations which are confined to the purchase of goods in India for the purpose of export; (c) in the case of a non-resident, being a person engaged in the business of running a news agency or of publishing newspapers, magazines or journals, no income shall be deemed to accrue or arise in India to him through or from activities which are confined to the collection of news and views all India for transmission out of India; (d) in the case of a non-resident, being (J) an individual who is not a citizen of India ; or (2) a firm which does not have any partner who is a citizen of India or who is resident in India ; or (3) a company which does not have any shareholder who is a citizen of India or who is resident in India, no income shall be deemed to accrue or arise in India to such individual, firm or company through or from operations which are confined to the shooting of any cinematograph film in India.

Civil Appeal No. 2914 of 2007 (arising out of S.L.P. (C) No.12907 of 2006) and Civil Appeal No. 2915 of 2007 (arising out of S.L.P. (C) No. 16163 of 2006)

ICC Comments on Revised Proposals concerning the interpretation and application of Article 5 (Permanent Establishments); Available at: http://www.oecd.org/ctp/treaties/PERMESTICC.pdf

The Norwegian Supreme Court issued its ruling in the so-called “Dell-case” on 2 December 2011. The main issue if the case was whether the Irish company Dell Products could be considered to have a taxable presence in Norway under article 5 (5) of the Tax Treaty between Ireland and Norway (permanent establishment), as a consequence of the activities of the Norwegian company Dell AS.

According to the Supreme Court, “agreements concluded by the commissionaire, even though they are concluded for the account of its principal, do not directly bind the latter vis-à-vis the commissionaire’s clients; it follows that a commissionaire cannot, in principle, be deemed to constitute a permanent establishment of its principal, solely as a result of selling the principal’s products or services by signing contracts in its own name, under application of the commissionaire agreement.”

The time requirement for the existence of PE: Available at: http://www.pwc.com/en_SG/sg/tax-bulletin/assets/taxbulletin20121106.pdf

GIL Mauritius Holdings Ltd v. ADIT (IT) [TS-546-ITAT-2011 (Del)]

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PRINT MEDIA MANAGEMENT IN INDIA: AN EMPIRICAL STUDY

Dr. B. P. Mahesh Chandra Guru⁵ S. V. Manjappa⁶ C. A. Radhika⁷ M. Dileepkumar⁸

ABSTRACT

The subject of globalization has been widely discussed in the new millennium by the scholars, administrators, activists and others all over the world. The process of globalization has affected all spheres of human life including communication and journalism. During the last three decades, globalization has affected the media regionally, nationally and internationally. There is commendable expansion of media across the world in the age of globalization. Multi-national corporations have established the media institutions, which have become instrument of profit making in the age of globalization.

India adopted new economic policy in 1990-91 under the leadership of P. V. Narasimharao and Manmohan Singh. India and China have become prominent economic players in the Asian continent over a period. The process of globalization has definitely affected the media scenario of the country. The impact of globalization on the print media management in India has been examined systematically in the present study.

KEYWORDS

Print Media, MNC's, Globalization, Profit Making etc.

INTRODUCTION

The Government of India allowed 26% of Foreign Direct Investment in 2002 in accordance with the policy of economic liberalization. Subsequently, the format and contents of the newspapers changed in order to overcome the competition posed by the electronic media. The print media gained advertising revenue remarkably due to ‘profit over people’ concept influenced by the globalization. Major newspapers created a new trend known as ‘infotainment’ to give news in an entertainment form and attract the young generation of readers. The editorialization of news also became a way of life in the mainstream and leading language newspapers. This tendency also enabled the multinational corporations to have a sway on knowledge of the people. The Press Commission of India vehemently opposed the entry of FDI in print media due to these reasons. The Government of India has permitted the entry of FDI because of new economic policy.

Aggrawal and Gupta (2001:01) write: “The rapid technological changes, which the print media is adapting to survive, has brought about far – reaching changes in the contemporary media scenario. The leading newspapers are taking to online journalism in a big way. Several leading print media organizations have been developing comprehensive websites of their own, which regularly cover interviews, chat shows, business and economy news, lifestyles and entertainment”. Consequent on FDI in Indian media, the foreign contents in the Indian newspapers have increased substantially. The foreign journalists also found place in the Indian print media and championed the neo-liberalism. The editors of Indian press make some innovative experiments. The editorial pages are dropped and opposite editorial pages provide more opinions and analyses. The modern Indian newspapers have found the new digital markets, which have grown in the rural areas also. The print media in India enjoys better circulation and readership especially in the language sector. The National Readership Survey (2006) reported that there were an estimated 204 million readers of daily newspapers and 222 million readers of all publications in India.

Ninan (2007:23) observes: “Hindi newspapers, harbingers of nationalism at the turn of the century, had witnessed more material change by the turn of 21st century. They busted with contour supplement and marketing coupons even as they brought politics, sports and news to rural and urban homes”. The Indian print media grew considerably in the age of globalization because of the entry of local market forces into print media in India. Besides this, India and China are regarded as ‘the world absolute leaders in the newspaper industry according to WPT (2009).

Guru and Mariswamy (2014:14) comment: “Indian print media is one of the largest print media networks in the world. The Indian press witnessed series of changes after 1991. Prominent among them include-change of political economy of the press, fierce competition from the satellite television channels, increase of advertising revenue, better purchasing power of the people, improved literacy status, market driven economy, corporatization of the press, remarkable growth of language press, emergence of

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online journalism and development of print media organizations into multi-media platforms. The newspaper business in India is gaining 10 percent per year but the readers normally prefer their news on a tablet computer. In the present times, the print media are also affected by the global recession. The culture of Indian journalism is also changing due to these factors in the age of globalization. In the age of globalization, the newspapers and magazines have been losing readers in 15-25 age categories to television and Internet in India and other parts of the world. The readers are also getting news freely through the growing number of news sites on net and mobile news groups. The television news channels are also providing the free news to the viewer’s constantly. The growth and development of user-friendly social media has resulted in the increasing number of bloggers and v-loggers in the modern society. Besides this, the cost of production and distribution of newspapers and periodicals is also increasing. The print media market in India is extremely price-sensitive and the status of circulation of the press naturally affects the advertisement tariff and revenue. The newspapers and magazines are capable of providing in depth coverage of issues concerning the public interests when compared to television, Internet and social media.

SIGNIFICANCE OF STUDY

The empirical and longitudinal studies conducted by the past researchers also revealed that globalization of economy and globalization of media have adversely affected the public interest since the market forces are not committed to socially responsible mass communication.


A substantial amount of research has been carried out on impact of globalization on media system, management and operations in abroad. Scholars have conducted an extensive and intensive review of major studies about media and globalization. However, there are quite a few studies, which have dealt with the impact of globalization on print media management with special reference to India. The major deficiency observed in their works is lack of emphasis on the impact of globalization on print media management in India. Hence, it was decided to systematically evaluate the impact of globalization on print media management in India.

STATEMENT OF PROBLEM

The study assumes profound professional significance because:

- In this age of globalization, command over traditional and modern media of communication is necessary in order to ensure accountability of media.
- Modern media organizations in India cannot do away with the economic globalization, which has become a new way of life in the new millennium.
- India has achieved considerable progress in the expansion of print media sector through various innovative and progressive policies, programs and services.
- Application of suitable protective and promotional measures would enhance the managerial competence in Indian print media institutions.
- Application of sound principles and techniques of media management is essential in the age of globalization in order to improve organizational success, status of print media management and operational efficiency.
- Constant and continued research on the application of tested and tried principles and techniques of scientific print media management is imperative in a developing nation like India.

OBJECTIVES OF STUDY

With the impact of globalization on media management and operations in India being the thrust area, the research proposed to:

1. Study the attitude of the stakeholders of print media management in the age of globalization.
2. Analyze the ownership pattern of Indian print media in the age of globalization.
3. Assess the Indian print media priorities in the age of globalization.
4. Examine the print media contents in the age of globalization.
5. Evaluate the effects of globalization on the management of Indian print media.
6. Explore the impact of globalization on the Indian print media operations; and
7. Suggest appropriate strategies for better print media management in India.
RESEARCH DESIGN

The present study approaches the problem through a systematic survey method, which is very popular in the field of communication as well as social science research. A structured and pre-tested interview schedule was administered to the policy makers, intellectuals, media owners and media professionals in India. Primary data were collected through questionnaire and interview tools personally by the researcher.

Table-1: Distribution of Study Areas and Sample

<table>
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<tr>
<th>Sl. No.</th>
<th>Name of the States</th>
<th>Name of the Cities</th>
<th>Number of Respondents</th>
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<tr>
<td>1</td>
<td>Uttar Pradesh</td>
<td>Allahabad</td>
<td>18</td>
</tr>
<tr>
<td>2</td>
<td>Odisha</td>
<td>Bhuvaneshwar</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Gujarat</td>
<td>Ahmadabad</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Tamil Nadu</td>
<td>Chennai</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>Union Territory</td>
<td>Chandigarh</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>05 States</td>
<td>05 Cities</td>
<td>90</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

FINDINGS OF STUDY

Impact of Globalization on Print Media in India

- A majority of the respondents (84.32%) have stated that the process of globalization had driven newspaper expansion on the logic of capitalism in India.
- A majority of the respondents (75.74%) have stated that the process of globalization had brought about increasing concentration of ownership in the hands of few investors in India.
- A majority of the respondents (58.88%) have stated that the process of globalization had devalued the editorial responsibility and functions in India.
- A majority of the respondents (71.89) have stated that the process of globalization had given rise to the concept of ‘profit over people’ in Indian press management in India.
- A majority of the respondents (84.32%) have stated that the process of globalization had belittled the vital public issues and concerns in India.
- A majority of the respondents (82.54%) have stated that the process of globalization had weakened the ideological foundation of Indian press.
- A majority of the respondents (55.33%) have stated that the process of globalization had affected the critical-adversarial function of Indian press.
- A majority of the respondents (65.68%) have stated that the process of globalization had decreased the educational potential of Indian press.
- A majority of the respondents (73.37%) have stated that the process of globalization had motivated the Indian press to serve the interest of corporate power.
- A majority of the respondents (72.49%) have stated that the process of globalization had made the Indian press more class self-conscious.
- A majority of the respondents (54.73%) have stated that the process of globalization had reduced the power of Indian press as a public institution.
- A majority of the respondents (88.76%) have stated that the process of globalization had adversely affected the social responsibility of Indian press.

Testing of Hypotheses

H1: The globalization of media has not created the tendency of editorialization of print media services which enables the market forces to impact the knowledge of people.

The data analysis indicates that the globalization of media has affected the knowledge of the people through the tendency of editorialization of print media services. Hence, the hypothesis stands disproved according to data analysis.

IMPLICATIONS OF STUDY

The implications of the findings of the study with special reference to print media management in India in the age of globalization in general terms are given below. The investigation reveals that it is imperative to formulate a national media policy at this juncture of globalization of print media mainly due to changing political economy. India is the land of global visionaries, missionaries and statesmen who excelled as great communicators. The scholars and statesmen have advocated that a true
democracy is the system of governance by the people and allows free speech based on rationality. The print media institutions are required to play the role of an informal university, opposition leader outside the parliament, voice of the people and angel guardian of people in a pluralistic and developing nation like India. The government is called upon to assume the regulatory role in view of the proliferation of media, which have necessitated the need of an independent regulator for media sector in India. The print media institutions are required to function in accordance with the national culture, environment, constitutional obligations and corporate responsibility since the globalization of economy and media has resulted in the commercialization of media services. The print media should enhance their social reach and function as the instrument of development. The tendency of editorialization of news should be checked in order to prevent the market forces to have a sway on the knowledge of the people.

SUGGESTIONS FOR FUTURE RESEARCH

An attempt was made by the researcher to examine the impact of globalization on print media in India. However, during the course of the study, it is understood that there are many areas, which warrant serious research interest in this important branch of media management. Media management is a specialized area of research, which involves several components of media management such as print media management, electronic media management, film media management, new media management, folk media management, advertising management and corporate communication management in India in the context of globalization. Yet, there are many areas of future research, namely – globalization and print media management, globalization and electronic media management, globalization and film media management, globalization and folk media management, globalization and advertising management, globalization and corporate communication management with special reference to India. Apart from these aspects of investigation, the corporate social responsibility of media in India in the age of globalization also demands comprehensive scientific investigation in Indian Republic.

CONCLUSION

In India, the print media industry has witnessed several ups and downs financially and professionally. The growth trends in circulation and readership are especially strong in the Indian language sectors of the press, led by Hindi. The Indian publishers are in a better position to get a good share of advertising revenue. The dramatic expansion of the regional press including Hindi press over the last quarter-century demonstrates the strong link between political mobilization and newspaper circulation.

The recent survey by the Indian Readership Survey (2013) indicates further growth in Indian press mainly due to certain factors such as improved literacy, purchasing power, social mobilization, political excitement, technological advancement and aggressive journalism. However, the logic of capitalism has driven newspaper expansion as a potential readership. There is also an increasing concentration of ownership of print media and commercialization of print media services in India.

The Press Council of India has taken serious note of certain unhealthy practices of Indian press such as devaluation of editorial content, hyper-commercialization, price wars, paid news, private treaties with corporate, bribe-taking and downgrading the professional ethics and social obligations. The champions of press have called upon the press to function responsibly in India in the age of globalization. It is high time the Press Council of India is converted into Media Council of India in order to regulate the functions of both traditional and modern communications media and uphold professional ethics.

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A STUDY OF 360 DEGREE POLITICAL MARKETING CAMPAIGN THROUGH ALL MEDIA WITH SPECIAL REFERENCE TO INDIA’S LOK SABHA ELECTION 2014

Dr. Gurdev Singh Thakur

ABSTRACT

The efficacy of 360 Degree (3D) all media and efficient blend of traditional political campaigning all together set a landslide victory to Bhartiya Janta Party (BJP) in the Lok Sabha Election’s 2014 under the Dynamic Leadership of Mr. Narendra Modi (a prolific eagle’s eye preview through the secondary data).

Since the year 1991, greater boom in the Information Technology (IT), Internet and Information Technology Enabled Services (ITES) have widened the reach and frequency of electronic media (e-media) among the masses in Indian Context quite unlike to year 1950’s to 1990’s. Undoubtedly, traditional methodologies of Political Marketing supported by the modern social media and other media (Print, audio-visual, outdoor, transit etc.) became the baseline of BJP’s landslide victory in the Lok Sabha election 2014.

KEYWORDS

360 Degree, Political Marketing, Lok Sabha Elections, Campaign, BJP etc.

INTRODUCTION

The India’s 16th Lok Sabha General Elections were scheduled from 12th April to 12th May 2014 as per the Election Commission of India (ECI) that were to be conducted in 7 phases across the Country; perhaps the longest spell of election in the Indian History. The 3 major political dominions to contest were Indian National Congress (INC), Bhartiya Janta Party (BJP) and Aam Adami Party (AAP).

AAP indeed registered a hilarious missions and benchmarking for other parties in the General Elections Lok Sabha 2014 being great winner in the National Capital Region (NCR), Delhi in the last quarter of year 2013. AAP posed a great threat and counterfeiting platform and changed the political equations across India, however, it could register negligible statistics and success in the Lok Sabha Election 2014.

PERCEPTUAL FRAMEWORK FOR POLITICAL MARKETING

Evolution and Successful Phases

The existence of political marketing had co-existed with the theories of marketing originated and largely developed for the consumer Goods market (Kotler 1975; Reid 1988; Shama 1975; Wring 1997). Secondly, during this period, Philip B. Niffenegger (1988) proposed a concept of political marketing showing the use of the classic marketing mix tools for political campaigns. He stressed that political marketing includes efforts aimed at integration within the marketing mix, known as the 4 Ps typically and traditionally named as product, price, place and promotion to control the voters’ behaviors efficiently.

Undoubtedly, the political marketing got its basic genesis from the various social sciences like Sociology, Political Science, and Psychology as professed by Cwalina, Falkowski, and Newman 2008; Lees-Marshment 2003; Scammell 1999. Exclusive and invariably, genesis of political marketing goes back to Newman (1994) and Lock & Harris (1996); they took a lead towards defining the political marketing as a separate branch of social sciences and devised some tools and methods to conduct Political Marketing.

The others’ contribution on this front includes Stanley F. Slater (1997) who professed upon the creation of Customer Value (CV) essential for an organization and agreed upon that customer value (CV) must be the reason for a firm’s existence and success thereof. Arguing further, Stanley F. Slater said that how are political organizations creating value to their customers; their voters. Citing example worth quoting that “in these times when the political arena in Finland is standardizing more than ever and the voters have a hard time differentiating between different parties and their ideologies, not to mention the declining voter-participation in elections, this is a relevant question to consider”.

Further continued that the corporate world shows that organizations which have practiced the Customer Value (CV) thinking viz. FedEx, Johnson & Johnson, Nokia, Wal-Mart etc., just to name a few, have reached market leadership positions in highly competitive global markets by designing and delivering superior customer value. Yet political organizations have traditionally been reluctant to apply the practices of commercial marketing to their functions, fearing that marketing would “superficialize”

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politics, and draw attention from the actual relevant topics (Henneberg, 2004). In the Subsequent paragraphs, the process of Political and its modality as Phillip B. Niffenegger (1988) has been explained.

REVIEW OF LITERATURE WITH SPECIAL REFERENCE TO INTEGRATED MARKETING COMMUNICATION (IMC), IN THE ERA OF INFORMATION TECHNOLOGY AND INTERNET:

The first definition for integrated marketing communication came from the American Association of Advertising Agencies (also 4A’s) in 1989, defining IMC as “an approach to achieving the objectives of a marketing campaign through a well-coordinated use of different promotional methods that are intended to reinforce each other.”

The 4A’s definition of IMC recognizes the strategic roles of various communication disciplines (advertising, public relations, sales promotions, etc.) to provide clarity, consistency and increased impact when combined within a comprehensive communications plan. Basically, it is the application of consistent brand messaging across both traditional and non-traditional marketing channels.

Figure-1: Integrated Marketing Communication (IMC)

The Journal of Integrated Marketing Communication from the Medill School of Journalism at Northwestern University refers to IMC as “a strategic marketing process specifically designed to ensure that all messaging and communication strategies are unified across all channels and are centered around the customer. IMC is used practically to allow one medium’s weakness to be offset by another medium’s strength, with elements synergized to support each other and create greater impact.”

There is a need to take a fresh look at the traditional application of the marketing concept to political marketing. As many businesses have learned, Integrated Marketing Communications (IMC) practices and principles will help them to build customer relationships and profitable brands. Political marketing must also change with the times and implement IMC practices towards building and nourishing brand relationships with voters and other important stakeholders.

It is evident from the current practices of political marketing that mass media applications including social media platforms have become need of the hour in India and overseas. The present retrospection through this paper it is observed that in Indian context too; the government in power (2014) in India used various social platforms including the traditional methods of rallies and walk through the crowd.

PROCESS OF POLITICAL MARKETING ACCORDING TO NIFFENEGGER

Advertising is not set apart here as an independent research discipline; rather it is closely connected to the process of marketing research in which the segmentation of the voting market plays an important role. The co-relative 4s model by Phillip B. Niffenegger in consonance with political marketing is shown in the figure as below (Fig.2).
Figure-2: The Political Marketing Process

- **Promotion consists**, to a large extent, of advertising efforts and publicity, through free media coverage of the candidate, his/her programme, and the campaign. **Phillip B. Niffenegger** distinguishes four fundamental promotion strategies as:

  - **Concentration strategy**: Concentrating a disproportionate amount of money and promotion efforts on particular voter segments (for instance on regions or provinces).
  - **Timing strategy**: Spending the heaviest promotion money and the highest promotion activity where it does the candidate the most good, thus, forcing the opposition to increase their activity and thus deplete their resources.
  - **Strategy of misdirection**: Avoiding a frontal assault against a stronger opponent and trying to catch the opponent off balance to make his/her commit a mistake (this may be a particularly successful strategy for underdogs) and
  - **Strategy of negative campaign**: Staging a direct or indirect comparative assault against the position of the opponent and/or her personal characteristics.

**Interactive Tools**

- Actual direct contacts with the voters,
- Special relationship with the main contributors,
- Canvassing, Grass roots campaigning and other forms of direct communication recipients.

**Substitute for Direct Contacts**

- Meetings and Targeting,
- Rallies.

**Substitutes for Direct Contacts with a Wide Target**

- Walking through the crowd,
- Media publicizing of special contacts.

**Dual Media Publicity (or second degree political communication)**

**Unidirectional Tools: The Press and Printed Material**

- The non-partisan Press (press free of political influence); continuity of the non-partisan press,
- Quality of the communication publicized through the non-partisan press and
- Evolution of the non-partisan press in comparison to other media.
The Freely Distributed Partisan Press and Tact's

- Campaign Literature for internal use; main aims (i) Internal circulation within the campaign organization & sympathizers,
- Semi-external circulation, upon explicit request.

Poster and Billboard Advertising

- 1 or We (Single politico display or with party tycoons).

Different Kind of Poster Advertising

- Paid or Commercial Billboard Advertising.

**Figure-3**

Source: Authors Compilation

**POLITICAL MARKETING IN THE ERA OF INFORMATION TECHNOLOGY AND INTERNET: WITH SPECIAL REFERENCE TO SOCIAL MEDIA:**

**Purpose and Tactics of Social Media Marketing**

One of the main purposes in employing Social Media in marketing is as communication tools that makes the companies accessible to those interested in their product and make them visible to those who have no knowledge of their products. These companies use social media to create buzz, learn from and target customers. It is the only form of marketing that can finger consumers at each stage of the consumer decision journey.

Marketing through social media has other benefits as well. Of the top 10 factors that correlate with a strong Google organic search, seven are social media dependent. This means that if brands are less or non-active on social media, they tend to show up less on Google searches. While platforms such as Twitter, Facebook and Google+ have a larger amount of monthly users. The visual media sharing based mobile platforms, however, garner a higher interaction rate in comparison and have registered the fastest growth and have changed the ways in which consumers engage with brand content.

*Instagram has an interaction rate of 1.46% with an average of 130 million users monthly as opposed to Twitter, which has a .03% interaction rate with an average of 210 million monthly users.*

Unlike traditional media that are often cost-prohibitive to many companies, a social media strategy does not require astronomical budgeting.
To this end, companies make use of platforms such as Facebook, Twitter, YouTube and Instagram in order to reach audiences much wider than through the use of traditional Print/TV/Radio advertisements alone at a fraction of the cost, as most social networking sites can be used at no cost.

This has changed the ways that companies approach interact with customers, as a substantial percentage of consumer interactions are now being carried out over online platforms with much higher visibility.

**Figure-4: Social Media Content Strategy Framework**

Handling these interactions in a satisfactory manner can result in an increase of consumer trust. To both this aim and to fix the public's perception of a company, 3 steps are taken in order to address consumer concerns, identifying the extent of the social chatter, engaging the influencers to help, and developing a proportional response.

**Social Media Analytics**

Social Media Analytics = Measuring + Analyzing + Interpreting interactions and associations among people, topics and ideas. Social media analytics is a powerful tool for uncovering customer sentiment dispersed across countless online sources. This analysis is often called Social Media Listening or Online Listening. The analytics allow marketers to identify sentiment and identify trends in order to better meet their customers’ needs. There have been significant examples where companies, such as Whirlpool, Royal Bank of Canada and JetBlue have used such analytics tools to engage customers in response to their feedback. Likewise, academic research projects have tried to investigate the use of this social data stream in analyzing and explaining further circadian, daily or seasonal emotional patterns arising in a population. A tool titled as Mood of the Nation and developed by researchers at the University of Bristol is an example, where affective norms for the emotions of anger, fear, sadness and joy are extracted based on Twitter content published by users geo-located in the United Kingdom.

**Social Media Tools and Tactics that are used world over and concurrent use of Marketing Techniques:** In the era of Internet and Information Technology Enabled Services (ITES), the Social Media world over has made a revolution since the advent of Smart and Window embedded cell phone and tablets; that have access to the masses throughout the globe. The social media tools/tactics and marketing techniques adopted concurrently are as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Social Media Tactics</th>
<th>Methodology and World Wide Application</th>
<th>Concurrent Marketing Techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Twitter</td>
<td>Allows individualistic users or companies to use 140 character message that appears on followers home page; linkage with Face Book, company websites, profiles, videos, pictures etc,</td>
<td>Targeting, Consumer Branding Activities (COBRAs) and electronic-Word Of Mouth (eWOM)</td>
</tr>
<tr>
<td>No.</td>
<td>Platform</td>
<td>Description</td>
<td>Targeting, Consumer Branding Activities (COBRAs) and electronic-Word Of Mouth (eWOM)</td>
</tr>
<tr>
<td>-----</td>
<td>----------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Face Book</td>
<td>Face Book is multi-purpose platform provider; messaging, pictures, videos, unlimited message format, followers can like, comment, share etc., as on date good social platform.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Google+</td>
<td>Google Plus (Google+) is a Google Search Engine platform that provides various features like Face Book and additional Google linked personalized service.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>LinkedIn</td>
<td>LinkedIn is a professionals network like Face Book with add on facilities of blogging, companies promotion, authorized platform for the professionals to come at a common place to share, like, comment, authorized communication (e-mails); avoidance of spam mails, wider publicity and corporate personalized idea sharing etc.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Yelp</td>
<td>Yelp is a comprehensive online index of business profiles that are searchable by location similar to Yellow Pages, which is famous worldwide. It is in operational existence in 7 countries only including United States of America and Canada. Business account holders are allowed to create, share, and edit business profiles. Users may post information such as the business location, contact information, pictures, service information, write posts reviews and rate them on a five-point scale. Messaging, talk features and other platform are available for general members of the website.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Foursquare</td>
<td>Foursquare is a location based website through which Smartphone users can find the locations of new/claim existing business places and can avail coupons/incentives/discounts on the businesses.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Instagram</td>
<td>Instagram provides a platform where user and company can communicate publicly and directly, making itself an ideal platform for companies to connect with their current and potential customers. Instagram has proven itself a powerful platform for marketers to reach their customers and prospects through sharing pictures and brief messages. Product/services images/facilities are accessible with through the smartphones.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>YouTube</td>
<td>Through the YouTube, the video advertisements are in sync with the videos available through this platform for the target audience. The target audiences are usually classified into various categories or user segments where the companies can get their particular advertisement embedded or synced in a particular category of videos.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Delicious, Digg and Reddit</td>
<td>These are the popular social bookmarking sites used in social media promotion and marketers use these sites more frequently as they are unable to sponsor their own website links.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Blogs</td>
<td>Blogs are the lengthy or small size content writing with pictorial clips through the social media platforms like LinkedIn where social media privy users are prompted to like, comment, share regarding the products or services.</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Tumblr</td>
<td>In the era of IT and Internet, Tumblr tried to defy the traditional method of banner advertisements by creating a Tumblr blogs so that the contents of these blogs can be featured through sites.</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

**RETROSPECTION OF POLITICAL MARKETING CAMPAIGNING THROUGH SOCIAL MEDIA IN US: 2008 US PRESIDENTIAL ELECTION**

The 2008 US Presidential campaign had a huge presence on social networking sites. Barack Obama, a Democratic candidate for US President, used Twitter and Facebook to differentiate his campaign. His social networking profile pages were constantly being updated and interacting with followers. The use of social networking sites gave Barack Obama’s campaign access to e-mail addresses, as posted on social network profile pages. This allowed the Democratic Party to launch e-mail campaigns asking for votes and campaign donations.
Expense Summary
According to required campaign filings as reported by the Federal Election Commission (FEC), 148 candidates for all parties collectively raised $1,644,712,232 and spent $1,601,104,696 for the primary and general campaigns combined through November 24, 2008. The amounts raised and spent by the major candidates, according to the same source, were as follows:

Table-2: Excludes Spending By Independent Expenditure Concerns

<table>
<thead>
<tr>
<th>Candidate (Party)</th>
<th>Amount Raised</th>
<th>Amount Spent</th>
<th>Votes</th>
<th>Average Spent per Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barack Obama (D)</td>
<td>$778,642,962</td>
<td>$760,370,195</td>
<td>69,498,516</td>
<td>$10.94</td>
</tr>
<tr>
<td>John McCain (R)</td>
<td>$379,006,485</td>
<td>$346,666,422</td>
<td>59,948,323</td>
<td>$5.78</td>
</tr>
<tr>
<td>Ralph Nader (I)</td>
<td>$4,496,180</td>
<td>$4,187,628</td>
<td>739,034</td>
<td>$5.67</td>
</tr>
<tr>
<td>Bob Barr (L)</td>
<td>$1,383,681</td>
<td>$1,345,202</td>
<td>523,715</td>
<td>$2.57</td>
</tr>
<tr>
<td>Chuck Baldwin (C)</td>
<td>$261,673</td>
<td>$234,309</td>
<td>199,750</td>
<td>$1.17</td>
</tr>
<tr>
<td>Cynthia McKinney (G)</td>
<td>$240,130</td>
<td>$238,968</td>
<td>161,797</td>
<td>$1.48</td>
</tr>
</tbody>
</table>

Sources: Federal Election Commission (FEC)

Designing of the Mr. Narendra Modi’s Political Strategy: Traditional-cum-through Social Media: The blueprint of Modi’s marketing and communication strategy has been drawn by Citizens for Accountable Governance.

Political Strategists
Instead of relying on party machinery or deliberating with senior party leaders, Modi works closely with a handful of people borrowed from the RSS and three of his trusted ministers from Gujrat.

Backroom Boys
Administration and coordination with different Modi teams is carried out by three of his secretaries operating out of Gandhinagar, Chief Principal Secretary K. Kailashnathan, additional Principal Secretary A. K Sharma and Principal Secretary G.C Murmu and Resident Commissioner in Delhi Bharat Lal.

Campaign Strategist
The blueprint of Modi’s marketing and communication strategy has been drawn by Citizens for Accountable Governance. CAG is the brainchild of Prashant Kishore, a former UN mission chief in Africa, a public health exponent and a statistics whiz, who has been working with Modi for the past three years. CAG employs 200 full-time and more than 1,000 part-time volunteers.

BLEND OF TRADITIONAL AND SOCIAL MEDIA USE IN THE ERA OF IT AND INTERNET

- Digital Marketing MISB Bocconi.
- Google+: (i) the first Indian politician to open an account in Google+, watched by millions of people across 160 nations. (ii) In four months more than 280,330 people had him in their circle.
- Twitter: The Gujarat Chief Minister has a huge fan following on Twitter (1.1 million as on 23rd October 2012 reached within a year of opening the account), though the credibility of these accounts are questionable.
- Narendra Modi has an official page with 1, 398,140 likes and 107, 545 talking about it.
- Use of Search Engine Optimization and social aggregators to fine-tune the search.
- Regular and instantaneous updates on Online News Channel (Namo Gujarat-Narendra Modi’s exclusive news channel in Gujarat), Featuring on paid ads and articles on news sites (Firstpost.com).
- Web PR (Nomination in Mashable.com; Most famous politician on web).
- Use of latest technology- Delivery of 3D speeches using holographic projection and propagation of the speech across 4 cities and digital media channels.
- Narendra Modi’s fans are constantly engaging people on twitter with his campaigns and updates from the politics.
- Businessmen advocate Narendra Modi at Gujarat Vibrant Summit.
• Be Gujarat’s Brand Ambassador: People share their experiences and stories that promote Gujarat as a brand. This has created a sense of belonging and pride among the people of Gujarat.

• Be Gujarat’s Brand Ambassador: This forum also provides a platform for people to share their ideas, encouraging people to be a part of development of Gujarat.

• From the usability front, the voters are provided easy to navigate and interactive platform to share their views, ideas, via website, Facebook page and twitter.

• The campaigns and communications across all channels are consistent and provide similar message.

• The following emotional values and perspectives were derived from the user interactions and comments.

• Positive values: Development, visionary, dynamic, disciplined, Negative values: Anti-Muslim, anti-minority, Hindu leader.

• Modi’s campaign of mass mobilization: 5800 public meetings, 1300 3-D rallies.

• Modi addressed 437 public meetings in 25 states besides 1350 3-D rallies since September 15.

• The total number of his public meetings by Narendra Modi stood at 5827, which included his 4000 ‘chai pe charcha’.

• As the campaign for the Lok Sabha elections ended, Narendra Modi seems to have created a record of sorts by travelling over 3,00,000 kms and holding 5827 public meetings, mixing traditional methods of holding rallies with innovative use of technology, the party claimed.

• BJP claims Modi has reached out directly to anywhere between 5-10 crore people.

• The prime ministerial hopeful’s day began at 5:00 AM and sometimes went past midnight, the party said, during the grueling campaign schedule.

• “I am running, the affection of the people is making me run,” Modi said during the campaign.

• In addition, the campaign mounted other support networks and communities on Facebook like “India 272+” volunteering program, used the BJP’s party’s official page to organize a massive mobilization.

• From the day, elections were announced to the day polling ended, 29 million people in India conducted 227 million interactions (posts, comments, shares, and likes) regarding the elections on Facebook.

• What does a “like” mean? Can it really translate into votes? From the start, Modi ran the campaign like a US presidential election and took a commanding, front-row seat in building a community and driving engagement. When December 2013 Assembly Elections were concluded, Narendra Modi already had 8 million fans on Facebook. On March 6, when elections were announced Modi had already crossed 11 million fans. As the national campaign momentum picked up, Modi’s fan base increased by 28.7% crossing 14 million fans by May 12—the second most “liked” politician on Facebook after Obama.

**Figure-5**

![Narendra Modi Page Fan Growth](image_url)

**Sources:** Authors Compilation
In addition, 13 million people engaged in 75 million interactions regarding Modi. On each day of polling, Facebook ran an alert to people in India letting them know it was Election Day and encouraging them to share that they voted. This message was seen by over 31 million Indian voters. In addition, yesterday as poll results were called, Modi’s photo with his victory wall message generated more than a million likes and shares.

Figure-6: Snapshot of Election’ 2014 (Facebook)

SUMMARY

In the era of Information Technology Enabled Services (ITES); wider and rigorous use of Internet have enabled marketers, companies and individuals to expose or dissemination information worldwide regarding their products/services or ideas through various social media platforms, undoubtedly, political marketing is not an exception to the today’s social media phenomena, as the use of social media for political marketing has been in use since 1988.

In the year 2008, Barack Obama, a Democratic candidate for US President, used Twitter and Facebook to differentiate his campaign and in the Indian massive Lok Sabha Election’2014; Mr. Narendra Modi wave with different modules of phrases and methods touched the populace figure of 227 millions sync though comments, likes and shares etc., through the social media. The social media and traditional media coupled with 360 degree use of Information Technology (IT) in the traditional political campaigning proved the acclaimed slogan “Ek hi Vikalp Modi” (Only single alternative) and perhaps it would not be proverbial to say that India has a electronic Prime Minister Mr. Narendra Modi first time since independence.

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ANALYZING SERVICE QUALITY, CUSTOMER SATISFACTION, COMMITMENT AND TRUST RELATIONSHIP: A STUDY ON INDIAN BANKING SECTOR

Dr. Sandip Ghosh Hazra

ABSTRACT

Service quality is becoming more critical for banks to retain their customer base and sustained business growth. Delivering quality service to customers is one of the ways for banks to respond and compete for success and survival. In the face of new perception of quality developed by private sector banks, the public sector banks have no option but to improve the quality of services. A fierce competition between the public sector banks and the foreign and private sector banks has taken place. The major objective of this current study is to examine the strength of association between the independent variable service quality perception and the dependent variables, namely, customer satisfaction, commitment and trust. Another related objective is to examine the differences between public and private banks with regard to factors like customer satisfaction, commitment and trust. Data was collected from 300 customers of public and private sector banks using structured interview schedules. The respondents were savings bank account holders.

Correlation was calculated to examine the relationship between the variables. The results indicated a positive relationship of service quality factors (assurance-empathy, reliability, tangibles, and security) with customer satisfaction, customer commitment and customer trust respectively. The results showed that both, public and private banks, should pay main attention to assurance-empathy, the most customers valued dimension. Public banks should also pay more attention to tangibles whereas private banks to reliability in pursuit to increase customer satisfaction, commitment and trust. There were significant differences in the customer satisfaction and customer commitment but no significant difference was observed in the customer trust between the public sector and private sector banks.

KEYWORDS

Perceived Service Quality, Customer Satisfaction, Customer Commitment, Customer Trust, Banking etc.

INTRODUCTION

In today’s competitive environment, the interest in service quality is being increasingly recognized as a critical determinant for the success of an organization. Indeed, rendering quality service has become a key for achieving success and gaining advantage over competitors (Reichheld & Sasser, 1990). Service quality is a way of thinking about how to satisfy customers so that they hold positive attitudes toward the service they have received (Ostrowski, O’Brian & Gordon, 1993). Public sector banks are facing increasingly more competition, whereas foreign and private sector banks are trying to win customer satisfaction, commitment, and trust by providing better quality services to their customers.

Customer satisfaction plays an important role for a firm’s success and survival. According to Liljander and Strandvik (1994), satisfaction refers to an insider perspective, the customers’ own experiences of a service, where the outcome has been evaluated in terms of the value received.

Commitment is another important variable to have its impact on customer relationship. In fact, commitment involves a “moral duty” to cooperate. To ensure that the customer is committed, a company’s strategy should be customer-centered, long-term, and based on mutual relationship benefits (Adamson, Chan & Handford, 2003). Customer trust is an essential element in building a strong customer relationship and sustainable market share (Urban, Sultan & Qualls, 2000). Studies indicate the importance of trust in maintaining satisfactory customer-service provider relationships (Doney & Cannon, 1997; Dorsch, Swanson & Kelley, 1998).

LITERATURE REVIEW

Past researchers suggest that service quality is a vital antecedent to customer satisfaction (Arasli, Mehtap-Smadi & Katircioglu, 2005; Tsoukatos & Rand, 2006). A positive relationship between service quality and satisfaction is well established in the literature in the banking sector (Sureshchandar, Rajendran & Anantharaman, 2002; Ting, 2004).

Many studies indicated that service quality contributes strongly to the customer commitment, which can maintain long-term customer relationships (Yavas, Benkenstein & Stuhldreier, 2004; Yavas, Bingin & Shenwell, 1997). Studies also indicated that service quality has an impact on customer trust (Coulter & Coulter, 2002; Yang & Yeh, 2006). Moreover, Ribbink, Van Riel, Liljander and Streukens (2004) establish that quality drives trust.
Measuring quality in service sector, particularly in the banking sector, is more difficult as it is intangible in nature. Among the various measurement models/frameworks on service quality, SERVQUAL and SERVPERF are the most notable ones.

SERVQUAL was developed by Parasuraman, Zeithaml and Berry (1988) which has guided numerous studies in the service sector (Baldwin & Sohal, 2003; Mostafa, 2005). The SERVQUAL instrument represents a multiple-item scale, which consists of 22 parallel-related expectations and perception statements representing the five service quality dimensions. SERVQUAL instrument has also received criticisms (Asubonteng, McCleary & Swan, 1996; Buttle, 1996; Gagliano & Hathcote, 1994). SERVPERF was developed by Cronin and Taylor (1992), a modified version of SERVQUAL, determines service quality by measuring only performance. Many studies have used SERVPERF instrument in the service sector (Cui, Lewis & Park, 2003; Wang, Lo & Hui, 2003; Olorunniwo & Hsu, 2006).

**RESEARCH QUESTIONS**

The major objective of this study is to examine the strength of association between service quality, customer satisfaction, customer commitment and customer trust. The following research questions are proposed for examination:

1. What is the strength of association between service quality and customer satisfaction, commitment and trust?
2. What are the differences in the perceptions of customers regarding customer satisfaction, commitment and customer trust between public and private sector banks?

**METHODOLOGY OF RESEARCH**

**Sample**

Data was collected from 300 respondents, out of which 160 (53%) were from public sector banks, and 140 (47%) from private sector banks. The banks were mainly located in West Bengal. The respondents were predominantly males (91%). The respondents were saving bank account holders. Only those respondents were included, who had contacts with the banks on a regular basis since last 3 years and who visited the bank premises frequently for transactions. Purposive sampling method was used to collect data. They belonged to eight nationalized banks and three private sector banks.

**Measures**

The variables included in this study were measured using five-point Likert Scale for the sake of uniformity. A 34-item questionnaire was administered to all the respondents. Brief descriptions of the various measures are presented below.

**Service Quality**

In order to measure service quality, a 22-item scale was adopted from Parasuraman, Zeithaml, and Berry (1988), which included dimensions of tangibles, reliability, responsiveness, assurance and empathy. The reliability coefficient for assurance-empathy was 0.89, for reliability was 0.86, for tangibles was 0.78 and for security was 0.62.

**Customer Satisfaction**

Customer satisfaction was measured using a 4-item scale developed by many authors (Walter, Müller, Helfert & Ritter, 2003; Fornell, 1992; Ganesan, 2007; Levesque & McDougall, 1996). The reliability coefficient for customer satisfaction was 0.83.

**Customer Commitment**

Customer commitment was measured using a 4-item scale adopted and modified from Garbarino and Johnson (1999) and Walter, Müller, Helfert and Ritter (2003). The reliability coefficient for customer commitment was 0.82.

**Customer Trust**

Customer trust was measured using a 4-item scale adopted and modified from Garbarino and Johnson (1999) and Walter, Müller, Helfert and Ritter (2003). The reliability coefficient for customer trust was 0.78.

**RESULTS AND DISCUSSION**

The main objective of this study was to examine the strength of association between service quality and customer satisfaction, customer commitment and customer trust. This study was conducted in an exploratory framework using survey research to address the research questions. The data was analyzed using Multiple Regression Analysis (MRA) and Analysis of Variance (ANOVA). First of all, the data was subjected factor analysis to define the constructs and to establish the validity of the dimensions.
All the variables included in the study were factor analyzed using principle component with varimax rotation, as they appeared to be interrelated with each other. The highest loading against any factor was taken into account as a representative of that scale showing the construct validity of the scale. The factors obtained from this analysis were used in further statistical analysis. A summary of the factor analysis results for different scales (Table 1).

Table-1: Summary of Factor Analysis Results

### Service Quality Perception

<table>
<thead>
<tr>
<th>Item</th>
<th>Assurance-Empathy</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>.55</td>
<td>.66</td>
<td>.75</td>
<td>.67</td>
</tr>
<tr>
<td>14</td>
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<td>21</td>
<td>.75</td>
<td>.45</td>
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<table>
<thead>
<tr>
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<th>1.78</th>
<th>1.26</th>
<th>1.01</th>
</tr>
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<tbody>
<tr>
<td>Percentage of Variance</td>
<td>41</td>
<td>8</td>
<td>6</td>
<td>4</td>
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<tr>
<td>Total variance explained = 59 per cent</td>
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### Customer Satisfaction

<table>
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<tr>
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<td>2</td>
<td>.88</td>
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<tr>
<td>3</td>
<td>.78</td>
</tr>
<tr>
<td>4</td>
<td>.84</td>
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<table>
<thead>
<tr>
<th>Eigen Value</th>
<th>2.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Variance</td>
<td>67</td>
</tr>
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</table>

### Customer Commitment

<table>
<thead>
<tr>
<th>Item</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.84</td>
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<tr>
<td>2</td>
<td>.88</td>
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<tr>
<td>3</td>
<td>.70</td>
</tr>
<tr>
<td>4</td>
<td>.86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eigen Value</th>
<th>2.70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Variance</td>
<td>67</td>
</tr>
</tbody>
</table>

### Customer Trust

<table>
<thead>
<tr>
<th>Item</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.81</td>
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<tr>
<td>3</td>
<td>.70</td>
</tr>
<tr>
<td>4</td>
<td>.53</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th>Eigen Value</th>
<th>2.11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Variance</td>
<td>53</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Factor Analysis Results

Service Quality Scale

Factor analysis results showed 4 factors identified as assurance-empathy, reliability, tangibles, and security. Assurance-empathy, reliability, tangibles, and security factors had an Eigen value of 8.94, 1.78, 1.26 and 1.01 respectively, and altogether accounted for 59 % of variance.

Customer Satisfaction Scale

Factor analysis performed using the responses on a 4-item scale of customer satisfaction resulted in a single factor. It had an Eigen value of 2.70 and accounted for 67 % of variance.

Customer Commitment Scale

Factor analysis for a 4-item scale of customer commitment resulted in one factor with an Eigen value of 2.70. It accounted for 67 % of variance.

Customer Trust Scale

Factor analysis was performed for a 4-item scale of customer trust, and resulted in one factor with an Eigen value of 2.11. It accounted for 53 % of variance. Therefore, variable like service quality perception emerged as multidimensional in nature, while customer satisfaction, customer commitment and customer trust emerged as a single factor.

In this study, service quality perception was treated as the ‘independent’ or predictor variable and customer satisfaction, customer commitment and customer trust were treated as ‘dependent’ or criterion variables. Correlation was calculated to examine the relationship between the variables. The results indicated a positive relationship of service quality factors (assurance-empathy, reliability, tangibles, and security) with customer satisfaction, customer commitment and customer trust respectively (Table 2).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D</th>
<th>A-E</th>
<th>RE</th>
<th>T</th>
<th>S</th>
<th>CS</th>
<th>CC</th>
<th>CT</th>
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</thead>
<tbody>
<tr>
<td>A-E</td>
<td>27.77</td>
<td>6.17</td>
<td>.77**</td>
<td>.45**</td>
<td>.58**</td>
<td>.62**</td>
<td>.59**</td>
<td>.60**</td>
<td></td>
</tr>
<tr>
<td>RE</td>
<td>24.96</td>
<td>5.45</td>
<td>.47**</td>
<td>.61**</td>
<td>.53**</td>
<td>.47**</td>
<td>.46**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>15.29</td>
<td>2.92</td>
<td>.36**</td>
<td>.44**</td>
<td>.42**</td>
<td>.34**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>11.30</td>
<td>2.33</td>
<td>.40**</td>
<td>.39**</td>
<td>.49**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS</td>
<td>14.59</td>
<td>3.67</td>
<td>.66**</td>
<td>.67**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>15.17</td>
<td>3.23</td>
<td>.68**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>15.03</td>
<td>2.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at 0.1 level (2-tailed). * Correlation is significant at 0.05 level (2-tailed)

Notes: Assurance-Emphathy (A-E), Reliability (RE), Tangibles (T), Security(S), Customer Satisfaction (CS), Customer Commitment (CC), Customer Trust (CT), Standard Deviation (SD)

Sources: Authors Compilation

Next, Multiple Regression Analysis (MRA) was used to examine the strength of association between the independent and dependent measures, taking the overall sample into consideration. In order to enhance the clarity of the results, that the regression equation is acceptable, following characteristic was used. The identified combination of variables should explain the maximum amount of variance in the criterion as measured by the adjusted coefficient of determination (R^2).

Research Question 1 A: What is the strength of association between service quality and customer satisfaction? What are the differences in the perceptions of customers regarding service quality between public and private sector banks?

MRA was performed using service quality dimensions as predictors and customer satisfaction dimension as criterion variable. The results regarding the overall sample showed that the dimensions of service quality namely, assurance-empathy (β=.53) and tangibles (β=.20) emerged as significant predictors of customer satisfaction explaining 41 per cent of the variance for the criterion measure (F=104.12, p<.01). Findings for public sector banks showed that the same dimensions of service quality, namely assurance-empathy (β=.44) and tangibles (β=.28) emerged as significant predictors and accounted for 39 per cent of the variance for the criterion measure (F=51.59, p<.01). The results regarding private sector banks showed that dimensions of service quality, namely assurance-empathy (β=.43) and reliability (β=.25), emerged as significant predictors and accounted for 40 per cent of the variance for the criterion measure (F=46.66, p<.01) (Table 3).
Table-3: Summary of Regression Analysis Results Showing Service Quality Dimensions as Predictors and Customer Satisfaction as Criterion Measure for the Overall Sample, Public Sector and Private Sector Banks

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Overall</th>
<th>Public sector</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-E</td>
<td>.53**</td>
<td>.44**</td>
<td>.43**</td>
</tr>
<tr>
<td>RE</td>
<td></td>
<td></td>
<td>.25**</td>
</tr>
<tr>
<td>T</td>
<td>.20**</td>
<td>.28**</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>.64</td>
<td>.63</td>
<td>.64</td>
</tr>
<tr>
<td>R</td>
<td>.41</td>
<td>.40</td>
<td>.41</td>
</tr>
<tr>
<td>R²</td>
<td>.41</td>
<td>.39</td>
<td>.40</td>
</tr>
<tr>
<td>F</td>
<td>104.12**</td>
<td>51.59**</td>
<td>46.66**</td>
</tr>
</tbody>
</table>

Note: β values** significant at 0.01 level * Significant at 0.05 level.

Sources: Authors Compilation

The results regarding the overall sample indicate that assurance-empathy (the service quality dimension) elements which included employees’ positive attitude, prompt service and personal attention are likely to increase customer satisfaction. The results regarding public sector banks are the same as for private sector banks and suggest that assurance-empathy (a service quality dimension) elements such as understanding the feelings of customers, assuring them of prompt and hassle-free service, and making them understand that they would be provided better quality services accordingly are likely to increase customer satisfaction. The results regarding private sector banks suggest that assurance-empathy, that is comprehending customer’s needs and expectation and assuring them of speedy and reliable services and personal attention to customers will increase customer satisfaction. It means that customers will be satisfied if management attitude towards customers, like showing empathy and helping them, is taken care of. The results regarding overall sample and public sector banks also suggest that certain tangible factors (the service quality dimension) such as banks’ physical facilities (parking facilities, spacious seating arrangements inside the bank) and materials associated (pamphlets, statements, easy accessibility of different types of forms) will satisfy customers, while private sector banks’ results show that reliability factors such as providing services at the promised time and being consistent in their approach and commitment to customer would increase customer satisfaction.

Research Question 1 B: What is the strength of association between service quality and customer commitment? What are the differences in the perceptions of customers regarding service quality between public and private sector banks?

MRA was performed using service quality dimensions as predictors and customer commitment as criterion variable. The results for the overall sample showed that service quality dimensions, namely assurance-empathy (β = .50) and tangibles (β = .20) emerged as significant predictors of customer commitment and accounted for 37 per cent of the variance (F = 89.79, p < .01). Findings for public sector banks showed that assurance-empathy (β = .45) and tangibles (β = .20) emerged as significant predictors of customer commitment and accounted for 33 per cent of the variance for customer commitment (F = 39.49, p < .01). Findings for private sector banks indicated that assurance-empathy (β = .42) and reliability (β = .23) emerged as significant predictors of customer commitment and accounted for 35 per cent of the variance for the criterion measure i.e. customer commitment (F = 39.10, p < .01) (Table 4).

Table-4: Summary of Regression Analysis Results Showing Service Quality Dimensions as Predictors and Customer Commitment as Criterion Measure for the Overall Sample, Public Sector and Private Sector Banks

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Overall</th>
<th>Public sector</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-E</td>
<td>.50**</td>
<td>.45**</td>
<td>.42**</td>
</tr>
<tr>
<td>RE</td>
<td></td>
<td></td>
<td>.23**</td>
</tr>
<tr>
<td>T</td>
<td>.20**</td>
<td>.20*</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>.61</td>
<td>.58</td>
<td>.60</td>
</tr>
<tr>
<td>R</td>
<td>.38</td>
<td>.34</td>
<td>.36</td>
</tr>
<tr>
<td>R²</td>
<td>.37</td>
<td>.33</td>
<td>.35</td>
</tr>
<tr>
<td>F</td>
<td>89.79**</td>
<td>39.49**</td>
<td>39.10**</td>
</tr>
</tbody>
</table>

Note: β values** significant at 0.01 level * Significant at 0.05 level.

Sources: Authors Compilation
The results regarding overall sample and public sector banks suggest that enhancements in assurance-empathy (a dimension of service quality) such as proper caring of customers by employees and their courteous behaviour, and understanding customer’s needs to satisfy them, along with tangible elements such as modern-looking equipment, internet banking, online transactions and ATM facilities would result in customer commitment. Customers would like to maintain a long-term relationship with the bank, if they are provided these amenities, facilities and treated with care and respect. The results regarding private sector banks show that assurance-empathy (a dimension of service quality) such as proper caring of the customer by employees, employees’ understanding of the customers requirement regarding banking services, and providing consistently services as per the expectations of the customers, and providing error-free documents, convenient operating hours, would help in increasing customer commitment.

Research Question 1 C: What is the strength of association between service quality and customer trust? What are the differences in the perceptions of customers regarding service quality between public and private sector banks?

MRA was performed using service quality dimensions as predictors and customer trust as criterion variable. The results for the overall sample showed that service quality dimensions, namely assurance-empathy (β = .47) and security (β = .22) emerged as significant predictors of customer trust and accounted for 39 per cent of variance in the criterion measure (F = 95.07, p< .01). Findings for public sector banks showed that assurance-empathy (β = .40), tangibles (β = .20) and security (β = .16) emerged as significant predictors and accounted for 40 per cent of the variance (F=36.80, p<.01). Findings for private sector banks indicated that assurance-empathy (β = .59) security (β = .30), and reliability (β = -.22) significantly predicted customer trust accounting for 40 per cent of the variance (F=32.28, p<.01) (Table 5).

Table-5: Summary of Regression Analysis Results Showing Service Quality Dimensions as Predictors and Customer Trust as Criterion Measure for the Overall Sample, Public Sector and Private Sector Banks

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Customer Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overall</td>
</tr>
<tr>
<td>A-E</td>
<td>.47**</td>
</tr>
<tr>
<td>RE</td>
<td>-.22*</td>
</tr>
<tr>
<td>T</td>
<td>.20**</td>
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<td>.22**</td>
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<td>R²</td>
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<tr>
<td>F</td>
<td>95.07**</td>
</tr>
</tbody>
</table>

Note: β values** significant at 0.01 level * Significant at 0.05 level.
Sources: Authors Compilation

Thus, the results regarding overall sample, public and private sector banks suggest that assurance-empathy dimension of service quality is very important for banks. Employees must understand customer needs, expectations and requirements. They should try to instill confidence in customers, and should consistently assure them of better quality services to win customers’ trust. Employees should focus on prompt delivery of service to customers and pay immediate attention to fulfill customers’ needs in order to win their trust. The results also show that security factor also contributes to developing trust in customers. The employees should maintain error-free records, safe transactions, immediately reversing any bank charges applied due to bank’s fault. These activities will increase a feeling of trust and confidence in customers. Customer will also think that the bank is reliable as it provides quality service and it is safe to do business with it. The results regarding public sector banks show that tangibles elements like employees’ proper appearance and good physical environment are vital. The results regarding private sector banks suggest that providing consistently good services (reliability) in time by the bank would increase customer trust. If these factors are lacking, customers will start losing their confidence, and eventually the level of trust will decrease. This shows that if banks are able to provide reliable and better quality services, customers will have full faith in them.

After examining the strength of association among the independent and dependent variables, differences on the customer satisfaction, customer commitment and customer trust was examined between the public sector banks and private sector banks using ANOVA.

Research Question 2: What are the differences in the perceptions of customers between public and private sector banks about customer satisfaction, customer commitment and customer trust?
In order to examine the differences, ANOVA was conducted. The results of ANOVA showed that there were significant differences in public and private sector banks with regard to customer commitment (F=18.13, p<.01) and customer satisfaction (F=15.35, p<.01). However, no significant difference was found for customer trust (F=1.94, p>.05) (Table 6).

Table-6: Summary of ANOVA Examining the Differences in Customer Satisfaction, Customer Commitment and Customer Trust in the Public and Private Sector Banks

<table>
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<tr>
<th></th>
<th>Sum of Squares</th>
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<th>Mean Square</th>
<th>F</th>
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</tr>
<tr>
<td>Between Groups</td>
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<td>1</td>
<td>197.38</td>
<td>15.35**</td>
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<tr>
<td>Within Groups</td>
<td>3831.19</td>
<td>298</td>
<td>12.86</td>
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</tr>
<tr>
<td>Total</td>
<td>4028.57</td>
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<tr>
<td><strong>Customer Commitment</strong></td>
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<td></td>
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</tr>
<tr>
<td>Between Groups</td>
<td>179.39</td>
<td>1</td>
<td>179.39</td>
<td>18.14**</td>
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<tr>
<td>Within Groups</td>
<td>2947.60</td>
<td>298</td>
<td>9.89</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3126.99</td>
<td>299</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>14.88</td>
<td>1</td>
<td>14.88</td>
<td>1.95</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2274.79</td>
<td>298</td>
<td>7.63</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2289.67</td>
<td>299</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Note: **Significant at 0.01 level, *Significant at 0.05 level.
Degrees of freedom (df)

The results suggest that customers were better satisfied in private sector banks than in public sector banks. This shows that employees were provided relatively better quality service and paid personal attention while serving customers compared to public sector.

Customers from private sector banks seem to be satisfied because of management’s willingness to help customers, and their adequate knowledge about banking services. They would also defend when someone would criticize their bank. As it is evident that public sector banks have been losing customers to private sector banks, they need to do something to satisfy their customers by providing better quality services at a higher speed for increased commitment. So far as trust is concerned, customers did not differ in their perception as they reposed the same level of trust in both types of banks. The reason for having trust seems to be the performance of public and private sector banks, as they are doing well, growing, and have been able to win the confidence of the customers.

CONCLUSION

This study examined the strength of association between the independent variable service quality perception and the dependent variables, namely, customer satisfaction, commitment and trust. The results showed that service quality have four dimensions: assurance-empathy, tangibles, security and reliability. Both, public and private banks, should pay main attention to assurance-empathy, the most customers valued dimension.

Public banks should also pay more attention to tangibles whereas private banks to reliability in pursuit to increase customer satisfaction, commitment and trust. Next, the results regarding the differences in the customer satisfaction, customer commitment and customer trust across banks showed that there was no significant difference in the customer trust between the public sector and private sector banks, but significant differences were observed in case of customer satisfaction and customer commitment. Customers of private sector bank are more satisfied and committed than public sector banks.

LIMITATIONS OF STUDY

Limitations of this study are the use of a relatively small sample and the study being restricted to eastern part of India. Only saving bank account, customers were included in the sample. The study measured only the perception of service quality, which has its own drawbacks.

SCOPE FOR FURTHER RESEARCH

Based on the limitations, certain suggestions are offered for further research. Future research can be taken up by using a larger sample size. Researchers may consider analyzing service quality of foreign sector banks, comparing them with public sector and private sector banks. Future research should also incorporate other types of service providers, and more variables to combine them into an integrated model to get a better understanding of the relationship among these variables in the Indian banking sector.
REFERENCES


*****

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CUSTOMER SATISFACTION: A COMPARISON OF NEW AND OLD PRIVATE BANKS OF INDIA

Dr. Rekha Dhingra11 Kapil Yadav12

ABSTRACT

The purpose of conducting this research is to compare new and old private sector banks of India by evaluating their customer satisfaction. This research is mainly based on primary data, which has been collected through a well-structured questionnaire. The questionnaire has been distributed to 120 different respondents on different chosen locations.

This paper makes a useful contribution, as there are very low number of studies has been conducted for old and new private banks services like price, technology, reliability, customer service, location and infrastructure. This research shows that customer satisfaction varies from person to person and, bank managers need to conduct more researches in order to evaluate customer satisfaction more strongly.

KEYWORDS

Satisfaction, Customer Services, Service Quality, Tangible Quality, Process Quality etc.

INTRODUCTION

In the current scenario, the banking sector of the country has become intensely competitive. Both the public and private sector banks are giving each other a cutthroat competition and trying to outsmart each other in terms of satisfying the needs and wants of the customers. The success of any organization directly depends upon how much that organization has been able to satisfy its customers and how well it has delivered as per the expectations of its customers. With cutthroat competition and stringent norms and policies of Reserve bank, it has become even more difficult to keep the customers satisfied. A customer can be defined as a user or potential user of banking services. A customer would include an account holder, or his representative, or a person carrying out casual business transactions with a bank, or a person who, on his own initiative, may come within the banking fold. The efficiency of a banking sector depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide continual customer satisfaction, the providers of banking services are now required to continually improve the quality of services. The globalization of Indian economy has truly called for much more disciplined approach on the part of Indian banking sector to improve the overall quality of customer services through smart use, absorption and adoption of flexible and appropriate information technology.

The research work tries to find out the satisfaction level of the customers of private banking sector. Customer satisfaction for any banking customer can be a state where customer expectations are met with the actual service delivery by the banking sector. Customer satisfaction is the initial stage that lays down the foundation of customer delight and ultimately leading to customer loyalty. With intense competition and evolving services, the prime objective of any banking institution is to satisfy and retain its customers. With proper service delivery and keeping in mind the interest of the customers, a banking institution cannot only have an edge over its customers but also it can ensure its long-term existence in the dynamic market.

For the purpose of conducting the study twelve banks of the Indian private banking sector have been selected, six from the old private and six from new private sector.

LITERATURE REVIEW

A literature review is an account of what has been published on a topic by accredited scholars and researchers. Occasionally you will be asked to write one as a separate assignment (sometimes in the form of an annotated bibliography—see the bottom of the next page), but more often it is part of the introduction to an essay, research report, or thesis. In writing the literature review, your purpose is to convey to your reader what knowledge and ideas have been established on a topic, and what their strengths and weaknesses are. As a piece of writing, the literature review must be defined by a guiding concept (e.g., your research objective, the problem or issue you are discussing or your argumentative thesis). It is not just a descriptive list of the material available, or a set of summaries.

Singh Surabhi, Arora Renu (2011) attempted to study customers’ satisfaction of quality of services, both transactions based and IT enabled in terms of its constituent factors in public sector, private sector and foreign banks. He concluded nationalized banks need to improve their infrastructure and ambiance to compete with private and foreign banks in India. The study also shows that

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the customers of nationalized banks were not satisfied with the employee behavior and infrastructure, while respondents of private and foreign banks were not satisfied with high charges, accessibility and communication.

**Shanka Sata Mesay (2012)** measured the quality of service offered by private banks operating in Ethiopia. He also tried to investigate the relationship between service quality, customer satisfaction and loyalty. He concluded that offering quality service has positive impact on overall customer satisfaction and proved that empathy and responsiveness plays the most important role in customer satisfaction level followed by tangibility, assurance, and finally the bank reliability. This study also found a positive relationship between all service quality dimensions and customer satisfaction.

**Addo Augustine, Kwarteng Kofi (2012)** has attempted to ascertain the level of satisfaction of customers about banking services in Kumasi metropolis in Ghana. The study assessed customer satisfaction of service quality and determines whether services provided by the selected private banks are acceptable on various levels of customer opinion regarding service quality. The findings indicated that customers’ recognize highest satisfaction in the responsiveness area and lowest in the tangibles area. The study also found that the higher the level of customer satisfaction, the higher the levels of customer loyalty.

**Virk Nirmaljeet, Mahal Kaur Prabhjot (2012)** attempted comparative analysis of level of customer satisfaction towards services provided by public and private sector banks. The study had been conducted in Chandigarh city. Further, this study also shows that private banks managers are ahead of public banks in making relationship with their customer thus winning their satisfaction. This can be attributed to the fact that today larger client base in India is banking with Private sector banks as compared to Public sector banks.

**Khalid Salman, Mahmood Babak, Abbas Muzaffar, Hussain Shabbir (2011)** evaluated the customer satisfaction of banking industry in Pakistan general, and Faisalabad particular, based on various levels of customer perception regarding service quality. The result also indicated that customer perceive highest satisfaction in the responsiveness area and lowest in the tangibles area. In the study, the highest customer satisfaction is demonstrated in the responsiveness area such as willingness to help customer, friendly attitude of staff, followed by the reliability area such as customer guidance, customer support however the moderate satisfactions are in the tangibles area, such as infrastructure facilities, décor, followed by empathy area such as banks business timing and return on investment.

**Lohani Basant Maya, Dr. Bhatia Pooja (2012)** measured the quality of services provided by Banks in India. He found out that there exists a small perceptual difference regarding overall service quality with the respective banks. The dimensions Reliability, responsiveness and assurance are found to be the most vital and strategic determinants of service quality and customer satisfaction for both public and private sector banks.

**Deribie Ebisa, Deribe Belay (2012)** analyzed customer satisfaction on banking services in Jimma, Ethiopia. He evaluated that customers are satisfied by the quality of services provided though it is with considerable reservations. In the electronic banking services, customers responded that the benefits they obtained are limited as the bank’s investment in the modern banking technologies is low. In addition, the temporary failures in the electronic banking services are not corrected immediately. Therefore, he concluded that the bank should handle its customers so well to achieve its organizational aims.

**Kumar Naveen, Gangal K.V. (2012)** evaluated the level of customer satisfaction in new generation banks. The study measured the customers’ satisfaction of new generation Banks through the assessment of service quality perceptions. He also indicated that the customers’ expectations have gone up many folds. Now the customers are looking for the best at. In the most important categories (Managing Account and Handing the Enquiries), bank performance is miserable and has totally failed to come true on the expectations of customers.

**Agarwal Jyoti (2012)** attempted to explain the customer service satisfaction in Indian banking Sector. He ascertained the perceptions of customers regarding the service quality in banks and compared the perceptions of the customers in private (ICICI) and public (SBI) banks. He concluded that banks must pay attention to potential failure points and service recovery procedures, which become integral to employees’ training. In other words, it amounts to empowering employees to exercise responsibility, judgment and creativity in responding to customers' problems.

The above literature reviews gave different dimensions of customer satisfaction on banking services, tangibility, process quality, customer assistance and in-branch facilities. These studies show the extent of satisfaction/dissatisfaction provided by banks to their customers. The above research provides the way to achieve the objectives taken in this research.

Based on the research literature that has been reviewed so far, the author framed the following objectives of the present study, as:

i) To study the profile of the respondents of selected new and old private sector banks.

ii) To study the level of customer satisfaction towards banking services.

iii) To compare the satisfaction level of old and new private sector banks.
Toward the objectives of the study, hypotheses are formulated as:

H01: There is no significant difference in the customer satisfaction of old and new private sector banks regarding service quality.
H02: There is no significant difference in the customer satisfaction of old and new private sector banks regarding tangible quality.
H03: There is no significant difference in the customer satisfaction of old and new private sector banks regarding process quality.

**RESEARCH METHODOLOGY**

The study is based on a literature review and conceptual framework, and hypothesis developed to examine the customers’ satisfaction regarding new private sector banks by applying structured questionnaire. The procedure adopted for this research follows a quantitative approach for data collection and analysis.

**Participants/ Respondents**

A sample of 120 employees from selected banks are approached individually and requested to participate in this study. This sample belonged to customers of selected new private sector banks.

**Procedure**

The survey instrument was administered to the participants via a mixture of e-mail, post and personal visit. Before sending out the questionnaire, participants were contacted to ascertain their willingness to take part in the study. After getting an affirmative response, each participant was sent a structured questionnaire with a request of not leaving any item unanswered. Those who did not respond despite reminders were dropped from the study and regarded as non-responders.

**Measures**

The structured questionnaire is used in this research study. The questionnaire includes 27 statements developed based on the research regarding customer perception towards Internet banking identifying major contributing factors. Service Quality consist 9 statements and 5 point scale and Tangible Quality consist 9 statements and 5 point scale and Process Quality also consist 9 statements and 5 point scale used in questionnaire is used in this research study. The respondents are asked to rate the extent to which their characteristics matched with the statements on a five point Likert scale (where 1- Strongly Disagree to 5- Strongly Agree).

**Statistical tool used**

Until and unless the data collected in the study is treated with suitable statistical tools, nothing meaningful can emerge and therefore, the investigator used two kinds of statistical instruments, namely, mean, cross tabulation, One-way ANOVA and t-test. This statistical analysis helped the investigator to find the significant difference among their views. Demographic variables are of age (up to 30 years, 30-40 years and above 40 years  and Qualification (Intermediate, Graduate and Post Graduate) are tested by One-way ANOVA while rest of the demographic variables namely gender (Male, Female), are tested by independent sample t-test. The level of baking services dimensions has been discussed according to diverse demographic variables of the respondents (i.e. age, gender and qualification). The study will depend on existing facts and figures available for customer’s services of new private sector banks.

**RESULTS AND DISCUSSIONS**

**Reliability Test**

In order to prove the internal reliability of the model used, Cronbach’s Alpha Test of Reliability had been performed. Applying this test specifies whether the items pertaining to each dimension are internally consistent and whether they can be used to measure the same construct or dimension of service quality. According to Nunnaly (1978) Cronbach’s alpha should be 0.700 or above. The overall reliability or Cronbach’s alpha is 0.837.

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.837</td>
<td>27</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The reliability has been assessed by Cronbach’s Alpha (α). Reliability show the internal consistency in the observed variable, which was used for final analysis. Cronbach’s Alpha comes out to be 0.837 which show the good reliability scale to measure the difference in customer satisfaction of old bank and new bank of private sector.
RESULTS AND DISCUSSION

Sampling

Of the 200 questionnaires distributed among employees, a total of 52 refused to participate, and another 28 questionnaires were discarded because the employees failed to complete them properly. The effective sample size is thus 120 with a response rate of 60 percent. The primary data collected from 12 selected banks consist of 6 old private banks (ING Vysya Bank, IDBI Bank, Federal Bank, City Bank, Dhanlaxmi Bank, and Karnataka Bank) and 6 new private banks (AXIS Bank, Indusland Bank, Kotak Mahindra Bank, YES Bank, ICICI Bank, and HDFC Bank). In all, the primary data actually used in this study pertains to 12 banks. The summary of the respondents' profile is elaborated in Table 1. Descriptive statistics and the results of One-way ANOVA and t-test are shown in Table 3 to Table 5.

Until and unless the data collected in the study is treated with suitable statistical tools, nothing meaningful can emerge and therefore, the investigator used four kinds of statistical instruments, namely mean, cross tabulation, One-way ANOVA, and t-test. This statistical analysis helped the investigator to find the significant difference among their views. Demographic variables are of age (up to 30 years, 30-40 years and above 40 years), Education level (Intermediate, Graduate, and Post Graduate) are tested by One-way ANOVA while the rest of the demographic variable namely gender (Male, Female) are tested by independent sample t-test. The satisfaction level of three services of Bank (Service Quality, Tangible Quality, and Process Quality) has been discussed according to diverse demographic variables of the respondents (i.e. age, gender, and qualification).

Table-2: Demographic of Sample Population

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Demographic Variables</th>
<th>Frequencies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to 30 years</td>
<td>20</td>
<td>16.67</td>
</tr>
<tr>
<td></td>
<td>30-45 Years</td>
<td>65</td>
<td>54.16</td>
</tr>
<tr>
<td></td>
<td>Above 45 years</td>
<td>35</td>
<td>29.17</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>75</td>
<td>62.5</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>45</td>
<td>37.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10th Pass</td>
<td>20</td>
<td>16.67</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>65</td>
<td>54.16</td>
</tr>
<tr>
<td></td>
<td>Post-Graduate</td>
<td>35</td>
<td>29.17</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>510</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Field Survey

Until and unless the data collected in the study is treated with suitable statistical tools, nothing meaningful can emerge and therefore, the investigator used four kinds of statistical instruments, namely mean, cross tabulation, One-way ANOVA, and t-test. This statistical analysis helped the investigator to find the significant difference among their views. Demographic variables are of age (up to 30 years, 30-40 years and above 40 years), Education level (Intermediate, Graduate, and Post Graduate) are tested by One-way ANOVA while the rest of the demographic variable namely gender (Male, Female) are tested by independent sample t-test. The satisfaction level of three services of Bank (Service Quality, Tangible Quality, and Process Quality) has been discussed according to diverse demographic variables of the respondents (i.e. age, gender, and qualification).

Service Quality of Banks across Customers’ Demographics

Table-3: Level of Satisfaction across Respondents’ Demographics on Service Quality

<table>
<thead>
<tr>
<th>Dimensions for Respondents Demographic</th>
<th>Level of Customer Satisfaction</th>
<th>Mean</th>
<th>Significance Value</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (%)</td>
<td>Medium (%)</td>
<td>High (%)</td>
<td>Total (%)</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old</td>
<td>2(20.0)</td>
<td>4(40.0)</td>
<td>4(40.0)</td>
<td>10(100)</td>
</tr>
<tr>
<td></td>
<td>f = 0.168562</td>
<td></td>
<td>0.845298</td>
<td></td>
</tr>
<tr>
<td>New</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upto 30</td>
<td>2(20.0)</td>
<td>2(20.0)</td>
<td>6(60.0)</td>
<td>10(100)</td>
</tr>
<tr>
<td></td>
<td>f = 0.068149</td>
<td></td>
<td>0.934197</td>
<td></td>
</tr>
<tr>
<td>30-40</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 40</td>
<td>6(60.0)</td>
<td>3(30.0)</td>
<td>1(10.0)</td>
<td>10(100)</td>
</tr>
<tr>
<td></td>
<td>f = 0.068149</td>
<td></td>
<td>0.934197</td>
<td></td>
</tr>
</tbody>
</table>
value of \( t \) for old private sector banks respondents is 1.86 at 0.177 significant levels. Similarly, \( F \) value for the new private banks respondents is 0.06 at 0.934 significant levels. To fathom out, it is said that there is no significant difference found between the opinion of old private sector banks respondents and new private sector banks respondents of various age group. (The value of significant level for \( F \)-test is greater than 0.05).

It is depicted from the Table 3 that male respondents belongs to old private banks are found with high level of satisfaction followed by female respondents of old private banks however in new private sector banks female respondents are found with high level of satisfaction as compared to male respondents. The male and female respondents of old private banks have mean values 2.48, and 2.42 respectively whereas the mean value for male and female respondents is 2.42 and 2.55 for new private sector banks. The \( t \) value for old private banks male is 1.86 at 0.177 significant levels. Similarly, \( F \) value for the new private banks is 0.359 at 0.55 significant levels.

Therefore, it can be said that there is no significant difference found between the opinion of male and female respondents of old and new private sector banks. (The value of significant level for \( t \)-test is greater than 0.05). Gender analysis results reveals that in old private sector banks male respondents are found with high level of satisfaction however in new private sector banks female respondents are found with high level of satisfaction.

Based on qualification old private bank respondents who are postgraduate are found highly satisfied followed by the respondents who are graduate. The mean value for intermediate, graduate and postgraduate, is 2.45, 2.44, 2.45 and 2.50, 2.53, 2.39. For old private sector bank respondents the value of \( f \) is 0.003 at 0.996 levels and for new private sector banks respondents’ value is 0.241, which is also not significant at 0.05 levels.

To fathom out, it is said that there is no significant difference found among the respondents of various age and qualification regarding service quality of banks. To sum up, it can be concluded that first hypothesis is accepted for all the demographics completely. Therefore, we can say that there is no significant difference found regarding service quality of Banks.

**Table-4: Level of Satisfaction across Respondents’ Demographics on Tangible Quality**

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Old</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 30</td>
<td>2(20.0)</td>
<td>4(40.0)</td>
<td>4(40.0)</td>
<td>10(100)</td>
</tr>
<tr>
<td>30-40</td>
<td>2(22.9)</td>
<td>7(20.0)</td>
<td>20(57.1)</td>
<td>35(100)</td>
</tr>
<tr>
<td>Above 40</td>
<td>4(26.7)</td>
<td>4(26.7)</td>
<td>7(46.7)</td>
<td>15(100)</td>
</tr>
<tr>
<td>Upto 30</td>
<td>2(20.0)</td>
<td>2(20.0)</td>
<td>6(60.0)</td>
<td>10(100)</td>
</tr>
<tr>
<td>30-40</td>
<td>4(13.3)</td>
<td>8(26.7)</td>
<td>18(60.0)</td>
<td>30(100)</td>
</tr>
</tbody>
</table>

Sources: Field Survey

**Table 3** demonstrates the views of the respondents regarding banks’ service quality. In old private sector banks; it has been found that the respondents of 30-40 years of age group as found more satisfied as compared to others, similarly comparisons of mean score also reveals that highest mean score is revealed by the respondents of the age group of 30-40 years (2.54). When the data is analyzed on the basis of new private sector banks it has also been found that the respondents of 30-40 years of age group as found more satisfied followed by younger respondents i.e. up to 30 years of age group. Mean score results also reveals the same. The old and private sector bank respondents of various age groups (up to 30 years, 30-40, and above 40 years) have mean values 2.50, 2.54, and 2.42 respectively whereas the mean value for male and female respondents is 2.42 and 2.55 for new private sector bank respondents the value of \( f \) is 0.003 at 0.996 levels and for new private sector banks. (The value of significant level for \( t \)-test is greater than 0.05).
and female respondents of old and new private banks. It is said that there is no significant difference found among the respondents of various age and qualification levels. Similarly, F value for the new private banks is 0.42 at 0.516 significant levels. When the data is analyzed on the basis of new private sector banks, it has also been found that the respondents of 30-40 years of age group as found more satisfied followed by younger respondents i.e. up to 30 years of age group. Mean score results also reveals the same.

It is depicted from the Table 4 that male respondents belongs to old private banks are found with high level of satisfaction followed by female respondents of old private banks however in new private sector banks female respondents are found with high level of satisfaction as compared to male respondents. The male and female respondents of old private banks have mean values 2.37, and 2.16 respectively whereas the mean value for male and female respondents is 2.44 and 2.45 for new private sector banks. The t value for old private banks male is 0.04 at 0.829 significant levels.

Similarly, F value for the new private banks is 0.42 at 0.516 significant levels. When the result is compared on gender basis, it is said that there is no significant difference found between the opinion of male and female respondents of old and new private sector banks. (The value of significant level for t-test is greater than 0.05).

For old private sector bank respondents the value of f is 1.29 at 0.282 levels and for new private sector banks respondents’ f value is 0.169, which is also not significant at 0.05 levels. To abstract, it can be said that on qualification basis results are found interesting. Intermediate respondents are found are bending more towards tangible quality as compared to others.

To fathom out, it is said that there is no significant difference found among the respondents of various age and qualification regarding service quality of banks. Gender analysis results also reveals no significant difference among male and female in old and new private sector banks of India. To sum up, it can be concluded that second hypothesis is also accepted for all the demographics completely. Therefore, we can say that there is no significant difference found regarding tangible quality of Banks.

<table>
<thead>
<tr>
<th>Table-5: Level of Satisfaction across Respondents' Demographics on Process Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dimensions for Respondents Demographic</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>Old</td>
</tr>
<tr>
<td>Upto 30</td>
</tr>
<tr>
<td>30-40</td>
</tr>
<tr>
<td>Above 40</td>
</tr>
<tr>
<td>New</td>
</tr>
<tr>
<td>Upto 30</td>
</tr>
</tbody>
</table>

**Sources:** Field Survey
male respondents are very much satisfied towards the old private sector banks services including service, tangible and process quality of old private banks whereas female respondents are very much satisfied towards the new private banks services including service, tangible and process quality of new private banks.

Furthermore, when the results are compared on age basis, it can be concluded that the respondents of 30-40 age group of respondents are very much with new private sectors banks as compared to old private sector banks. The results based on qualification are coming quite interesting as the customers who are intermediate are found very much satisfied with tangible qualities of banks as they are not such awareness about the other on-line services of banks. Therefore, it can be concluded that

Table 5 demonstrates the views of the respondents regarding banks’ process quality. In old private sector banks; it has been found that the younger respondents i.e. up to 30 years of age group respondents are found more satisfied followed by eldest age group. Comparisons of mean score also reveal the same results. Higher mean score is revealed by the respondents of the age group of up to 30 years (2.50) followed by the respondents of the age group of above 40 years of age group (2.40). When the data is analyzed on the basis of new private sector banks it has also been found that the respondents of 30-40 years of age group as found more satisfied followed by younger respondents i.e. up to 30 years of age group. Mean score results also reveals the same. The old and private sector bank respondents of various age groups (up to 30 years, 30-40, and above 40 years) have mean values 2.50, 2.25, 2.40 and 2.41, 2.51, 2.25 respectively. F value for old private sector banks respondents is 0.506 at 0.605 significant levels and similarly F value for new private sector banks respondents 0.675 at 0.032 significant levels. To fathom out, it is said that there is no significant difference found between the opinion of old private sector banks respondents and new private sector banks respondents of various age group. (The value of significant level for F-test is greater than 0.05).

It is depicted from the Table 5 that male respondents belongs to old private banks are found with high level of satisfaction followed by female respondents of old private banks however in new private sector banks female respondents are found with high level of satisfaction as compared to male respondents. The male and female respondents of old private banks have mean values 2.34 and 2.32 respectively whereas the mean value for male and female respondents is 2.37 and 2.45 for new private sector banks. The t value for old private banks male is 0.02 at 0.868 significant levels. Similarly, F value for the new private banks is 0.863 at 0.041 significant levels.

To fathom out, it is said that there is no significant difference found between the opinion of male and female respondents of old and new private sector banks. (The value of significant level for t-test is greater than 0.05. Based on qualification old private bank respondents who are graduate are found highly satisfied followed by the respondents who are postgraduate. The mean value for intermediate, graduate and postgraduate, is 2.10, 2.52, 2.29 and 2.16, 2.42, 2.43. For old private sector bank respondents the value of f is 2.084 at 0.134 levels and for new private sector banks respondents’ f value is 0.32, which is also not significant at 0.05 levels.

To fathom out, it is said that there is no significant difference found among the respondents of various age and qualification regarding tangible quality of banks. Gender analysis results also reveals no significant difference among male and female in old and new private sector banks of India. To sum up, it can be concluded that third hypothesis is also accepted for all the demographics completely. Therefore, we can say that there is no significant difference found regarding process quality of Banks.

CONCLUSION

This research chapter is an endeavor to explore the three major Qualities and services of Private Banks namely service quality, tangible quality and process quality to identify the satisfaction level and preferences of customers regarding old and new private sector banks. On the basis of gender it can be concluded that male respondents are very much satisfied towards the old private banks services including service, tangible and process quality of old private banks whereas female respondents are very much satisfied towards the new private banks services including service, tangible and process quality of new private banks services.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Qualification</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-40</td>
<td>10th Pass</td>
<td>3(27.3)</td>
<td>2(33.3)</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>1(4.00)</td>
<td>3(16.7)</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>5(20.8)</td>
<td>10(17.5)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>5(14.3)</td>
<td>2(13.3)</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>13(37.1)</td>
<td>9(33.3)</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>17(48.6)</td>
<td>12(43.3)</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-40</td>
<td>10th Pass</td>
<td>3(27.3)</td>
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<td>Post Graduate</td>
<td>17(48.6)</td>
<td>12(43.3)</td>
</tr>
</tbody>
</table>

Sources: Field Survey
Intermediate customers are found are bending more towards tangible quality as compared to others. However, the customers who are postgraduate are found highly satisfied with new private banks as compared to old private banks.

**LIMITATIONS OF STUDY**

- The secondary data is already available for researchers and scholars and it does not add anything new but is helpful for further banking related projects and analysis.
- The sample size is small, a mere 200 Questionnaire does not represent the behaviour of entire population although it is relevant to draw significant inferences.
- One of the limitations in the project is limited access to the employee data and bank related information and records that would have been helpful in getting a thorough picture of the bank/branch.
- The questionnaire and feedback collected is a self-reported data. Therefore, the chances of verifying the collected data independently are rare.

**RECOMMENDATIONS OF STUDY**

The present research study makes some suggestions based on the Analysis and findings of the study. These suggestions are aimed at improving the customer satisfaction in banking sector. The banking sector needs young and more competitive recruits. With due respect to all the senior officials, it is high time that the core activities of the bank should be handed over to the younger generation. It is no more hidden to any one of us that the current line of officers are not comfortable operating on computers. This is mostly in the case of government banks. It would be advisable to promote the senior officials to higher positions and the activities of transaction maintenance and cash handling be given in the hands of younger lots. This will increase productivity and efficiency.

The banks need to improve the customer knowledge about the e banking services provided by them. E banking is the future of banking services and operations and is gaining momentum in the current scenario. The banks should take necessary steps in order to familiarize its customers with the e banking services provided and offered by the banking institution. The government sector banks should pay special emphasis on this. Know Your Customer i.e. the KYC norms are very important not only from the point of view of customers but also from the point of view of the bank.

The banks should have a suggestion or feedback form made available to the customers so that any improvement or any suggestion be it in the form of complaint comes in light and the banks take necessary actions to rectify the same and enrich the customer experience.

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A STUDY ON ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE EMPOWERMENT IN HEALTH CARE SECTOR: ANDHRA PRADESH

Dr. S. Fakruddin Ali Ahmed13 Chaithanya Kumar14

ABSTRACT

Employee empowerment is a management practice of sharing information, rewards and power with employees so that they can take initiative and make decisions to solve problems and improve their service and performance. Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results.

Employee empowerment helps employees serve customers at the level of the organization where the customer interface exists. For this study The four antecedents that empowered employee’s posses are: Meaning, Competence, Self Determination, Impact, and Job Satisfaction. The logic behind employee empowerment is to increase the employee’s responsibility to build employee morale and to improve the quality of employees work life.

The present study deals with Empowerment of employees their causes and consequences in health care sector. In this study the sample four units that were selected for this study, and census method is used as all the employees in 4 units are included for the purpose of the study. The results also provide the new substantiation of the importance of psychological empowerment because empowerment has a significant impact on the organizational environment and job satisfaction. Keeping in view the need of empowerment in Healthcare sector, an attempt has been made to identify the various tools of empowerment used.

KEYWORDS

Employee Empowerment, Empower, Self Determination, Competence, Employee Morale etc.

INTRODUCTION

In today’s business age, organizations are looking for the extra edge to allow them to outperform their competitors and to gain market share. An important factor in direct correlation to an organization’s performance is employee productivity. Therefore, the next question most of us ask is “How can I improve employee productivity?” Many businesses in the modern world believe the philosophy that empowering employees will improve productivity and will provide other benefits. This philosophy is based on the theory that as employees are empowered to take control and make decisions, they feel more confident, capable, and determined to work more effectively and efficiently. As a result of these business practices, employees become more productive.

Although employee empowerment is a popular and promising concept to enhance employee work outcomes and organizational effectiveness, it is still in its early stages of development and minimal research has identified what predicts it (Sparrowe, 1994). The case of empowerment in today’s organization is understandable as unrelenting competition, constantly changing environment, an aggressive and demanding customer and centralized decision making process prove to be disaster.

Empowerment has been described as a venue to enable employees make decisions (Bowen & Lawler, 1992) and as a personal experience where individuals take responsibility for their own actions (Pastor, 1996). The first definition puts the onus on management, and the second emphasizes the importance of the individual for successful application of empowerment. According to Michelle Kaminski, empowerment is defined as a developmental process that promotes an active approach to problem solving, increased political understanding and an increased ability to exercise control in the environment. As people develop through the stages of empowerment, they become more able to analyze issues in context and apply their skills to successfully resolve them.

REVIEW OF LITERATURE

A growing number of studies indicate employee empowerment is positively related to job satisfaction (Kim 2002; Lee, Cayer, and Lan 2006; Park and Rainey 2007; Wright and Kim 2004), organizational commitment (Park and Rainey 2007), and performance (Fernandez and Moldogaziev 2011; Lee, Cayer, and Lan 2006) in the public sector, empowerment is the process through which managers enable and help others to achieve influence within the organization. Sharing information is a necessary precondition to another important feature found in successful work systems: Encouraging the decentralization of decision making and broader employee participation and empowerment in controlling their own processes. If management wants employees to take more responsibility for their own destiny, it must encourage the development of internal commitment. With internal commitment, individuals are committed to a particular project, person or program based on their own reasons.

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With a more feasible description, empowerment could be understood as a democratic process, allowing non-empowered employees to say more in the decisions that are currently made by managers in traditional command and control structures. In general it can be said, that **employee empowerment** is a kind of philosophy about helping a company or an organization to reach its aims and sub-goals. In other words, employee empowerment can be interpreted by involving every member of the company in the decision making process to in the end increase the success of the current business. Every organization that practice employee empowerment will become the norm in the near future. In addition, against this, the traditional non-empowered organizations will be left behind because of rising pressure in doing business from their competitors and a serious lack of flexibility.

**The Theory of Empowerment**

The idea of employee empowerment is a concept that is unused when compared with the size of the employee population. In addition, empowerment can easily be misconstrued, depending on an organization’s use of the principle. Employee empowerment is closely related to employee involvement, a concept that is easily understood and more uniform throughout organizations. Employee involvement has been defined as “a participative process to use the entire capacity of workers, designated to encourage employee commitment to organizational success” (Lawler & Mohram, 1989). The process comes about by giving employees a combination of information, influence, and incentives.

**Elements of Employees Empowerment**

- **Style:** Empowered employees have a working style of self management and possess a team spirit. Employees make, implement, and are held accountable for work-related decisions.

- **Skills:** Empowered employees are trained to have effective problem-solving and communication skills. They challenge inefficient policies and identify problems.

- **Staff:** Empowered employees are bred in empowering organizations. With empowering leaders as drivers, immersed in a culture of empowerment and reinforced by empowering management practices, employees are expected to grow.

**Dimensions of Empowerment**

The four dimensions of psychological empowerment combine additively to create an overall construct of psychological empowerment. The lack of one of these dimensions will deflate but not completely eliminate the overall effect of the experience of empowerment. The four dimensions are as follows:

- **Meaning:** Meaningfulness is an individual’s belief that his or her work is important to him or her and his or her fondness for what he or she is doing. Spreitzer (1995) defined meaning cognition as a sense of purpose or personal connection to one’s work goal: it is the value of a work goal and an individual’s beliefs, judged in relation to that individual’s ideals (Thomas and Velthouse, 1990).

- **Competence:** Competence is an employee’s ability to perform work activities with skill, and it refers to the degree to which a person can perform task activities skillfully when he or she attempts to do so. Employees must feel that they are competent to engage in the behaviors required by the environment (Kara, 2012).

- **Self-determination:** Self-determination is an individual’s control over the manner in which work is accomplished and is related to the choice cognition, as described by Kitayama and Cohen (2010). Such individuals feel that they have the independence to perform their responsibilities; they can make decisions about their work and have adequate authority over the manner, time and speed of their task performance (Hossein et al., 2012).

- **Impact:** Impact is the degree to which an individual can influence strategic, administrative and operating outcomes at work. This assessment refers to the degree to which a behavior is viewed as making a difference in terms of accomplishing the purpose of the task that is, producing the intended effects in one’s task environment (Thomas and Velthouse, 1990).

**Job Satisfaction**

Job satisfaction results from an evaluation of the job’s characteristics. Job satisfaction is defined as how people feel about their jobs and different aspects of their jobs (Hedge & Borman, 2012). Job satisfaction is the extent to which people like or dislike their jobs and the degree to which they feel positively or negatively about various aspects of their jobs. According to Salazar et al. (2006), the assumption behind this definition is that people are able to balance their specific satisfactions and dissatisfactions and arrive at a general degree of satisfaction with their jobs. Salazar et al. believed that specific individual and situational characteristics influence job satisfaction. Individual characteristics include personality, education, gender and family roles, whereas situational characteristics include job characteristics, organizational characteristics and promotion opportunities.
OBJECTIVES OF STUDY

- To determine the extent to which private hospitals address the dimensions of psychological empowerment.
- To study the level of satisfaction among the employees in hospitals.
- To examine the influence of the dimensions of psychological empowerment (meaning, competence, self-determination and impact) on employee satisfaction.

RESEARCH DESIGN

The main purpose of this study is known about the Antecedents and Consequences of Employee Empowerment in Health care sector in Andhra Pradesh. The sampling frame used in this research Research Approach: survey method is used for collecting the required data from the hospitals in Andhra Pradesh.

Sample Size: the total size of the research is 96 respondents.

Data Usage: for the data analysis and interpretation primary data only used. However the conclusion and recommendations both primary and the secondary data along with the verbal knowledge and information is obtained from respondents, through questionnaire.

Research Instrument: A standard 5-point Likert scale is administered for the collection of data from various hospitals. In addition, the questionnaire was designed in such a way that it would collect all necessary information for the research problem.

ANALYSIS AND INTERPRETATION

Table 1: Mean Scores of Antecedents

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Mean Score</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>3.92</td>
<td>0.560</td>
</tr>
<tr>
<td>Competence</td>
<td>3.90</td>
<td>0.651</td>
</tr>
<tr>
<td>Self Determination</td>
<td>3.78</td>
<td>0.528</td>
</tr>
<tr>
<td>Impact</td>
<td>3.34</td>
<td>0.786</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.84</td>
<td>0.631</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 1 presents that there are various antecedents for Employee Empowerment and among them the mean scores of Meaning, Competence, Job satisfaction are high mean which implies that they contribute more for Empowerment of employees. The low mean score among all dimensions is impact of employee’s i.e., 3.34. Though the remaining components have impact on empowering employees but not as good as other dimensions, which have high mean scores. The standard deviation for impact is more then followed by competence.

Table 2: Mean Scores of Consequences

<table>
<thead>
<tr>
<th>Consequences</th>
<th>Mean Score</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Motivation</td>
<td>3.97</td>
<td>2</td>
</tr>
<tr>
<td>Employee Morale</td>
<td>3.86</td>
<td>5</td>
</tr>
<tr>
<td>Reduces Stress and Anxiety</td>
<td>3.56</td>
<td>6</td>
</tr>
<tr>
<td>Improve Performance</td>
<td>3.92</td>
<td>3</td>
</tr>
<tr>
<td>Empowered Employees are Energetic and Passionate</td>
<td>3.91</td>
<td>4</td>
</tr>
<tr>
<td>Benefits both Employees and Organization</td>
<td>4.11</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 2 reveals consequences of employee empowerment. The highest mean score of 4.11 shows that empowerment benefits both employees and organization. Therefore, it was given rank 1 later followed by employee motivation, performance improvement; empowered employees are energetic and passionate, employee morale and reduce stress and anxiety.
Table 3: Degree of Employee Satisfaction

<table>
<thead>
<tr>
<th>Employee Level</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>5</td>
<td>5.20833</td>
</tr>
<tr>
<td>Middle</td>
<td>17</td>
<td>17.70833</td>
</tr>
<tr>
<td>High</td>
<td>74</td>
<td>77.08333</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 3 depicts that the degree of employee satisfaction towards empowerment is high for higher level i.e., 77.08%, later middle level followed by lower level employees. This implies that in an organization top level employees have more satisfaction with employee empowerment.

Table 4: Demographic Variables and Antecedents of Employee Empowerment Age & Antecedents

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Chi – Square Value</th>
<th>Significant / Insignificant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>75.455</td>
<td>Significant at 5% level</td>
</tr>
<tr>
<td>Competence</td>
<td>36.089</td>
<td>Insignificant</td>
</tr>
<tr>
<td>Self Determination</td>
<td>44.957</td>
<td>Significant</td>
</tr>
<tr>
<td>Impact</td>
<td>52.242</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>50.827</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Null Hypothesis: There is no significant relation between Age and Antecedents of Employee Empowerment. The hypothesis is tested by calculating chi-square test.

Table 4 represents that Age significantly influences dimensions of empowerment - Meaning, Self-determination and Impact at 5% level. This implies that employees of different age groups differently perceived the three dimensions of empowerment and thus Null Hypothesis is rejected.

Table 5: Gender & Antecedents

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Chi – Square Value</th>
<th>Significant / Insignificant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>75.455</td>
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</tr>
<tr>
<td>Job Satisfaction</td>
<td>50.827</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Null Hypothesis: There is no significant relation between Gender and Antecedents of Employee Empowerment

Table 5 reveals to what level Gender has significant impact on all five antecedents. From the above table the antecedents Meaning, Self-determination and Impact is significant at 5% level and thus rejects Null Hypothesis. The component Job Satisfaction accepts the null hypothesis that is insignificant on Gender of employees.

Table 6: Educational Qualification & Antecedents

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Chi – Square Value</th>
<th>Significant / Insignificant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>32.647</td>
<td>Significant at 5% level</td>
</tr>
<tr>
<td>Competence</td>
<td>19.678</td>
<td>Insignificant</td>
</tr>
<tr>
<td>Self Determination</td>
<td>44.454</td>
<td>Significant</td>
</tr>
<tr>
<td>Impact</td>
<td>43.715</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>45.253</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Null Hypothesis: There is no significant relation between Demographic detail Educational Qualification and Antecedents of Employee Empowerment.
We can interpret that the Antecedents Meaning, Self-determination, Impact and Job satisfaction rejects the Null Hypothesis this implies that these components have significant affect on Educational Qualification. The Component Job Satisfaction is insignificant at 5% level.

FINDINGS

Based on data analysis the findings are following:

The Antecedents like Meaning, Competence, Self determination and Job satisfaction have high mean score which means that they has higher impact on Empowerment of Employees in health care sector. The least score is obtained for Impact dimension of employees does not result in Empowering Employees which means that there is no great deal of control over what happens in their respective organizations. In the consequences the high score is obtained for Employee Motivation and that, the Empowerment benefits both Employees as well as the Organization. The least score is given for reduction in stress and anxiety of employees. Higher-level employees are relatively more satisfied as they are given autonomy for taking the decisions. It is observed that there is significant relation between variables like Antecedents and Demographic details of the respondents for Meaning, Self-determination and Impact. For the remaining components like Competence and Job satisfaction, it was found to be insignificant.

SUGGESTIONS

The impact dimension of employees must be improved so that it can contribute a lot more for organizational goals, that employees should have control over their work and their influence in their respective department.

Organizations should facilitate the respondents in having some stress free activities so that they feel relaxed and can focus more on their work for better productivity.

There is a lot of scope for further improvement in satisfaction of employees with empowerment and awareness should be created through discussion, meeting and guidance on job, autonomy for taking decisions should be given to the employees performing different jobs.

CONCLUSION

Employee empowerment helps organizations in achieving their strategic objectives and gives organizations a competitive edge. In this context, when an employee feels vested in an organization they will be more productive and more confident. Employees need to given autonomy to do their work, take suggestions from their superiors, and guide their subordinates effectively. Empowerment leads to employee motivation, employee morale, reduces stress and anxiety, performance improvements of the employees, empowered employees are more energetic and passionate and benefits both organizations as well as employees.

The study conducted at three hospitals NRI medical college, Ramesh Hospital, and Pinnamaneni Siddhartha Medical College deals with how employee empowerment is perceived in organizations. The present study concluded that majority of the employees are satisfied with the level of empowerment in their organizations and they feel that more focus must be given on the dimensions like Impact and Self-determination. The results also provide the new evidence of the importance of psychological empowerment because empowerment has a significant impact on the organizational environment and job satisfaction.

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IMPACT OF ADVERTISEMENT ON CONSUMERS’ BUYING BEHAVIOR IN CHENNAI CITY

R. Valarmathi\textsuperscript{15} Dr. Sakthivel Murugan\textsuperscript{16}

ABSTRACT

The purpose of present study is to investigate the impact of advertisement on consumer behavior on college students (N = 100). This paper aims to explore the role of advertisement on attitudes towards buying behavior. A questionnaire has prepared to evaluate the impact of advertisement. The sample data has been collected from college students, between 18-26 age group. As a whole seven brands of body and detergent soaps has been taken into consideration as FMCG’s brands like Lux, Pears, Dettol, Dove, Fiama D’ Wills, RIN and Surf Excel. Data collection was made in respect of their co-relations with advertisements. As a result, mean, standard deviation frequency and percentage were used and presented in tabular format. These results exposed that advertisement attracts towards the preference and choices to influence the consumer buying behavior.

The model used therein influenced the consumers more as compared to traditional mode of advertisement. Results also revealed that consumers considered advertisement as a reliable source of knowledge as compared to others, (friend, neighbors, reference group) opinions. Advertisement play a very important role to affect any high or low-income group, but expensive products and the repetition of advertisement did not affect the consumer buying behavior. The most preferred brand is DOVE and second preferred brand is PEARS. Further, Surf Excel’s ad affects more consumers than RIN. However, consumers prefer RIN to Surf Excel due to lower price of RIN. Consumers were attracted and influenced by the flash of advertisement on the silver screen.

KEYWORDS

Advertisements, Buying Behaviour, College Students, Appeals etc.

INTRODUCTION

Advertisement is a complex form of communication that operates with objectives and strategies leading to various types of impact on consumer thoughts, feelings and actions. It is also a form of mass communication, which transmits different types of market information to connect buyers and sellers in the market place. Advertising is paid, non-personal communication of information from an identified sponsor using mass media to persuade or influence an audience to maximize profits. Now a day’s internet and wireless communication are changing the media landscape and making more intimate, interactive and personalized forms of communication much more important to advertisers.

A standard definition of advertising has five basic components, such as advertising is a paid form of communication although some form of advertising, such as public service announcement, use donated space and time, not only is the message paid for but the sponsor is identified, most advertising tries to persuade or influence the customer to do something, advertising reaches a large audience of potential customers and lastly the message is conveyed through many different kind of mass media, which are largely non personal.

It is also said that advertising is the promotion of a company’s products and services carried out to achieve certain objectives because it has become an essential element of the corporate world and hence the companies allot a considerable amount of revenues as their advertising budget. The reasons for advertising are increasing the sales of the product, service, creating and maintain a brand identity or brand image, communicating a change in the existing product line, introduction of a new product or service, increase the buzz value of the brand or the company etc.

Researchers are agreed on these six fundamental principles on which advertising campaign run:

(a) To secure attention;
(b) To arouse interest;
(c) To develop and sustain interest;
(d) To create desire;
(e) To incite action and
(f) To create good will.

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After choosing an appropriate strategy and deciding upon the advertising objectives, media selection is the next important consideration. Some important tools of advertisement are newspapers, magazines, radio, television, direct mail and mail order, outdoor display and transportation, from which electronic media is more common to all. Consumer buying behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies features of individual consumer such as demographics, psychographics, and behavioral variables in an effort to understand people's wants. It also tries to measure influences on the consumer from groups such as family, friends, reference groups, and society in general. Developing effective advertisements represent key ingredient marketing communications efforts. The advertising team should define the objective of advertisement; the target audience, the message theme used, the type of support needed, and any constraint apply.

A creative works within the context of key advertising theories in selecting the correct media and designing a leverage point and message appeal that work effectively. The hierarchy of effects models suggest consumer move through a series of stages as they are persuaded to make a purchase:

(a) Awareness,
(b) Knowledge,
(c) Liking,
(d) Preference,
(e) Conviction,
(f) Actual purchase.

The hierarchy of effects model can be combined with the three main elements present in attitudes:

(1) Cognitive,
(2) Affective, and
(3) Conative components.

Advertisements are design to influence affective feelings cognitive knowledge, or conative intention to act or behave based on attitude. The process of designing ads for international markets is quite similar to that for domestic ads. The major difference is careful consideration of local attitudes with due care given to the language, custom and fashions’. (Kenneth E. Clow and Donald Baack, 2012).

SCOPE OF STUDY

This research was conducted to find out the impact of advertisement on consumers’ behavior with reference to their fast moving consuming goods (FMCG’s) for this purpose seven soap brands was taken and advertisement effects were checked out. Advertiser and marketers are more concerned to know what are the consumer’s motives and their purchasing pattern in order to use different strategies to influence their consumer behavior and FMCG’s are the main focus of marketing researchers. The consumers use FMCG’s in daily routine and demand uniqueness and variety among them that is why marketer’s focused heavily to judge psyche of consumers; what they like, why they like and what will be appreciable in FMCG’s products. Advertisements of FMCG’s are mostly concern about variety, upgrading of products, saving schemes to make it more influencing and effective for consumer’s psyche, so it is important to find out the elements of good advertisements as if the consumers are prone to the advertisement effectiveness then, which element of advertisement is more effective? Does the income play a role in determining advertisement effectiveness or not?

Concept of Consumer Behavior

Consumer buying behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies features of individual consumer such as demographics, psychographics, and behavioral variables in an effort to understand people's wants. It also tries to measure influences on the consumer from groups such as family, friends, reference groups, and society in general. The study and knowledge of consumer buying behavior helps to firms to decide their marketing strategies and product offerings. The decision to buy milk, bread, a cake, personal computer and a new car all are very different. Expensive purchases are likely to involve more buyer deliberation and more participants.

REVIEWS OF LITERATURE

Amit Kumar (2011) in his paper ‘Celebrity Endorsements and its impact on consumer buying behavior’ focuses on the perception of Indian consumers about celebrity endorsements, the celebrity attributes likely to influence consumer purchase intentions. The practice of celebrity endorsements has proliferated over time. Now days it has become a pervasive element of advertising industry especially in India. Celebrity endorsement business has become a multi-million industry in India. Marketers
use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares. This made the author curious to explore the impact of celebrity endorsements on consumer buying behavior.

Aneeza Bashir and Najma Iqbal Malik (2009) concluded in their study, “Effect of advertisement on consumer behavior of university students” that advertisement persuades the consumer to at least buy the product once in a lifetime. Personality used in commercials influenced the consumers more as compared to keyword/caption. Results also revealed that consumers considered advertisement as a reliable source of knowledge as compared to others (friends, neighbors, reference group) opinions.

T. Mamatha (2008) in her study ‘Post purchase behavior and consumerism’ says that consumer behavior is a very complex phenomenon, which needs more efforts to understand, explain and predict. In order to get a clear understanding of the same, every marketer should realize that consumer behavior is, in fact, an assumption every marketing manager must make, if he plans to market on any basis other than hit-or-miss. Although some individuals find it difficult to make this assumption, one must agree that behavior is not so erratic or mysterious that it defies explanation.

Dinesh Kumar Gupta (2007) in his research ‘Impact of celebrity endorsement on consumer buying behavior and brand branding’ aim to describe the celebrity endorsement increase consumer attractiveness for product than non-celebrity endorsement and bring magic to brand and make them more appealing and successful but while using celebrity endorsee, marketer has to take care of all the aspect that whether the brought personality and image of celebrity matches or not, whether celebrity endorsee has deep penetration among the masses or not, whether he is considered as credible source or not etc.

Susan Chirayath (2007) says in their research ‘Impact of Promotional Activities on Consumer Buying Behavior’ that, FMCG Sector in India is characterized by cut-throat competition, which leads to brand proliferation in various categories. In matured urban markets, consumer sales promotion to differentiate one's offer is a very common practice. In fact, consumers are lured by the ever-increasing budget allocated to these activities. In such a scenario, it is very essential to study how consumers make their choices in FMCG category where there are several brands in the consideration set of the consumer. Since the final risk being low, consumers do not mind switching from one brand to another due to sales promotion offers. Thus it becomes imperative to the marketer to learn about consumer preferences with respect to sales promotion offers, what schemes do the consumers prefer for what kinds of brands, which media they prefer to learn about the schemes, whether they prefer incentives immediately or at a later date.

**OBJECTIVES OF STUDY**

The research aimed at to understand the “influence of celebrity endorsement on consumer buying behavior”. Marketers pay millions of dollars to celebrity endorsee hoping that the stars will bring their magic to brand they endorse and making them more appealing and successful. However, not all the celebrity glitter is gold. Celebrity enhance attitude sources may change for a variety of reason. With this thought in mind, the following objectives were framed for the current research.

- To study consumers’ buying behavior in purchasing FMCG Products.
- To explore the impact of personality used in advertisements on consumer behavior.
- To find out the acceptance of advertisement due to appeal used in it.
- To determine the impact of keyword/caption/slogan of advertisement on purchasing behavior of consumers.

**NEED OF STUDY**

It is a matter of fact that all the companies spend a lot of money on advertisements to establish the product in market as well as brands. It is also important for the companies to know whether their advertisements are effective or not.

**RESEARCH METHODOLOGY**

**Research Design**

Research design is a detailed blueprint used to guide the research study towards its objectives. In this study, the researcher will use descriptive design. The main purpose of the present study is “To know the Impact of Advertisement of consumer buying behavior” on FMCG products among college students. A survey was conducted amongst the college students and a thorough analysis was made.

**Sample Size**

A sample of “100” students was taken for the purpose of study and analysis. The sample size consist age group of 18 to 26 years. They all were viewers of electronic advertising.
Sampling Unit

Sampling unit consists of all consumers having interest in FMCG goods in Chennai City, Tamil Nadu.

Sampling Technique

Convenience sampling technique (non-probability sampling) was used for the survey. Questionnaire filled by the selected customers.

Data Collection

Data was collected through primary and secondary sources.

- **Primary Data**: primary data was collected with the help of well-structured questionnaires and schedules administered among 100 respondents.
- **Secondary Data**: Secondary data will be obtained from various published reports, research studies, bulletin, Government’s publications etc.

Tools and Techniques

Present research is based on quantitative descriptive approach, so it requires statistical treatment of the data. Different tools and techniques will be used to analyze the data, collected through well-structured questionnaire and schedule. Weighted mean, Standard Deviation will be used.

DATA ANALYSIS

A. Factors Effecting Consumer's Buying Decision

<table>
<thead>
<tr>
<th>Factors</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement &amp; sales Promotion</td>
<td>4.18</td>
<td>0.95</td>
</tr>
<tr>
<td>Price &amp; Discount</td>
<td>3.89</td>
<td>1.12</td>
</tr>
<tr>
<td>Quality</td>
<td>3.77</td>
<td>1.17</td>
</tr>
<tr>
<td>Income</td>
<td>3.01</td>
<td>1.40</td>
</tr>
<tr>
<td>Word of Mouth</td>
<td>2.99</td>
<td>1.35</td>
</tr>
<tr>
<td>Emotional Attachment</td>
<td>2.91</td>
<td>1.12</td>
</tr>
<tr>
<td>Festival Season</td>
<td>2.88</td>
<td>1.41</td>
</tr>
<tr>
<td>Goodwill</td>
<td>2.72</td>
<td>1.41</td>
</tr>
<tr>
<td>Visual Merchandising</td>
<td>2.6</td>
<td>1.33</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-1 is showing the particular factors, which affect the consumers’ buying behavior, with reference to body and detergent soaps. These factors have been ranked in the table as per their weighted mean.

Frequency and Percentages of Factors Influencing Purchase of the Brand

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency &amp; Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>15</td>
</tr>
<tr>
<td>Doctors</td>
<td>12</td>
</tr>
<tr>
<td>Advertisements</td>
<td>35</td>
</tr>
<tr>
<td>Self</td>
<td>27</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-2 is exploring that the role, which advertisements play, cannot be neglected. According to study, it is found that advertisements influence the consumers a great deal in selecting soaps. Next, come self that is the consumer himself and then comes the role of family and doctor. At many times someone’s reference also helps in selecting a brand.
Frequency and Percentages of Persuasion Due to Advertisement

Table 3

<table>
<thead>
<tr>
<th>Response category</th>
<th>Frequency &amp; Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly Persuaded</td>
<td>42</td>
</tr>
<tr>
<td>Sometimes Persuaded</td>
<td>33</td>
</tr>
<tr>
<td>Never Persuaded</td>
<td>25</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The three basic things in advertisement that can influence the viewers were personality, caption, and appeal. Results in table 3 showed that almost 33-42% respondents were persuaded to purchase the product due to advertisement, whereas 25% respondents were never persuaded (see Table 3).

Frequency and Percentages of Impact of Appeal in Advertisement on Consumer Behavior

Table 4

<table>
<thead>
<tr>
<th>Response category</th>
<th>Frequency &amp; Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly Persuaded</td>
<td>39</td>
</tr>
<tr>
<td>Sometimes Persuaded</td>
<td>54</td>
</tr>
<tr>
<td>Never Persuaded</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table 4 showed that 39% of the respondents were mostly influenced by the appeal and 54% were sometime influenced by appeal in the advertisement whereas 07% of respondents were never influenced from the appeal used in advertisement, which means that advertisement did effect consumer behavior to a greater extent. However, to find out whether its effectiveness motivates them to purchase the product at once or not further analyses were done.

Frequency and Percentages of Impact of Personality on Consumers' Buying Behavior

Table 5

<table>
<thead>
<tr>
<th>Response category</th>
<th>Frequency &amp; Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly Persuaded</td>
<td>37</td>
</tr>
<tr>
<td>Sometimes Persuaded</td>
<td>34</td>
</tr>
<tr>
<td>Never Persuaded</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Another most persuasive component of advertisement was personality. Impact of personality used in commercial was also explored and results in the above table revealed that 37% of the consumers were mostly influenced by the personality used in advertisement of specific brand. However, 29% consumers were never influenced by personality used in commercials (see table 5).

Frequency and Percentage of Impact of Keywork / Caption or Slogan on Consumer's Buying Behavior

Table 6

<table>
<thead>
<tr>
<th>Response category</th>
<th>Frequency &amp; Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly Persuaded</td>
<td>36</td>
</tr>
<tr>
<td>Sometimes Persuaded</td>
<td>49</td>
</tr>
<tr>
<td>Never Persuaded</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The results also indicated that only 36% - 49% of consumers were influenced by keyword/caption/slogan used in advertisement of specific brand whereas 15% had no influence of keyword / caption (see Table 6).
Relationship between Effectiveness of Appeal and Purchasing Pattern

Table 7

<table>
<thead>
<tr>
<th>Appeal Immediate Purchase</th>
<th>Mostly</th>
<th>Some time</th>
<th>Never</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>10</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>35</td>
<td>10</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>45</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: AuthorsCompilation

Table 7 revealed that the effectiveness of appeal and the purchase of product had non-significant relationship.

Relationships between Persuasion and Keyword / Caption of Advertisement

Table 8

<table>
<thead>
<tr>
<th>Caption/word-persuasion</th>
<th>No. of person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mostly Persuaded</td>
<td>37</td>
</tr>
<tr>
<td>Sometimes Persuaded</td>
<td>34</td>
</tr>
<tr>
<td>Never Persuaded</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: AuthorsCompilation

Results in the table revealed that persuasion is highly positively associated with keyword / caption used in commercial (Table 8).

B. Brand Preference of Consumers

Consumer Brand Preference (body soaps)

Table 9

<table>
<thead>
<tr>
<th>Brand</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dove</td>
<td>4.36</td>
<td>0.88</td>
</tr>
<tr>
<td>Pears</td>
<td>4.16</td>
<td>0.92</td>
</tr>
<tr>
<td>Dettol</td>
<td>3.77</td>
<td>1.22</td>
</tr>
<tr>
<td>Lux</td>
<td>3.53</td>
<td>1.35</td>
</tr>
</tbody>
</table>

Sources: AuthorsCompilation

Table 9 shows Dove topped the preference of product in the category of body soap with 4.36 mean of the consumers expressing their preference. On the other hand, in the category of detergent soap (Table 10) RIN is preferable to Surf Excel due to price difference.

Consumer Brand Preference (Detergent Soaps)

Table 10

<table>
<thead>
<tr>
<th>Brand</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rin</td>
<td>4.50</td>
<td>0.74</td>
</tr>
<tr>
<td>Surf Excel</td>
<td>4.42</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Sources: AuthorsCompilation

Table 10 shows RIN is preferable to Surf Excel due to price difference.

FINDINGS

- The ads might be persuasive because firstly it had exposure to the audience; secondly, once the audience had been exposed to the message, they became attentive towards it.

- For the purpose making ads persuasive, advertisers designed intrusive ads, used loud and bold effects to attract viewer’s attention like “Good for health”.

• Results also revealed that there was non-significant relationship between effective appeal and purchasing pattern of consumers. Therefore, it can be concluded that after watching the advertisement it is not necessary that people will rush to buy the product due to impact of appeal used only, unless the product seems satisfactory to them.

• The second component of advertising is personality used in commercials. The results indicated that the personality used in commercials of particular brands of soap had the greater impact on consumers.

• In the category of body soaps, personality used plays a very important role in persuasion of buyers at least once to buy a product. Almost all body soaps commercial use personalities/ celebrities like Hema Malini and Madhuri Dixit endorsed Lux soap. Not only in India, but also in foreign countries film stars of that particular country endorsed for Lux. For this, Lux used Tagline “Beauty soap of film stars”.

• Detergent soaps got attention of buyers due to captions and keywords used whereas body soaps captured market by having celebrities in ads.

• Keyword / captions are used in commercials as an influential and attention gaining components. Captions like (the new); (the improved) and (better than ever) attract the attention of consumers for life long period.

• It was also clear from results that there was a significant relationship between persuasion and keyword / caption of commercial. Therefore, it means that in order to fulfill the needs of innovations of consumers, advertisers repeat the same brands with these effective captions.

• People prefer Dove and pears due to good quality first and then due to advertisement of them, then comes Dettol with its medicated characters Lux and Fiama D’ Wills comes after then.

• In the category of detergent soap, Surf Excel’s ad affects more consumers than RIN. However, consumers prefer RIN to Surf Excel due lower price of RIN.

• From these results, it can be argued that people also use active learning process in changing their attitudes towards particular brand. Advertisements come first in factors effecting consumers’ buying decision.

**SUGGESTIONS**

Based on the study following suggestions can be made:

• To make advertisement further effective the companies should start or engaged such personality who is matching or truly representing to the products because most of the time, it has been observed through the study that people recall the product by personality who is engaged in that advertisement.

• The companies should concentrate more on satellite channels for advertisement, as mostly people get attracted through television only at present.

• The companies should focus on its language, presentation and value of advertisement because most of the people remember the advertisement of companies only because of these factors.

• The companies should also use time to time some more and new attractive system of word of mouth advertisement to keep alive the general awareness in the whole market.

• The company should always be in a position to receive continuous feedback and suggestions from its customers.

• Companies should create those advertisements, which look real and can connect to consumers directly because people do not react in favor of things that seem fake in any commercial.

**CONCLUSION**

Although the environmental factors are important in decision-making and getting information but the most reliable and trustworthy source is the ad of particular brand. Opinion leaders (models) work as the informative agent, so advertisement becomes a reliable source. All these issues covering appeal phenomena including attractive personality, keyword / caption and source of information concluded that advertisement had a positive impact on consumers.
In order to be more effective and influential in a positive manner, the ad of particular brand must have all the qualities of a good ad. In a nutshell, it was concluded that advertisement appeal and its effectiveness was positively related. It was also found out that people form attitudes towards objects based on their beliefs, perception and knowledge about these objects.

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A STUDY ON IMPACT OF ADVERTISEMENTS ON
CONSUMPTION OF AERATED BEVERAGES

Dr. D. Prasanna Kumar17 K. Venkateswara Raju18

ABSTRACT

Advertisements serve the purpose of providing information to consumers about tasty new options as well as the pricing of products and the nutritional benefit accrued through its usage but they can also let the common people down, particularly when it is concerning the country’s bulging waists. Most of the people would agree that advertising would be helpful in providing information and promoting choice for consumers, not all are happy that advertisement would help food and drink choices.

Critics of advertisements on Junk foods are calling for strictly restricting or even banning advertisements on such products. They are citing their concerns on impact and effects of the ads on health of children. Some people reason that food and drink ads are not the reason behind increase in cases of obesity in childhood.

This study will help in gaining insights into the impact of advertisements on soft drinks consumption.

KEYWORDS
Flavor, Brand, Advertisement, Ambassador, Consumer Buying Behaviour etc.

REVIEW OF LITERATURE

Mexico is going further than any other country in restricting advertising. The UK, Norway and Quebec province in Canada, all have bans on advertising junk food in children's television. However, this has not stopped the adverts appearing in more popular "family" programming. Therefore, the fizzy drinks and greasy meals are still there in the programmes, which attract the biggest audiences.

Banning junk food at certain times of day means advertisers will not be able to work around the plans. With this policy and the soda tax, Mexico is becoming a frontline in the war against obesity. If Mexico can do what no other nation has done and reverse the obesity epidemic, then the rest of the world will be paying attention.

Eva-Lena (2006): International Advertising and International sponsorship respectively influence the local target group in different ways, but also affect International brand, they have an impact on brand image and brand equity. More over depending on a person’s age consumers view brands differently and thus have an effect on International brand alone, but also in combination with International Advertising and International sponsorship together these factors influence the way in which a brand is perceived and consequently influence consumer’s preferences.

Stout R (2008) in his case material “Pepsi and Madonna” examines the use of entertainment personalities in advertising commercial products through the example of Pepsi's use of Madonna. It illustrates how companies try to tie the success of the artist to their product. The paper demonstrates the need for clear evaluation of the celebrity endorser, their public image, and if the relationship between the artist and the product applies to the advertising rules. When Pepsi picked Madonna, the choice turned out to be too hot to handle. The $5 million campaign featuring the extravagant vocalist had to be scrapped because of its links to Madonna's highly controversial "Like a Prayer” music video."

New York City has launched an advertising campaign against soft drinks and sugar, which brings to mind a time when the Senate was considering a nationwide tax on all sugared drinks.

David H. Silvera, Austad B (2008) in their research topic have examined whether consumers infer that celebrity endorsers like the products they endorse, and presents a model using these inferences and other characteristics of the endorser to predict attitudes toward the endorsed product. Participants in two experiments examined written endorsement advertisements and were asked to infer the extent to which the endorser truly liked the advertised product and to rate the endorser's attractiveness, similarity to themselves, and knowledge of the product. Attitudes toward the advertisement, the endorser and the product were also measured. The resulting model indicated that product attitudes were predicted by inferences about the endorser's liking for the product and by attitudes toward the endorser.
Goddard L, Wilbur N (2009) in their study provides a starting-point for further research on negative information transference in the celebrity endorsement relationship. It is crucial that organizations be aware of the risks associated with using celebrities to endorse their stores and products. Given that these results provide tentative support for the commonly held belief that a decline in the celebrity's image can impact the image of the brand, it is important that retailers carefully choose an endorser who currently has a good image and will likely be able to uphold this image in the future.

**OBJECTIVES OF STUDY**

- To study the impact of Advertisement in branding decisions.
- To study different life styles of customers in the changing market scenario.
- To understand whether Anti Branding shows impact on mindsets of customer.
- To study various factors that includes Brand switching Decisions.

**SCOPE OF STUDY**

This study is intended to find out the interlinking between Brand switching and consumer preferences towards soft drinks; based on this problem the objectives have been crystallized.

The purpose of the present research is to have a relatively unexplored approach in order to understand the Switching in brand preferences. The Brands Coca Cola, Pepsi Co and Parle Agro have built strong retention and we want to know how they are successful in identifying the reason behind Brand switching.

**LIMITATIONS OF STUDY**

- This study is limited to the study the Brand switching towards soft drinks regards Coca cola, Pepsi co and Pale Agro.
- The brand switching measured is limited to the time period of the study.
- The brand switching behaviors is limited to the place of the study.
- As the sample size is limited to 110, we cannot generalize the study.
- The observations are limited to the area of Hyderabad and Vijayawada city and cannot be generalized.

**RESEARCH METHODOLOGY**

**Research Design**

The study is based on both primary data and secondary data. The primary data was collected through structured questionnaire for which samples of 110 respondents were selected for this study. The collected samples using convenient sampling method was validated and took it for further analysis.

Secondary data is also been collected from database sites and articles. The collected data were analyzed with the suitable tools like Chi-Square tools with the following assumptions were made on the onset of the project.

**Survey and Questionnaires Method**

Survey method is used for collecting data from Soft Drinks Consumers at various Locations. We requested all respondents to fill in the questionnaire, by self after explaining the various aspects mentioned in it. It contained both open and closed ended questions in a structured format very easy to understand on the first look.

**Data Usage**

For analysis and interpretation, only primary data is used. However for conclusion and recommendations both primary and the secondary data along with the verbal knowledge and information although obtained from respondents, though they are outside the parameters of questionnaire were also included.

The data collected from these sources were analyzed using various tools like percentage analysis, chi-square test, cross table analysis method.
ANALYSIS AND INTERPRETATION

General Profile of the Respondents

Table-1

<table>
<thead>
<tr>
<th>Source</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>52</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>&lt;24</td>
<td>25-50</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Education</td>
<td>Diploma</td>
<td>Graduation</td>
<td>PG</td>
</tr>
<tr>
<td>Profession</td>
<td>Student</td>
<td>Business</td>
<td>Employee</td>
</tr>
<tr>
<td>Income</td>
<td>&lt;20,000</td>
<td>20,000-40,000</td>
<td>&gt;40,000</td>
</tr>
<tr>
<td>Frequency</td>
<td>Daily</td>
<td>More than 4 Times</td>
<td>2-4 Times</td>
</tr>
<tr>
<td>In what occasions do you often consume the soft drinks?</td>
<td>Feeling thirsty</td>
<td>Without any reason</td>
<td>Parties &amp; celebrations</td>
</tr>
<tr>
<td>Which brand comes to mind when you think about aerated beverages?</td>
<td>Coca Cola</td>
<td>Pepsi Co</td>
<td>Parle Aro</td>
</tr>
<tr>
<td>Where have you seen advertisements for aerated beverages?</td>
<td>Billboards</td>
<td>PM Radio</td>
<td>Magazines</td>
</tr>
<tr>
<td>What will you do if the brand of drink you wish to purchase is out of stock?</td>
<td>Delay purchase till the same product arrives</td>
<td>Purchase other products from the same brand</td>
<td>Purchase a different brand</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Interpretation

From the above table, we infer that 53 of the total respondents are male and 57 are female. On further classification according to age group, of all the respondents 43 are less than 24 Years old, 39 are of the age group 25-50, 28 are of the age group with more than 50 years. From the responses collected for Education 39 is Diploma, 34 are Graduation and 37 are Post Graduation. On basis of income, 38 are earning less than 20000 Rs, 37 are earning 20000-40000, 35 are earning more than 40000.

Table-2: Respondents Views about Soft Drinks

<table>
<thead>
<tr>
<th>Source</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only taste matters while you consume soft drinks</td>
<td>19</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Are you health conscious and fruit based beverage is your choice</td>
<td>11</td>
<td>38</td>
<td>61</td>
</tr>
<tr>
<td>Do you choose soft drinks on the basis of its price</td>
<td>22</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>Do you agree with “I rely on my favourite soft drink brand”?</td>
<td>26</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Consuming soft drinks would upgrade your status and the lifestyle you live</td>
<td>50</td>
<td>37</td>
<td>23</td>
</tr>
<tr>
<td>You consume soft drink because you are cited with your reference group but not intentionally</td>
<td>33</td>
<td>24</td>
<td>32</td>
</tr>
<tr>
<td>Would you like to have/taste any soft drink which has recently released in the market</td>
<td>85</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Your frequently switch soft drink brands</td>
<td>49</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Your choice of soft drink depends on brand ambassador</td>
<td>28</td>
<td>23</td>
<td>95</td>
</tr>
<tr>
<td>Does this advertisement influences your shopping trend</td>
<td>36</td>
<td>37</td>
<td>10</td>
</tr>
<tr>
<td>The issue of pesticides added in soft drinks were some what true and no anti branding communities involved in it</td>
<td>6</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Bonding and being habituated towards brand making you to consume soft drinks</td>
<td>27</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Does your brand always show up in the beverage refrigerator</td>
<td>36</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
Graph-1

Sources: Authors Compilation

Chi-Square Test

1. Relation between Monthly Income of the Respondent and his Aerated Beverage Intake

H₀₁: There is a significant relation between the respondents’ monthly income and aerated beverage intake.

Table-3: Monthly Income and Aerated Beverage Intake

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th>Cases</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Valid</td>
<td>Missing</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>MONTHLY INCOME* FREQUENCY OF AERATED BEVERAGES DRINKS CONSUMPTION IN A WEEK</td>
<td>110</td>
<td>100.0%</td>
<td>0</td>
<td>.0%</td>
</tr>
</tbody>
</table>

MONTHLY INCOME* FREQUENCY OF AERATED BEVERAGES DRINKS CONSUMPTION IN A WEEK Crosstabulation

<table>
<thead>
<tr>
<th>MONTHLY INCOME</th>
<th>DAILY</th>
<th>MORE THAN 4 TIMES</th>
<th>2-4 TIMES</th>
<th>ONCE IN A WEEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20,000</td>
<td>6</td>
<td>12</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>21,000-40,000</td>
<td>11</td>
<td>6</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>&gt;40000</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>26</td>
<td>23</td>
<td>37</td>
</tr>
</tbody>
</table>
II. Relation between Gender of the Respondent and Advertisements Having an Effect in the Process of Choosing Soft Beverage

H₀: There is a significant relation between Gender of the Respondent and Advertisements Having an Effect In The Process Of Choosing Soft Beverage.

Table-4: Gender of Respondent and Advertisements Effect

<table>
<thead>
<tr>
<th>GENDER</th>
<th>ADVERTISING EFFECTS PROCESS OF CHOOSING SOFT BEVERAGE Crosstabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STRONGLY AGREE</td>
</tr>
<tr>
<td>MALE</td>
<td>21</td>
</tr>
<tr>
<td>FEMALE</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
</tr>
</tbody>
</table>

From the calculation, it is evident that there is a significant relation between the respondents’ monthly income and aerated beverage intake and thus the hypothesis H₀₁ is accepted.
From the calculation, it is evident that there is ‘NO’ significant relation between Gender of the Respondent and Advertisements Having an Effect in the Process of Choosing Soft Beverage and thus the hypothesis $H_0$ is rejected.

**III. Relation between Age of the Respondent and Occasion / Reason for them in having a Soft Drink**

$H_0$: There is a significant relation between Age of the Respondent and Occasion/Reason for Them in Having a Soft Drink.

**Table-5: Age and Occasion for Soft Drink**

<table>
<thead>
<tr>
<th>Count</th>
<th>OCCASION/REASON FOR HAVING SOFT DRINK Crosstabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FEELING THIRSTY</td>
</tr>
<tr>
<td>AGE</td>
<td></td>
</tr>
<tr>
<td>&lt;24</td>
<td>8</td>
</tr>
<tr>
<td>25-50</td>
<td>12</td>
</tr>
<tr>
<td>&gt;50</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
</tr>
</tbody>
</table>

From the calculation, it is evident that there is a significant relation between Age of the Respondent and Occasion/Reason for Them in Having a Soft Drink and thus the hypothesis $H_0$ is accepted.
IV. Relation between Profession of the Respondent' and his Idea that Consuming Soft Drinks Would Upgrade their Status and Life Style

H⁰₄: There is a significant relation between the respondents' profession and his idea that consuming soft drinks would upgrade their status and life style.

Table-6: Profession and Opinion on Status and Life Style

<table>
<thead>
<tr>
<th>PROFESSION</th>
<th>CONSUMING SOFT DRINKS WOULD UPGRADE YOUR STATUS AND THE LIFE STYLE YOU LIVE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STRONGLY AGREE</td>
<td>AGREE</td>
</tr>
<tr>
<td>STUDENT</td>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>BUSINESS</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>EMPLOYEE</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>37</td>
</tr>
</tbody>
</table>

From the calculation, it is evident that there is NO relation between the respondents' profession and the idea that consuming soft drinks would upgrade their status and life style and thus the hypothesis H⁰₄ is rejected.

V. Relation between Education of Respondent and his Health Consciousness and Preference to Fruit Based Drinks

H⁰₅: There is a significant relation between education of respondent and his health consciousness and preference to fruit based drinks.

Table-7: Education and Health Consciousness

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>HEALTH CONSCIOUS AND PREFER TO CHOOSE FRUIT BASED DRINKS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STRONGLY AGREE</td>
<td>AGREE</td>
</tr>
<tr>
<td>DIPLOMA</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>GRADUATION</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>PG</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>38</td>
</tr>
</tbody>
</table>

From the calculation, it is evident that there is NO relation between the respondents' profession and the idea that consuming soft drinks would upgrade their status and life style and thus the hypothesis H⁰₄ is rejected.
From the calculation, it is evident that there is a significant relation between education of respondent and his health consciousness and preference to fruit based drinks and thus the hypothesis $H_{01}$ is accepted.

VI. Relation between Respondents’ Frequent Switching Soft Drink Brands and his Dependency on Brand Ambassador in Choosing Soft Drink

$H_{06}$: There is a significant relation between the respondents’ frequent switching soft drink brands and his dependency on brand ambassador in choosing soft drink.

Table-8: Brand Switching and Brand Ambassador

<table>
<thead>
<tr>
<th>FREQUENTLY SWITCH SOFTDRINK BRANDS + CHOICE OF SOFT DRINK DEPENDS ON BRAND AMBASSADOR</th>
<th>CHOICE OF SOFT DRINK DEPENDS ON BRAND AMBASSADOR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>STRONGLY AGREE</td>
<td>AGREE</td>
</tr>
<tr>
<td>FREQUENTLY SWITCH SOFTDRINK BRANDS</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>STRONGLY AGREE</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>AGREE</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>NEUTRAL</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>

Chi-Square Test

<table>
<thead>
<tr>
<th>FREQUENTLY SWITCH SOFTDRINK BRANDS</th>
<th>CHOICE OF SOFT DRINK DEPENDS ON BRAND AMBASSADOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observed N</td>
<td>Expected N</td>
</tr>
<tr>
<td>STRONGLY AGREE</td>
<td>49</td>
</tr>
<tr>
<td>AGREE</td>
<td>36</td>
</tr>
<tr>
<td>NEUTRAL</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
</tr>
</tbody>
</table>

Test Statistics

<table>
<thead>
<tr>
<th>FREQUENTLY SWITCH SOFTDRINK BRANDS</th>
<th>CHOICE OF SOFT DRINK DEPENDS ON BRAND AMBASSADOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>7.873a</td>
</tr>
<tr>
<td>df</td>
<td>2</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
From the calculation, it is evident that there is a significant relation significant relation between the respondents’ frequent switching soft drink brands and his dependency on brand ambassador in choosing soft drink and thus the hypothesis $H_0$ is accepted.

**FINDINGS**

- It is found that most of the people consume soft drinks.
- Of the persons who are consuming soft drinks are 53 are male and 57 are Female.
- The findings of this study say that Advertisements play a major role in selecting a brand of the consumers, their purchasing behavior etc.
- It is found that of the respondents many do not consume soft drinks very regular.
- The findings say that many of the respondents agree that they look at the packaging and labeling of the soft drinks.
- In today’s rapid change in the technology E-advertising play a major role in choosing or consuming soft drinks.
- Some respondents replied that they are unlikely that they will recommend a soft drink brand to their friends /colleague only because it is endorsed by their favorite icon. Actually, a consumer recommends a brand only if he thinks that he is satisfied from the brand and that the brand is worth recommending.

**SUGGESTIONS**

- Respondents felt that TV commercials would influence the buying behavior of soft drinks.
- Some respondents felt that the price of Coca-Cola was reasonable when compared with the other brands.
- Most of the respondents felt that Advertisements make clear about the brand.
- The respondents felt that the celebrity endorsement has no effect on the perception of the respondents.
- As the technology is consistently changing E-Advertising plays a major role and I suggest that E-Advertising may also influence and attract many of the consumers towards soft drinks.
- Companies can no longer ignore the need to marketing in the soft drinks arena, however they must be aware of the various techniques and the attributes of the consumers and their choices must be given high preference when designing an advertisements.
- Companies should come up with new and affective advertisement companies.
- Companies should focus on creative advertisements, because people want something different, something new that will attract their attention.
- Companies should make use different mediums of Advertisements.
- Advertisements should be made according to the taste of people.
- Companies should go for Sponsorships of different events.
- Companies should select the celebrities that has greater credibility and fan following.
- Companies should promote their product of FM Radio stations in Jalandhar and almost everybody listen to FM radio Stations on their cell phones so there is a great scope of it.

**REFERENCES**


****
A STUDY ON CONSUMER BUYING BEHAVIOUR TOWARDS SELECTIVE ELECTRONIC HOME APPLIANCES IN NAGPUR CITY OF MAHARASHTRA

Dr. Ruhi Bakhare

ABSTRACT

In all the major cities of India, every company is trying to stay alive in the minds of their potential customers so that they could survive in this competitive world. The transformation in the world economy is unavoidable and liberalization plays a crucial role in our country. The top level Multinational Company has penetrated into the Indian market and plays a vital role with their extensive and better array of products. When assessed to the world level market, Indian market is emerging with better-quality product line in electronic home appliances so, it is very important to the product and we know that our “Customer is the King”. In order to attain the indispensable goal in buying the discriminating brand of the home appliances customers are very much alert and sound enough to take the most suitable decisions.

The modern home is incomplete without Home Appliances especially in the urban areas. The Electronic home appliances are considered as boon in the urban area and they reduce the workload and time of most of the domestic household tasks. Therefore, this study has been undertaken to find out the consumers buying behavior towards electronics home appliances in Nagpur city, of Maharashtra. Home appliances products like Microwave Oven, Television, Washing machine, Refrigerator and Mixer grinder are taken for this study.

KEYWORDS

Consumer Behaviour, Electronic Goods, Home Appliances etc.

INTRODUCTION

Consumer behavior is a complex, dynamic, multidimensional process, and all the marketing decisions are based on assumptions about consumer behavior.

Marketing strategy is the game plan, which the firms must adhere to, in order to outdo the competitor or the plans to achieve the desire objective. In the formulating the marketing strategy, to sell the product effectively, cost-benefit analysis must be undertaken.

There can be many benefits of a product, for example, for owning a motor bike one can be looking for ease of transportation, status, pleasure, comfort and feeling of ownership. The cost is the amount of money paid for the bike, the cost of maintenance, gasoline, parking, risk of injury in case of an accident, pollution and frustration such as traffic jams. The difference between this total benefit and total cost constitutes the customer value. The idea is to provide superior customer value and this requires the formulation of strategy by juggling the product, price, promotion and distribution, so that a total product (a set of entire characteristics) is offered. The product creates an image in the mind of the consumer, who undergoes a decision process, which leads to outcome in terms of satisfaction or dissatisfaction, which reflects on the sales and image of the product or brands.

CONSUMER BUYING BEHAVIOR

An understanding of customer buying behavior is critically important to the success of the marketing system in any organization - business or non-business. Most consumer purchases are likely to be influenced by psychological or sociological factors. That is demographic and economic factors do not satisfactorily explain some variations in the personal buying behavior.

It is difficult to know what goes on in a buyer's mind before/ during and after a purchase. Sometimes, the explanation for buyer's behavior is not even apparent to the buyers themselves. The buying motives can be grouped on three different levels depending upon the consumer's awareness of them and their willingness to reveal them. At one level, the buyers recognize, and are quite willing to talk about their motives for buying certain products. At a second level, they are aware of their reasons for buying but will not adjust or disclose them to other. The most difficult motives to uncover are those at the third level, where even the buyers themselves do not know the real factors motivating their buying actions. The task of understanding consumer behavior becomes all the more difficult owing to the countless variations occurring in the behavior because each consumer possesses a different personality, which is unique to them.

To understand why a person or a consumer behaves as he does, one needs to understand “motivation”.

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All behavior starts with motivation. A 'motive' is a stimulated need that an individual seeks to satisfy. One or more motives within a person/trigger behavior towards a goal that is expected to bring satisfaction. It is important to note that the need must be aroused or stimulated before it becomes a motive. People sometimes may have needs that is latent and therefore do not activate behavior because these needs are not sufficiently intense.

Psychologists generally agree that motives can be grouped into two broad categories i.e.:

- Aroused biogenic needs,
- Aroused psychogenic needs.

The former arising from the physiological states of tension and the latter arising from the psychological states of tension. Through the years/ marketers have used such dual classifications of motives as instructive vs. learned/ emotional vs. rational and primary vs. selective.

A.H. Maslow formulated the 'holistic - dynamic1 theory. This was so called because it fuses the points of view of different schools of psychological thoughts. It also confirms to know clinical observational and experimental facts. He identified five levels of needs and he saw them forming a hierarchy. According to him/ if once the lower level needs are satisfied then a consumer is motivated by the next higher level of need and so on.

The needs, which he identified, were physiological needs/ safety needs/ social needs, esteem needs and the need for self-actualization in that order. In addition to these, Maslow later identified two other needs i.e. the need for knowledge and the need for beauty. However, he understood and recognized that in real life, there is more flexibility then this model seems to imply. In his model, there is no consideration of multiple motives for the same behavior. Other problems not fitting his model are the phenomenon of identical behavior by several people resulting from quite different motives and quite different behavior resulting from identical motives.

The direction or the path, which the behavior takes, depends upon our perceptions. We can define perception as the meaning we attribute, based on past experiences, to stimuli as revived through our five senses. Our perception, in turn, is shaped by three sets of influences:

- Physical characteristics of the stimulation,
- Relation of the stimuli to the surroundings,
- Conditions within ourselves.

Our behavior is influenced by the physical perceptions and the marketers must recognize that people are exposed to a tremendously large number of stimuli. Thus, to gain consumer's attention, a marketer must provide something special as a stimulus. A product' exists in marketing only if the consumers perceive that it will satisfy their wants. In other words, motives activate people's behavior. There are several elements, which influence or shape the perceptions and they include cultural influences. Each individual perceives things within his or her frame of reference.

**Culture**

This is one of the many socio-cultural forces that influence consumer's buying behavior. It may be defined as the complex of symbols and artifacts created by a given society and handed down from generation to generation to us. Culture does not include instructive acts. Kluchohn observed, "Culture regulates our lives at every turn. From the moment we are born until we die, there is constant conscious and unconscious pressure upon us to follow certain types of behavior that other men have created for us".

**Subculture**

Any time there is a culture as heterogeneous as the one in India, there are bound to be significant subcultures based upon factors of race, nationality, religion, geographic location, urban-rural 1istribution and many others. All the segments formed on the above basis will have different sets of behavior and the marketing executives will have to keep all this in mind.

**Social Class**

The influence of the social class is another socio-cultural determinant of consumer's buying behavior. Often people's buying behavior is more strongly influenced by the class to which they belong, or to which they aspire rather than their income alone.

**Small Group Influence**

This influence on the buyer behavior introduces to marketing the sociological reference group theory. A reference group may be defined as a group of people who influence a person's attitudes, values and behavior. Consumer behavior is influenced by the
small groups to which the consumer belongs or aspires to belong. Each group develops its own sets of attitudes and beliefs that serve as norms for members' behavior. The type of social group with the most direct influence on a consumer's behavior is the small group in which the members normally can interact face-to-face. Studies have shown that a prospective buyer is more likely to be influenced by word of mouth advertising from satisfied consumers in his/her reference group rather than through other media. A marketing man is faced with two key problems i.e. identification of the relevant reference group likely to be used by consumers in a given buying situation, and measuring the extent of the group's influence on these consumers. Therefore, the marketing strategy should focus on identifying and communicating with two key people in the group the innovator and the influential person i.e. the opinion leader.

Family Buying Behavior

Of all the small groups, a person belongs to through the gears/ one group normally exerts the strongest and the most enduring influence on that person's perceptions and behavior. That group is his/her family. In the process of family buying, four different people may be involved i.e.:  
- One who influences the decision,  
- One who makes the decision,  
- One who makes the actual purchase,  
- One who uses the product?

Sometimes only one member may do all the four or there may be some other combination of influences. The marketing strategy has to be decided keeping in mind as to who is influencing the buying decision and so the strategy is adjusted accordingly.

Buying Habits

These also go a long way to influence the buying behaviour. The three basic aspects of buying habits are as under:

- When consumer's buy?  
- Where consumer's buy?  
- How consumers buy?

All these were the socio cultural influences on the consumer's buying behavior.

There is also the psychological part of the determinants of buyer behavior. Learning experiences, personality, attitudes and beliefs and self-concept, all have an effect on the perceptions. These psychological variables help to shape a person's life style and values.

Learning Experiences

“Learning” may be defined as changes in behavior because of previous experiences. The ability to interpret and predict the consumer's learning process is a real key to understanding buying behavior. The principal learning theories are:

a) Stimulus - response theories

These theories were first formulated by psychologists such as Pavlov, Skinner and Hull based on their data experiments with animals. They hold that learning occurs as a person responds to some stimulus and is re-infused with need satisfaction for a correct response or penalized for an incorrect one. When the same response is repeated in reaction to a given stimulus, behavioral patterns are established. If the response is gratifying, a connection between cue and response will be established and a behavioral pattern will be learned.

b) Cognitive theories

Cestatt psychologists maintain that learning and behavior should be viewed as a total process, in contrast to the individual element approach in the stimulus - response model. The field theory as formulated by Kent Lewin holds that the only determining force accounting for a person's behavior at any given time is that person's psychological field at mat time. A person's 'field' may be defined as the totality of existing facts pertaining to the individual and his/her environment at the time of the behavior.

c) Personality

Personality is defined as an individual's pattern of traits that are a determinant of behavioral responses. It is generally agreed that consumer's personally traits influence their perceptions and buying behavior. Unfortunately, there is no agreement as to the nature of this relationship. Two points of view prevail. One holds that personality traits are the dominant force whereas the view held by sociologists and social psychologists is that the situational environment is the key determining factor.
d) Psychoanalytic Theories of Personality

These were formulated by Sigmund Freud. He contended that there are three parts to the mind: the id, the ego and the superego. The 'id' houses the basic instinctive drives, many of which are anti-social. The 'superego' is the conscience, accepting moral standards and directing the instinctive drives into acceptable channels. The 'ego' is the conscious, rational control outer that maintains a balance between the uninhibited instincts of the id and the superego. This theory has caused the marketers to realize that they must provide buyers with socially acceptable rationalization purchasing. Yet, one can also appeal sub-consciously to buyer's dreams/hopes and fears.

e) Attitudes and Beliefs

An attitude may be defined as a person's enduring cognitive evaluation, emotional feeling, or action tendency towards some object or idea. Attitudes influence beliefs and beliefs influence attitudes. Various studies uniformly report a very close relationship between consumer's attitudes and their buying decisions in regard to both the type of product and the brand selected. Attitudes are formed by:

- Their past learning experience with the product,
- Their relations with these reference groups.

Marketers should face the fact that it is extremely difficult to change consumer's attitudes with a strong emotionally appealing and, the might change the buyers' emotional feeling.

f) Self-concept

Self-image is the way one sees oneself. At the same time, it is the picture one think others have. A person's self-image is influence by irrigate and learned physiological and psychological needs. It is conditioned also by economic factors, demographic factors and social group influences.

Studies of actual purchases show that people generally prefer brands and products that are compatible with their own self-concept. As marketing people, one should be able to identify consumer's goals because they influence buying behavior. The job of marketer is to determine what these self-images are and then the marketer can predict what the consumers' goals are and that their behavior is opt to be in the market place.

Decision Making Process

The decision making process is buying consists of the following five stages:

a) Recognition of an Unsatisfied Need

The process starts when an unsatisfied need creates inner tension. Once the need has been recognized, often consumers are aware of conflicting motives or competitive uses for their scarce resources of time or money. A person must resolve these before them buying process stops at this point.

b) Identification of Alternatives

Once the need has been recognized, both product and brand alternatives must be identified. Then the consumer should and must evaluate each one preparatory to making a purchasing decision.

c) Purchase Decisions

After evaluation, the consumer must at some point decide whether to buy or not to buy. If the decision is to buy, he must make a series of decisions regarding brand, price, color and so on. Anything which the marketers can do to simplify the decision making process will be very welcome to the buyers because most people find it very difficult to make a decision.

d) Post-Purchase Behavior

Typically, buyers experience some post purchase anxieties in routine purchases. Leon Testiner refers to this state of anxiety as 'cognitive dissonance' the theories that people strive for internal harmony, consistency, or congruity among their 'cognitions'. Any inconsistency in these congruities is called 'dissonance'. According to Festinger dissonance increases as the rupee value of the purchase increase, the relative attractiveness of unselected alternatives increases and the relative importance of the decision increases.
HOME APPLIANCES

Home appliances are electrical/mechanical machines, which accomplish some household functions, such as cooking or cleaning. Home appliances can be classified into:

- Major appliances, or White goods,
- Small appliances, or Brown goods,
- Consumer electronics or Shiny goods.

This division is also noticeable in the maintenance and repair of these kinds of products. Brown goods usually require high technical knowledge and skills (which get more complex with time, such as going from a soldering iron to a hot-air soldering station), while white goods may need more practical skills and "brute force" to manipulate the devices and heavy tools required to repair them. (Sources: http://en.wikipedia.org/wiki/Home_appliance).

Major home appliances are distinguished from small appliances because they are large, difficult to move, and generally fixed in place to some extent. They are often considered fixtures and part of real estate and as such, they are often supplied to tenants as part of otherwise unfurnished rental properties.

Another frequent characteristic of major appliances is that they may have considerable electricity requirements that need special electrical wiring to supply higher current and/or voltage than standard electrical outlets can deliver. This limits where they can be placed in a home. Major Appliance brands include such companies as Whirlpool, Samsung, Godrej & LG. A smaller number of distributors control groups of these brands.

OBJECTIVES OF STUDY

- To find the characteristics of in buying home appliances.
- To find out the basis of information used by customers before making decision of particular brand of home appliance.
- To classify the features for which the prospective customers looks for when they buy any branded home appliance.
- To understand the buying decision by individual in the groups (age between 25 to 50).

SCOPE OF STUDY

- The Study facilitated to explain about the customer’s outlook and opinion.
- This Study assisted to know the divergent services offered by home appliance companies.

HYPOTHESES OF STUDY

- There is no significant relationship between demographics and consumer behaviour.
- There is relationship between consumer behaviour and selection of selective brand of Home Appliances.

RESEARCH METHODOLOGY

The study was conducted in Nagpur City of Maharashtra state in India taking one shop in each zone viz., Central, East, West and South Zone. The researcher has adopted group-sampling procedure for the data collection. The entire population was divided into Central, East, South and West Nagpur based on geographical location, using customer directory as the source (Table 1). From each part of the selected store of Nagpur city, all possible areas were identified. Among them, few areas were selected using Systematic Sampling method covering 50 per cent areas from each cluster (Table 2). From each selected area, the required number of customer was selected based on Judgment Sampling or Purposive Sampling by using some common criteria like reference groups, subject knowledge, occupational status and their attitude to cooperate for this study. The prepared questionnaires were distributed among the customers visiting the shops for the survey purpose.

The respondents were chosen through friends, relatives and using customer database including telephone numbers as a source for identification. Of the 300 respondents contacted because of incompleteness and other survey difficulties, only 253 usable questionnaires were collected. Out of 253 usable questionnaires, the consumer buying behaviour in selective electronic home appliances were analyzed.

A study can be initiated with a proper design and methodology to bring out the suitable findings which are reliable and applicable to solve the problems and useful to carry out further research of interest. It needs a careful analysis of the consumer through which the results for the present study can be crystallized for framing suitable solutions.
Table-1: Next Stores Zone wise Division of Nagpur City

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Zone</th>
<th>Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Central</td>
<td>Civil lines</td>
</tr>
<tr>
<td>2</td>
<td>South</td>
<td>Ramdaspeth</td>
</tr>
<tr>
<td>3</td>
<td>West</td>
<td>Ramnagar</td>
</tr>
<tr>
<td>4</td>
<td>East</td>
<td>Itwari</td>
</tr>
<tr>
<td>5</td>
<td>North</td>
<td>Anant nagar</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Sample Size

The sample size was 253 respondents (115 men and 138 women) in Nagpur. The sampling unit of the study was all users of home Appliances in the age group of 25-50 yrs. of standard income group.

Type of Data Collected

The type of data is Primary data, which is collected through the questionnaire.

Analytical Tool

Frequency analysis and ranking method was used to analyze the information given by respondents.

Method of Data Collection

Well-structured questionnaire was framed and used for collection of data. The consumers were contacted in person. They were given a brief introduction about the purpose and importance of the study. Enough time was given to them to think over the answers for the questions to have reliability of response. Details regarding demographic and buying behavior for buying selective electronic goods were taken as part of the survey.

Table-2: Frequency Analysis

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Age of the Respondents</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25-35</td>
<td>94</td>
<td>37.15</td>
</tr>
<tr>
<td>2</td>
<td>35-45</td>
<td>83</td>
<td>32.81</td>
</tr>
<tr>
<td>3</td>
<td>45-50</td>
<td>76</td>
<td>30.04</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>253</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender of Respondents</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Male</td>
<td>115</td>
<td>45.45</td>
</tr>
<tr>
<td>2 Female</td>
<td>138</td>
<td>54.55</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unmarried</td>
<td>47</td>
<td>18.58</td>
</tr>
<tr>
<td>2 Married</td>
<td>206</td>
<td>81.42</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 SSC</td>
<td>24</td>
<td>9.49</td>
</tr>
<tr>
<td>2 HSSC</td>
<td>38</td>
<td>15.02</td>
</tr>
<tr>
<td>3 Graduate</td>
<td>112</td>
<td>44.27</td>
</tr>
<tr>
<td>4 Post Graduate</td>
<td>79</td>
<td>31.22</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Government / Private</td>
<td>143</td>
<td>56.52</td>
</tr>
<tr>
<td>2 Business</td>
<td>57</td>
<td>22.53</td>
</tr>
<tr>
<td>3 House wife</td>
<td>53</td>
<td>20.95</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 10000-15000</td>
<td>83</td>
<td>32.81</td>
</tr>
<tr>
<td>2 15000-25000</td>
<td>116</td>
<td>45.85</td>
</tr>
<tr>
<td>3 25000-35000</td>
<td>32</td>
<td>12.65</td>
</tr>
<tr>
<td>4 Above 40000</td>
<td>22</td>
<td>08.69</td>
</tr>
</tbody>
</table>
The above table clearly indicates that, age group of the respondents are classified in to 3 groups like 25-35(37.15%), 35-45(32.81%), and 45-50(30.04%). Gender of the respondents is classified in to male (45.45%) and female (54.55%). Based on the table, 81.42% of the respondents are married and others are unmarried. In case of educational qualification, 9.49% are SSC, 15.02% are HSSC, 44.27% are graduated and remaining 31.22% are post graduated. In case of occupation, 56.52% are working in Government and Private Sector, 22.53% are business people, 20.95% and are Housewives. In case of income, 32.89% are between 10000 -15000, 45.85% are between 15000-25000, 12.65% are between 25000-35000, and 08.69% are above 40000. In case of family type, 45.06% are nuclear family and others are in joint family. In case of source of information, 62.06% are TV ads, 4.74%are hoardings, 14.23% are newspapers and magazines, 18.97% are exhibitions. In case of brands awareness level, 46.64% are below 3, and 53.36% are above 2. In case of Power Ads, 38.74% are persuaded, 3.02% are fairly induced, 18.18% are strongly induced and remaining 11.06% are not induced or motivated for the purchase of selective brands.

Table-3: Present Usage of Home Appliances Companies

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Home Appliances</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Microwave Owen</td>
<td>127</td>
<td>53</td>
<td>0</td>
<td>61</td>
<td>12</td>
<td>253</td>
</tr>
<tr>
<td>2</td>
<td>Television</td>
<td>0</td>
<td>106</td>
<td>21</td>
<td>87</td>
<td>39</td>
<td>253</td>
</tr>
<tr>
<td>3</td>
<td>Washing machine</td>
<td>89</td>
<td>41</td>
<td>24</td>
<td>61</td>
<td>38</td>
<td>253</td>
</tr>
<tr>
<td>4</td>
<td>Refrigerator</td>
<td>57</td>
<td>65</td>
<td>28</td>
<td>67</td>
<td>36</td>
<td>253</td>
</tr>
<tr>
<td>5</td>
<td>Air cooler</td>
<td>68</td>
<td>71</td>
<td>12</td>
<td>48</td>
<td>54</td>
<td>253</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

In case of television, Whirlpool is dominating more when compare to other companies, for refrigerator Godrej is a leading player, in washing machine Samsung and Godrej are leading the market, in case of air cooler Whirlpool and Samsung are the leading player, and for microwave Samsung is the leading player in the market.

Table-4: Features Discriminating the Purchase of Branded TV Set

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Weight</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Picture Quality</td>
<td>5</td>
<td>106</td>
<td>35</td>
<td>94</td>
<td>18</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Sound Quality</td>
<td>4</td>
<td>79</td>
<td>22</td>
<td>66</td>
<td>86</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Screen Quality</td>
<td>3</td>
<td>56</td>
<td>45</td>
<td>77</td>
<td>75</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Size</td>
<td>4</td>
<td>24</td>
<td>36</td>
<td>49</td>
<td>144</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Color</td>
<td>5</td>
<td>64</td>
<td>69</td>
<td>61</td>
<td>59</td>
<td>253</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
From the above table it can be inferred that the preponderance of the respondents are influenced by picture quality first, then sound, then screen quality, then size and color.

Table 5: Features Discriminating the Purchase of Branded Refrigerator

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Weight</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capacity</td>
<td>4</td>
<td>63</td>
<td>58</td>
<td>55</td>
<td>54</td>
<td>23</td>
<td>253</td>
</tr>
<tr>
<td>2</td>
<td>Efficiency</td>
<td>5</td>
<td>60</td>
<td>53</td>
<td>58</td>
<td>51</td>
<td>31</td>
<td>253</td>
</tr>
<tr>
<td>3</td>
<td>Storage</td>
<td>3</td>
<td>53</td>
<td>50</td>
<td>53</td>
<td>49</td>
<td>48</td>
<td>253</td>
</tr>
<tr>
<td>4</td>
<td>Aesthetic</td>
<td>2</td>
<td>57</td>
<td>51</td>
<td>54</td>
<td>58</td>
<td>33</td>
<td>253</td>
</tr>
<tr>
<td>5</td>
<td>Sturdy</td>
<td>5</td>
<td>49</td>
<td>42</td>
<td>60</td>
<td>64</td>
<td>38</td>
<td>253</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it can be inferred that, a large amount of the respondents are influenced by efficiency first, then capacity, then sturdy, then storage space, and then aesthetic of the refrigerator.

Table 6: Features Discriminating for Purchase of any Branded Washing Machine

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Weight</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capacity</td>
<td>4</td>
<td>60</td>
<td>42</td>
<td>51</td>
<td>29</td>
<td>71</td>
<td>253</td>
</tr>
<tr>
<td>2</td>
<td>Efficiency</td>
<td>5</td>
<td>56</td>
<td>39</td>
<td>48</td>
<td>35</td>
<td>75</td>
<td>253</td>
</tr>
<tr>
<td>3</td>
<td>Storage</td>
<td>3</td>
<td>63</td>
<td>58</td>
<td>47</td>
<td>43</td>
<td>42</td>
<td>253</td>
</tr>
<tr>
<td>4</td>
<td>Aesthetic</td>
<td>2</td>
<td>47</td>
<td>56</td>
<td>49</td>
<td>55</td>
<td>46</td>
<td>253</td>
</tr>
<tr>
<td>5</td>
<td>Sturdy</td>
<td>5</td>
<td>49</td>
<td>45</td>
<td>54</td>
<td>51</td>
<td>54</td>
<td>253</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it can be inferred that, a large amount of the respondents are influenced by efficiency first, then capacity, then sturdy, then storage space, and then aesthetic of the Washing Machine.

Table 7: Features Discriminating the Purchase of Branded Air Cooler

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Weight</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cooling Capacity</td>
<td>5</td>
<td>25</td>
<td>31</td>
<td>27</td>
<td>29</td>
<td>141</td>
<td>253</td>
</tr>
<tr>
<td>2</td>
<td>Efficiency</td>
<td>4</td>
<td>31</td>
<td>37</td>
<td>29</td>
<td>31</td>
<td>125</td>
<td>253</td>
</tr>
<tr>
<td>3</td>
<td>Space</td>
<td>2</td>
<td>37</td>
<td>34</td>
<td>31</td>
<td>36</td>
<td>115</td>
<td>253</td>
</tr>
<tr>
<td>4</td>
<td>Aesthetic</td>
<td>3</td>
<td>32</td>
<td>35</td>
<td>34</td>
<td>31</td>
<td>121</td>
<td>253</td>
</tr>
<tr>
<td>5</td>
<td>Sturdy</td>
<td>2</td>
<td>34</td>
<td>30</td>
<td>38</td>
<td>32</td>
<td>119</td>
<td>253</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it can be inferred that, a large amount of the respondents are influenced by cooling capacity first, then efficiency, then aesthetic, then sturdy, and space.

Table 8: Features Discriminating the Purchase of Branded Microwave Oven

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Weight</th>
<th>Samsung</th>
<th>Whirlpool</th>
<th>LG</th>
<th>Godrej</th>
<th>Others</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Heating Capacity</td>
<td>5</td>
<td>41</td>
<td>46</td>
<td>59</td>
<td>48</td>
<td>59</td>
<td>253</td>
</tr>
<tr>
<td>2</td>
<td>Grill Fry</td>
<td>4</td>
<td>55</td>
<td>51</td>
<td>54</td>
<td>49</td>
<td>44</td>
<td>253</td>
</tr>
<tr>
<td>3</td>
<td>Defrost</td>
<td>3</td>
<td>62</td>
<td>51</td>
<td>60</td>
<td>57</td>
<td>23</td>
<td>253</td>
</tr>
<tr>
<td>4</td>
<td>Storage</td>
<td>4</td>
<td>59</td>
<td>57</td>
<td>51</td>
<td>60</td>
<td>26</td>
<td>253</td>
</tr>
<tr>
<td>5</td>
<td>Aesthetic</td>
<td>1</td>
<td>65</td>
<td>61</td>
<td>63</td>
<td>59</td>
<td>05</td>
<td>253</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

From the above table it can be inferred that, majority of the respondents are influenced by heating capacity first, then grill fry and storage, then defrost, and then aesthetic of the microwave oven.

CONCLUSIONS

The growing economy has made Indian consumers more prosperous. An sign of this is clearly given by the study on consumer behaviour of Indian consumers at Nagpur in the age group of 25-50. This study has focused on how the buying behavior on the examinations the following conclusions can be drawn on the consumer behaviour for this particular group.
Based on this study, the researchers concluded that, people in Nagpur city has relevant knowledge about varied brands of the Electronic Home Appliances. Knowledge about Electronic Home appliances differ based on the age level. The demographic factors like age, gender, marital status, qualification, occupation, income and family type discerning the buying behavior of home appliances is based on this study the awareness level of home Electronic Home appliances are reasonable in Nagpur City. Most of the respondents have the relevant knowledge on the renowned brands like Godrej, Whirlpool, LG, Samsung and other company brands. Based on grades and rankings given by respondents, the main factors involved in selecting home appliances are price then brand name, then quality, then service and the last are the other offers given by the retailer. Respondents are not much biased by retailer’s information.

The media and advertising furnishes more necessary information when compare to other medium of dissemination of information to the public. In the case of TV, respondents are influenced by picture quality first, then sound, then screen quality, then size and color. In the case of refrigerator, respondents are influenced by efficiency first, then capacity, then sturdy, then storage space, and then aesthetic of the refrigerator. In the case of washing machine, respondents are influenced by efficiency first, then capacity, then sturdy, then storage space, and then aesthetic of the Washing Machine.

In the case of air cooler respondents are influenced by cooling capacity first, then efficiency, then aesthetic, then sturdy, and space. In the case of Microwave oven the respondents are influenced by heating capacity first, then grill fry and storage, then defrost, and then aesthetic of the microwave oven. The surveyed age group of 25-50 is very particular about the brands and they judge brands based on perceived quality, value for money and availability of range of Electronic Home Appliances.

The study also shows that in the age group of 25-50, there is a huge buying seen and more amounts is spent on buying Electronic Home Appliances based on the selective brands. This can be because of unintentional purchases and aimless purchases. Original technologies should be developed to ensure sustainability. In depth analysis and introspection is necessary for Electronic Home Appliances manufacturers in India to develop sustainable products as that will be the main factor to drive the consumer in buying Home Appliances in the future especially of the age group of 25-50.

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IMPACT OF DIWALI ON CAPITAL MARKET: A STUDY W.R.T. BSE LISTED COMPANIES

Dr. Balaji Bhovi\textsuperscript{20} Dr. Kushalappas S.\textsuperscript{21}

\textbf{ABSTRACT}

In India, Diwali is one of the most important festivals, which are celebrated all over the country. In the present study, a modest attempt has been made to analyses the impact of Diwali festivals on the Indian stock market. Period of study is last 5 years from 1/4/2008 to 31/3/2013.

\textbf{KEYWORDS}

Diwali, Efficient Market, Stock Market, BSE Listed Companies etc.

\textbf{INTRODUCTION}

Festivals in India plays a predominate role in the life of every citizen of India and forms a large amount of religious diversity. A festival is a part of Indian Citizens life style, which affects performance of all the sectors of the economy. India is often described as a land of many religions and languages, but it might as well be described as a land of festivals. Some festivals are observed throughout the country; others have specific regional associations. India celebrates holidays and festivals of almost all the faiths in the world. In one region or the other, festivals happen almost every day, each with a specialty of its own. Each festival in each region has its own particular foods and sweets appropriate to the season and crops, and days are spent in their careful preparation. Deepawali literally means an array of lamps is the Festival of Lights.

Deepawali is the occasion of joy and jubilation for one and all in the entire Hindu world. All the illumination and fireworks, joy and festivity, signifies the victory of divine forces over those of wickedness. Deepawali symbolizes the victory of righteousness and the lifting of spiritual darkness. Seasonality effect, which exists on stock market, goes against Efficient Market Hypothesis proposed by Fama (1970). One of the reasons for presence of calendar effect is festivals celebrated by the people of a nation, which can have their impact of economic conditions of the country. In India, Diwali is one of the most important festivals, which are celebrated all over the country. In the present study, a modest attempt has been made to analyses the impact of Diwali festivals on the Indian stock market.

\textbf{OBJECTIVES OF STUDY}

The main objective of the study is to identify the impact of Diwali on stock return. To fulfill this objective, the researcher has framed the following specific objectives.

- To test the stock market reaction before and after Diwali.
- Compare the impact of Diwali on stock return over the period of five years

\textbf{SCOPE OF STUDY}

The current study is an attempt to identify the impact of stock Diwali on their return. In the study 15 days before and 15 after the Diwali are taken and accordingly a comparison is made between the average return before the Diwali and after the Diwali. The study covers a period of five years and BSE listed Companies has been taken for the study.

\textbf{RESEARCH METHODOLOGY}

The entire study is based on secondary data extracted from various sources like BSE website and other e-sources, books and journals etc. The sample size is 200 companies selected from different industries.

\textbf{TECHNIQUES OF ANALYSIS}

Daily returns for each sample company have been computed for the estimation period and for the event period as:

\[ R_t = \frac{P_{t+1}-P_{t}}{P_{t}} \]

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Where, MP<sub>i</sub> = closing price of security ‘i’ on day t and MP<sub>i(1-t)</sub> = closing price of security on day (t-1). Comparatively, the actual returns for the market are also computed as:

\[ R_{out} = \frac{I_t - I_{t(1-t)}}{I_{t(1-t)}} \]

Where I<sub>t</sub> and I<sub>t(1-t)</sub> are daily BSE index values at time t and t-1 respectively:

In the next step, the market model has been utilized to calculate the expected returns on the stock.

**Daily Expected Return**

\[ E(R_{it}) = \alpha + \beta \times R_{m} + \varepsilon_t \]

In the Equation E(R) is the expected return of a particular company on day t, \(\alpha\) and \(\beta\) are calculated as follows:

\[
\beta = \frac{n \sum xy - \sum x \sum y}{n \sum x^2 - (\sum x)^2}
\]

\[
\alpha = \bar{y} - \beta \bar{x}
\]

R (m) = Return on the market.

**Abnormal Returns**

Daily abnormal return on a particular day \(t\) is the excess of the actual return on the day \(t\) over the expected return on that day.

\[ AR = R_{it} - E(R_{it}) \]

Where, \(R_{it}\) is the actual daily return for the share of a company \(i\) at time \(t\), & \(E(R_{it})\) is the expected return on the same day in the absence of an acquisition.

The study period used in this analysis is a 31 working days. In this, the day on which a Diwali appears in the press is designated as 0. Trading days prior to the Diwali are numbered event days -1, -2 and so on. The event days following the splits are numbered +1, +2 and so on. The maximum time involved in this study is -15 days to +15 days. Daily average cumulative abnormal returns (CAAR) are the sum of the average excess returns over event time. In other words, CAAR is defined as the sum of previous daily average residuals for each trading day.

**Average abnormal return (AAR’s)** for each relative day is calculated by:

\[ AAR_t = \frac{\sum_{i=1}^{n} AR_{it}}{N} \]

Where, \(i\) = the number of securities in the study.
\(N\) = Total number of securities
\(t\) = the days surrounding the event study.

**Cumulative Average Abnormal Returns (CAARs)** are derived by summing the AARs over various time intervals. For Example, CAARs for a time interval \(t_0\) to \(t_t\), are derived as follows:

\[ CAARs = \sum_{t=1}^{n} AAR_t \]

Where \(t = +15, \ldots, 0, \ldots, -15\)

The data, which is collected after the calculations, which are explained above, is a representation of the period 1/04/2008 to 1/04/2012.

**LIMITATIONS OF STUDY**

Every research has its own limitations. The following are the limitations of this study:
It is assumed that all other factors remains constant
- The study covers only 200 companies of different industries, which are taken for studying the impact of Diwali.
- The study limited only to five years.

**ANALYSIS AND INTERPRETATION**

This part of the study deals with the analysis of the study. For the purpose of analysis, five-year stock return has been taken. The returns of each company under each sector are shown in the annexure. Year wise analysis is being made and Average Abnormal Return (AAR), is calculated for each company. BSE listed 200 companies are taken for the study irrespective of industry, which it belongs. For the above purpose, statistical tools, like, mean, and Beta has been used.

**Table-1: Average returns, Average Abnormal Return and Cumulative Average returns,**

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<tr>
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</tbody>
</table>

**Average** | **-0.18** | **1.56** | **-1.93** | **-0.11**

**Sources:** Authors Compilation

It is clear from the Table 1 that the average actual return is higher after the Diwali and average abnormal return higher after the Diwali for the year 2008.

**Table-2: Average returns, Average Abnormal Return and Cumulative Average returns,**

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</table>

**Average** | **-0.13** | **-0.07** | **0.23** | **0.27**

**Sources:** Authors Compilation
It is clear from the Table 2 that the average actual returns are higher before the Diwali festival and average abnormal returns higher before the Diwali in the year 2009.

Table-3: Average returns, Average Abnormal Return and Cumulative Average returns, Average Abnormal Return BSE listed companies for the year 2010

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<th>CAAR</th>
<th>Days</th>
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Average -0.65 -0.35 0.31 -2.93

Sources: Authors Compilation

It is clear from the above Table 3 that the average abnormal returns are higher after the Diwali and average actual return are higher before the Diwali in the year 2010.

Table-4: Average returns, Average Abnormal Return and Cumulative Average returns, Average Abnormal Return BSE listed companies for the year 2011

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<th>Days</th>
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Average -0.60 -0.54 0.12 -1.425

Sources: Authors Compilation

It is clear from the Table 4 that the average actual returns are higher before the Diwali and average abnormal return are higher after the Diwali in 2011.
Table-5: Average returns, Average Abnormal Return and Cumulative Average returns, Average Abnormal Return BSE listed companies for the year 2012

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</table>

Sources: Authors Compilation

It is clear from the Table 5 that the average actual return are higher after the Diwali and average abnormal returns are higher after the Diwali in 2012.

Table-6: Average returns, Average Abnormal Return of BSE listed Companies

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Sources: Authors Compilation

It is understood from the above Tables 6 that the actual return are higher before the Diwali, and the abnormal return is higher after the Diwali. It has been proved by the study that AR is higher before the Diwali and ARR is higher after the Diwali. Investors expect high return before the Diwali.

FINDINGS AND CONCLUSION

In the year 2008, it is found that the actual return (AR) is higher after Diwali when compare to before Diwali. Average abnormal return (AAR) also higher after Diwali. In 2009, AR is higher before the Diwali and ARR is high before Diwali. In 2010, AR is higher after the Diwali and AAR is high before the Diwali. In 2011, AR is higher after Diwali and AAR is higher after Diwali. In 2012, AR is high after Diwali and AAR higher after Diwali.
Finally, it is concluded that the actual return is higher before Diwali and abnormal return id higher after Diwali. It is understood in the study that stocks are more profitable in the market before Diwali and less attractive after Diwali. The reason is that most of the investors dispose their holdings before Diwali to realize money to celebrate Diwali. It can also be concluded that the investors expectation is quite higher after Diwali than before Diwali and that is the reason that the study shows lower abnormal return after Diwali than before Diwali.

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IMPACT OF E-CRM ON COMMERCIAL BANKING: AN EMPIRICAL INVESTIGATION
WITH REFERENCE TO PRIVATE SECTOR BANKS IN KERALA

Dr. Manoj P. K.22 Jacob Joju23 Dr. Vasantha24

ABSTRACT

Competitiveness in commercial banking is growingly depending on the extent of their adoption of Information and Communication Technology (ICT) and aligning various functions like CRM with ICT-based applications. As banks use CRM for acquiring and retaining customers, greater ICT-adoption makes CRM more meaningful and powerful, and the traditional concept of CRM is fast giving way to E-CRM. As one of the latest tools that are largely recognized an imperative for ensuring the competitive edge in the today banking industry, E-CRM has the great potential for managing customers in the online mode. The paper gives some insights into the E-CRM initiatives of private sector banks in Kerala and suggests strategies for effective use of E-CRM.

KEYWORDS

ICT, Competitiveness, Customer Service, CRM etc.

INTRODUCTION

In the present era when the concept of “Customer is the King” is fast picking up momentum, commercial banks are reorienting their product-centric philosophy to customer orientation. Unlike in the past, customers have found it possible to compare different products and choose the ones most attractive to them. In addition, they have received the right of demanding the right kind of service, product they need and the delivery model to be tailor made or highly customized to customer perspective. Besides, higher their expectations have gone up and have created new needs as an organization. As such, as elsewhere in India, banks in Kerala are forced to quickly adapt to these demands to remain competitive have increased and to understanding customer needs, thus changing the earlier traditional concept of CRM to E-CRM.

Fundamentally, E-CRM is CRM with the use of technology but with a greater emphasis on personalization, technology, direct marketing and sales services for distinct market segments Banks encounter difficulties implementing effective E-CRM because they tend to overlook customer perspectives on E-CRM issues. Major Banking problems such as acquiring, retaining, maintaining and growing customers and attention to customers and retaining them and attracting New customers and increase their loyalty and satisfaction became prime concern. The transition from traditional paper-based mode to online mode in the modern days has replaced the conventional CRM with E-CRM systems that address the concerns of customers and banks, both.

LITERATURE REVIEW

Codatte (1987) argues that customers develop norms for product performance based on general product experience and these, rather than expectation from a brand’s performance, determine the confirmation/ disconfirmation process. Westbrook (1991) argues that in addition to the cognitive components satisfaction judgments are also dependent upon effective components as both coexist and make independent contribution to the satisfactory judgments. Levesque (1996) conducted a study to confirm and reinforced the idea that unsatisfactory customer service leads to a drop in customer’s satisfaction and willingness to recommend the service to a friend. This would, in turn, lead to an increase in the rate of switching by customers. East (1997) suggested that customer’s satisfaction is a major outcome of marketing activities whereby it serves as a link between the various stages of customer’s buying behaviour, if customers are satisfied with a particular service offering after its use, then they are likely to engage in repeat purchase and try time extensions. CRM is a management approach that enables organizations to identify, attract, and increase retention of profitable customers through improved relationship management (Hobby, 1999). CRM is the utilization of customer related information or knowledge to deliver relevant products or services to customers (Levine, 2000). The customer is at the heart as the approach aims at putting customer first by shifting the role of marketing from manipulating the customer to genuine customer involvement communicating and sharing the knowledge (Parvatiyar and Jagdish, 2001).

William George & Manoj P K (2013) [7] in their recent study have observed that private sector banks are more sincere in CRM initiatives than their public sector peers. Another very recent study by Jacob Joju and Manoj P K (2014) [6] have noted that new generation private sector banks are way ahead of old private sector banks in their CRM initiatives. However, studies that focus on E-CRM and that too in the Kerala context are very scarce and hence this study focuses on E-CRM initiatives by private sector banks in Kerala.

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24Professor, VELS University, Tamil Nadu, India, vasantha@velsuniv.org
PROCESS OF E-CRM AND ITS BASIC FUNCTIONS

Electronic Customer Relationship Management (or, E-CRM in short) use of various data like Demography, Personal information, CIBIL (Credit Information Bureau India Limited), Product Owner Ship, Consistency, Purchase Pattern, Consumption Pattern, Time of Purchase, Communication Pattern, Usage of Product, Risk and Profitability data from Data Warehouse for analysis and is updated for strategic decision making. Result obtained from E-CRM Process designs action plan for group/individual Plans, Campaigns marketing initiatives etc. and is used several channels to reach its customers. Figure (I) shows the CRM process in a typical bank.

The major goals of E-CRM include (i) reducing the cost of marketing, (ii) to improve the accuracy and relevancy of recommendations as well as customer satisfaction, (iii) to increase the conversion rate (e.g. browsers into buyers), customer retention and frequency, competitiveness through differentiation, and profitability. The basic objectives of E-CRM include, (i) providing good customer service, (ii) to discover new customers, (iii) to enhance the customer loyalty / retention, (iv) to help marketing staff to close the deals faster, (v) to simplify the marketing process, (vi) to reduce the operating costs and (vii) to increase profitability and goodwill.

Figure-1: Typical E-CRM Process in a Service Organization like a Bank

E-CRM can be looked into from the perspectives of both customers and banks. As shown in Figure (II), from the banks’ perspective E-CRM is manifested in customer data and its use with due care on maintaining its privacy and security, ensuring adequate ICT and other infrastructure and adherence to RBI policies. From the customers’ perspective E-CRM encompasses awareness on various banking services and benefits accrued from these, awareness regarding the use of such services, ensuring online security in using such services etc. (Figure II).

Figure-2: Attributes of E-CRM from the Perspectives of Banks and Customers

Sources: Authors Compilation
E-CRM is a well-defined series of functions, skills, processes and technologies which together allow banks to more profitably manage retain and customers as tangible assets. It values on defining the customer as valuable in the long-term and on viewing customer relationships and so attracting new customers. Implementation process of E-CRM typically includes the following steps: (i) Developing E-CRM vision, (ii) Defining E-CRM strategy plan, (iii) Develop E-CRM operational plan, (iv) Market assessment / Competition mapping, (v) Training the customer, (vi) Implement E-CRM programme, and (vii) Analysis of E-CRM performance.

The value added to Customers on implementation of E-CRM include such facilities and services as ATMs, E-Banking, Mobile banking, Utility Bill Payments, Service request over e-mail / Mobile phone etc., SMS Update on Accounts etc. E-CRM enables value-added products and creates better relationship with its customers. It facilitates Communication Customization through Customer data, Service and Product Customization and better Transaction Monitoring and Security, and after all increases the speed of service delivery because of the use of ICT.

**OBJECTIVE OF PAPER**

- To understand the process of E-CRM, its basic functions and role in banking operations;
- To make an empirical study of the responses of customers and bank officials on ICT-based services with a focus on E-CRM, with reference to private sector banks in Kerala;
- To suggest suitable strategies for effective implementation of E-CRM in private sector banks in functioning in Kerala, based on the findings of the study.

**METHODOLOGY OF STUDY**

The nature of the study is primarily descriptive-analytical in nature, as it seeks to assess the effectiveness of E-CRM based on feedback from both customers and bank officials. For this study, data from 80 bank-customers and 20 bank-officials are collected.

The banks chosen include the four Kerala-based Old Private Sector Banks viz. (i) Federal Bank Ltd. (ii) South Indian Bank Ltd. (iii) Dhanalakshmi Bank Ltd. (iv) Catholic Syrian Bank Ltd. Five officials each of these four banks were selected at random, that is totally 20 officials, out of their branches in Ernakulam city. Accordingly, 20 such officials were contacted and data collected using an Interview Schedule. Similarly, out of these 20 branches so selected at random from Ernakulam city, 4 customers each having diverse socio-economic and occupational status, educational profile, under different age groups are selected. From these 80 respondents data are collected using a carefully drafted Questionnaire. Popular statistical tools are used for data analysis.

**DATA ANALYSIS AND DISCUSSION**

The adoption of ICT (Information and Communication Technology) made CRM to E-CRM the importance of analyzing the E-CRM service awareness among the Customers of Private Sector Banks will have a Clear understanding on the success of E-CRM implementation. Customer Opinion on Awareness of E-CRM service offering and Products as on Table-I clearly says ATM services and SMS update on customer accounts have greater acceptance and awareness among its customers. Utility bill, Mobile Banking, E-Banking and service request lack in the awareness. In interview with bank staff it’s clearly defined that coming to online/E-banking customers express a lack of confidence in online security and is having lesser confidence when compared to traditional banking mode.

The major reason observed on interview method is lack of knowledge in cyber Security and IT infrastructure among customers. While SMS update and ATM services contributed a lot on retaining the customers and increasing the satisfaction, the non-awareness and lack of confidence in e-banking etc., is increasing process complex and inconvenience among staff and customers of private banks.

<table>
<thead>
<tr>
<th>Services Offered</th>
<th>Yes, I Use</th>
<th>Yes, I don’t Use</th>
<th>Am Not Aware</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATMs</td>
<td>62</td>
<td>10</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>E-Banking</td>
<td>9</td>
<td>27</td>
<td>44</td>
<td>80</td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>7</td>
<td>24</td>
<td>49</td>
<td>80</td>
</tr>
<tr>
<td>Utility Bill Pay</td>
<td>14</td>
<td>29</td>
<td>37</td>
<td>80</td>
</tr>
<tr>
<td>Service Request</td>
<td>7</td>
<td>23</td>
<td>50</td>
<td>80</td>
</tr>
<tr>
<td>SMS Update</td>
<td>57</td>
<td>11</td>
<td>12</td>
<td>80</td>
</tr>
</tbody>
</table>

**Table-1: Opinion of Private Bank Customers**

**Sources:** Field Survey
Table 2: Opinion of the Bank Staff & Customers

<table>
<thead>
<tr>
<th>Opinions</th>
<th>Staff</th>
<th></th>
<th></th>
<th>Customers</th>
<th></th>
<th></th>
<th>Total</th>
<th></th>
<th></th>
<th>No.</th>
<th>Percent</th>
<th></th>
<th>No.</th>
<th>Percent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggressive marketing alone</td>
<td>1</td>
<td>05</td>
<td>2</td>
<td>2.50</td>
<td>03</td>
<td>03</td>
<td>03</td>
<td>03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need more E-CRM Services alone</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>3.75</td>
<td>05</td>
<td>05</td>
<td>05</td>
<td>05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and E-CRM Services together</td>
<td>4</td>
<td>20</td>
<td>7</td>
<td>8.75</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-CRM Services &amp; Personalized Services</td>
<td>4</td>
<td>20</td>
<td>16</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing, ICT-based &amp; Personalized services</td>
<td>9</td>
<td>45</td>
<td>52</td>
<td>65</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
<td>80</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Survey Data

On the part of retaining and attracting new customers. The personalized service or human factor in services is the best available option towards customer-centricity. From table-2, it says what customer needs is not just E-CRM or ICT based services but a perfect blend of marketing mix and E-CRM customized for Individual customers i.e. rather than aggressive marketing efforts alone or high tech E-CRM based customer Services, along with customized tailor made services for the customer is required or a human factor in service delivery. E-CRM to be effective from the banking prospective and Customer Prospective awareness of the service offering should be implemented to customer end.

Table 3: Computer Literacy among Bank Customers

<table>
<thead>
<tr>
<th>Options</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I am Well Versed on Computers</td>
<td>15</td>
</tr>
<tr>
<td>I Use Computers Rarely</td>
<td>22</td>
</tr>
<tr>
<td>I Don’t Know to Use Computers at all</td>
<td>33</td>
</tr>
<tr>
<td>I Use Computers with the Help of Others</td>
<td>20</td>
</tr>
<tr>
<td>None of the Above</td>
<td>10</td>
</tr>
</tbody>
</table>

Sources: Survey Data

The E-CRM enabled banking though ATM and SMS update from the offering is common, to the core the other major offerings like E-Banking, Mobile Banking and Utility Payment are at the phase of capturing market in the curve of learning by customers. The customer is looking for quality services. The analysis of data brings out the following findings.

MAJOR FINDINGS OF STUDY

Adaptability of E-CRM

In view of the above discussions, it is noted that even though the ICT-based banking has developed greatly in Kerala, for better growth prospects of banks the state, the ICT-based CRM initiatives should also pick up fast. This is essential for retaining the customers. The adaptability E-CRM at present era cannot avoid human factor in CRM initiatives. As the Table II shows, still the need of manual (human) personalized service is of demand. At the same time, it is noted that readiness of technology is important for the retention of majority of the bank customers.

Systematic Customer Segmentation

Special need for the Heterogeneous society E-CRM initiatives are considered as technology readiness of the bank to capture future customers, from the Table-3 its understood that a particular segment of customer can understand and use E-CRM facilities at ease but still Majority of the existing Customers’ needs traditional methods of banking methods due to the computer literacy parts, but the scenario requires E-CRM and other technology ready banks for customers to attract new customers and need to segment its customers to give services to ease their banking either in traditional or technology based E-CRM Activities.

Product Development and Process Innovation

Rather than a common marketing strategy to attract customers, the process innovation should be the main part and its extension to existing customers will increase value addition and loyalty. Table-2 shows the popularity of ATM Services and SMS Update, these innovations help customers ease of process and increase loyalty and confidence among customers. The above-mentioned process gained popularity since the computer literacy requirement to operate the same is not required. It clearly mentions the requirement of blend of human factor and E-CRM for process innovation.

SUGGESTIONS

- Provide training and Support E-Literacy Mission in state as banks CSR (Corporate Social Responsibility) initiative.
• Create campaigns on E-CRM initiatives for better awareness regarding such services.
• Organize Customer Induction camps to create confidence in the customers on the safe use of E-Banking services.
• Provide extra benefits for the use of E-CRM based services to the customers to prompt them to switch over to online platforms from the traditional modes.
• Segment customers and focus on such customers who can be brought under the E-CRM umbrella and adopt E-CRM process in a phased manner.

CONCLUDING REMARKS

In view of the foregoing discussions, it may be stated that though the technology readiness and its implementation is done in private sector banks in Kerala, the customers of these banks are still in the learning curve of E-CRM and its applications. So banks have to consciously adapt their E-CRM strategies with a “human touch” to retain existing customers, attract new customers and to convince the existing customers as to technology-readiness of the banks they are dealing with. Process innovation should be brought about to the extent possible through research to simplify for the E-CRM initiatives that fit into customers of all segments. Technology adoption coupled with the human factor, and marketing strategies with segmentation might work better in the emerging scenario, than a full-fledged and high-tech E-CRM without a “human touch”.

REFERENCES

7. http://www.researchgate.net/publication/256306239_Customer_Relationship_Management_in_Banks_A_Compar...
9. http://www.e-space.mmu.ac.uk/e-space/bitstream/2173/23552/1/BPMJ%202003%20Strategic%20Issues%20in%20...

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FOR ANY CLARIFICATION OR SUGGESTION, WRITE US:

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A comprehensive analysis of milk chocolates as a category has been included and the various attributes which influence consumer buying behaviour have been studied. Chocolate confectionery has witnessed strong growth in recent years, particularly among India’s urban population. With significant increase in consumer disposable income, more consumers are buying chocolate as snacks or treats. Additionally, extensive marketing and promotions by brands has further increased the demand. Another trend driving the growth of chocolate is that consumers who used to traditionally exchange sweets during festivals are now choosing chocolates as gifting options as consumers.

With the help of quantitative techniques such as factor analysis and regression analysis, researcher has found that attributes like Brand Awareness, Softness, Texture and Taste have emerged as being the most important influencing consumer buying behaviour (in the order of priority) among the youth of Ahmadabad city while buying a milk chocolates. The important suggestions for marketers and scope for future studies along with the limitations are discussed at the end of the paper.

**KEYWORDS**

Consumer Behaviour, Attribute Preferences, Milk Chocolates, Youth etc.

**INTRODUCTION**

Chocolate confectionery has witnessed strong growth in recent years, particularly among India’s urban population. With significant increase in consumer disposable income, more consumers are buying chocolate as snacks or treats. Additionally, extensive marketing and promotions by brands has further increased the demand. Another trend driving the growth of chocolate is that consumers who used to traditionally exchange sweets during festivals are now choosing chocolates as gifting options as consumers.

Chocolate confectionery market grew by 33% in current value terms in 2011. Average unit prices was expected to increase by as much as 9% in 2012, as input costs of sugar, cocoa, fuel and packaging were on the rise. Manufacturers were under pressure to factor in higher costs in the pricing, which resulted in higher prices or smaller pack sizes.

Plain milk chocolates remained the leading type, and were expected to account for 66% of value sales in 2011. This is because almost all the major players offer milk chocolate brands, such as Dairy Milk by Cadbury and Milky bar by Nestlé. Its relative affordability is another reason for the popularity. However, the value share of plain milk is expected to show a slow decline over next quarters and a rise in the value share of dark chocolate and filled chocolates. The growing awareness about the health benefits of dark chocolate in recent years has raised consumer interest levels and led to a slowly increasing preference for dark chocolates. Some chocolate products, such as wafer bars (KitKat) and cereal bars compete effectively with biscuits and snack bars, as they can be consumed as snacks.

Cadbury remained the leader in chocolate confectionery in 2011 with 59% of value sales. It was followed by Nestlé with 28%. The commanding position of Cadbury was due to its strong presence in India and active advertising and promotional efforts. Chocolate confectionery continued to be dominated by international brands, because Cadbury and Nestlé have established a strong presence in India.

The high level of awareness of international brands due to aggressive advertising and the launch of promotional activities is a major contributing factor to their success. International brands also enjoyed a better perception among consumers in terms of quality and presentations. The closest domestic company was Gujarat Co-operative Milk Marketing Federation with its Amul brand, although the company’s value share declined steadily over the last few quarters due to their shifting focus and relatively weaker advertising efforts.

Chocolate confectionery is projected to post a 16% constant value CAGR over 2012-13. Chocolate is also expected to continue to remain popular in both urban and rural areas. The affordable pricing of common brands and small packs sold at low unit prices of Rs. 2 or Rs. 5 can boost growth in rural areas.
Secondary data available in published sources was analyzed across years and useful inferences were derived:

a) Chocolate Tablets by Type: % Value Breakdown 2006-2011

<table>
<thead>
<tr>
<th>Type</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plain Dark</td>
<td>2</td>
<td>1.5</td>
<td>1.5</td>
<td>2</td>
<td>2.5</td>
<td>3</td>
</tr>
<tr>
<td>Plain Milk</td>
<td>72</td>
<td>71.5</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>66</td>
</tr>
<tr>
<td>Plain White</td>
<td>7</td>
<td>7</td>
<td>6.5</td>
<td>5</td>
<td>4.5</td>
<td>4</td>
</tr>
<tr>
<td>Filled</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>23</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

b) Chocolate Confectionery Company Shares 2006-2010

<table>
<thead>
<tr>
<th>Company</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadbury</td>
<td>58.5</td>
<td>58.3</td>
<td>57.9</td>
<td>58.5</td>
<td>58.8</td>
</tr>
<tr>
<td>Nestle</td>
<td>32.2</td>
<td>32.9</td>
<td>32.6</td>
<td>30.4</td>
<td>28.3</td>
</tr>
<tr>
<td>Ferro</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>2.8</td>
<td>5.8</td>
</tr>
<tr>
<td>Amul</td>
<td>4.2</td>
<td>3.8</td>
<td>3.6</td>
<td>3.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Others</td>
<td>4.8</td>
<td>4.6</td>
<td>5.5</td>
<td>5</td>
<td>4.7</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

c) Chocolate Confectionery Brand Shares 2007-2010

<table>
<thead>
<tr>
<th>Brand</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadbury Dairy Milk</td>
<td>29.5</td>
<td>29.4</td>
<td>29.9</td>
<td>30.8</td>
</tr>
<tr>
<td>Nestle Munch</td>
<td>14.5</td>
<td>14.7</td>
<td>13.5</td>
<td>12.3</td>
</tr>
<tr>
<td>Cadbury 5 star</td>
<td>9.2</td>
<td>9.2</td>
<td>9.9</td>
<td>9</td>
</tr>
<tr>
<td>Nestle KitKat</td>
<td>9.2</td>
<td>9</td>
<td>8.9</td>
<td>8.6</td>
</tr>
<tr>
<td>Cadbury Gems</td>
<td>6</td>
<td>5.7</td>
<td>5.5</td>
<td>6.7</td>
</tr>
<tr>
<td>Ferro Kinder Joy</td>
<td>0</td>
<td>0</td>
<td>2.4</td>
<td>5.3</td>
</tr>
<tr>
<td>Cadbury Perk</td>
<td>5.1</td>
<td>5.1</td>
<td>5.4</td>
<td>5.3</td>
</tr>
<tr>
<td>Nestle Milk Chocolate</td>
<td>5.3</td>
<td>5.3</td>
<td>4.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Cadbury Celebration</td>
<td>4.4</td>
<td>4.6</td>
<td>4.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Amul</td>
<td>3.6</td>
<td>3.4</td>
<td>3.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Nestle Milkybar</td>
<td>2.6</td>
<td>2.6</td>
<td>2.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Others</td>
<td>10.6</td>
<td>11</td>
<td>10</td>
<td>9.2</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

---

d) Chocolate Sales in India ($ million) for 2009-2011

Graph 1: Per Capita Chocolate Consumption (in kgs)

Sources: Authors Compilation

LITERATURE REVIEW

Lia and Harri (2011) have identified seven main contextual chocolate consumption categories namely physiological need, sensorial gratification, memories and nostalgia, escapism, materialism, Choco-holism, and interpersonal and self-gifts. Chocolate generates rich and complex consumption experiences as a function of various contextual forces. Seven main contextual chocolate consumption categories are identified: context of physiological need, context of sensorial gratification, context of memories and nostalgia, context of escapism, context of materialism, context of chocoholism, and context of interpersonal and self-gifts. Based on these chocolate consumption categories and ideas from past consumer behaviour research, four more general contextualized chocolate consumption experience types are extracted: chocolate consumption experience as medicine, as mind manoeuvring, as regression and as ritual enhancement.

Manoj, Preeti and Amit (2010) observed that customers are very particular about ingredients of the chocolate, such as, dry fruits, crackers etc. Consumer behaviour analysis is based on consumer’s buying behaviour. It aims at improving business performance through an understanding of customer’s preferences and desires. In today’s world of growing competition where there are numerous brands selling the same products, consumers have an abundant number of choices and many diverse factors influence their buying behaviour. In such a scenario, this analysis can help in structuring and formulating different strategies for maximizing profit. This study made an attempt to find the factors affecting consumer’s buying behaviour, with the focus on two commonly used products (soaps and chocolates). These factors are based on certain variables used in the survey. These variables were aimed at identifying the secondary factors that influenced the choice of soaps/chocolates at the point of purchase or due to other contextual reasons. The variables include packaging, cost, availability, ingredients, product popularity, etc., that influence the choice of a brand from among those in the consideration list, but may not be the most important and primary determinants for short-listing brands. The study is useful to the marketers as they can create various marketing programs that they believe will be of interest to the consumers. It can also boost their marketing strategy.
Vrontis and Vignali (2001) established that ‘chocolate ingredients’ and ‘chocolate cost’ as the major consideration factor for consumers. Retail distribution of chocolate bars and chocolate confectionery is dominated by large grocery outlets, hypermarkets and supermarkets in particular, although these products are also sold in wide variety of other outlets. The importance of different types of retailers varies somewhat according to product. According to a retail panel, 87 per cent of the value of sales of chocolate bars of all types went through large grocery outlets in 1995 while the market share of small grocers’ shops was 13 per cent. Sinclair (2007) stated that chocolates were mainly purchased for self-consumption and gifts for certain holidays and special occasions.

Impulse purchasing is not confined to any type of marketing institution, but probably most frequently refers to food purchasing decision. Many studies have used impulse behaviour to view segments of consumer behaviour (Kollat and Willet, 1984). The term “impulse buying” is generally considered to be synonymous with unplanned buying, that is, it describes any purchase the shopper makes but has not planned in advance (Stemp, 1962). 75% of the chocolate bought in India is an impulse purchase. Retailer’s try to keep chocolates in an area easily visible to the shopper, near the payment counter (Disha Kanwar, 2011). Naveen, Vijay and Kirti (2011) had the following findings with respect or Nestle products in India: Quality / flavour / taste factors of Nestle products meet the expectation of the customers, The packing of Nestle products does not meet the consumers’ expectations, Factors like price and marketing strategy have failed to satisfy customer expectations.

**HYPOTHESES UNDER CURRENT RESEARCH**

Based on the exploratory research, researcher has devised certain hypotheses. These will be tested during conclusive research using extensive descriptive research techniques:

- Ho_1: Consumers prefer milk chocolates when compared to dark chocolates.
- Ho_2: Ingredients / product composition is not a determining factor for customers while buying a chocolate.
- Ho_3: Health Benefit / Nutrition value are not deterring factors for customers while buying a chocolate.
- Ho_4: Ease of availability of chocolate influences consumers while buying a chocolate.
- Ho_5: Ad campaign significantly influences consumer buying behaviour.
- Ho_6: Chocolate buying is an impulse process.
- Ho_7: Consumers are ready to try new flavours, which they have not consumed before.
- Ho_8: Consumers are ready to pay premium for their current preferred chocolate.

**Sampling Plan**

Youth in the age of 16-28 who form the major consumers for the milk chocolate category. Students at local management colleges in and around Ahmadabad city were selected as a sampling frame. Convenient Random Sampling Technique (Final no. of responses used for conclusive research =48) was employed to collect the samples from the target population.

**RELIABILITY CHECKING**

**Method-1: Using Correlation Factor**

To further determine the consistency of consumer responses analytically and eliminate any unwanted responses, the questionnaire was built in such a way that few questions were repeated in variable forms to provide scope for consistency checking. The question pairs and associated question pairs are given below:

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Correlation Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you consider health benefits provided by a chocolate when buying a chocolate?</td>
<td>Chocolates provide health / nutritional benefits.</td>
<td>0.81976476</td>
</tr>
<tr>
<td>I often buy chocolates spontaneously</td>
<td>I see it, I buy it describes how I buy chocolates.</td>
<td>0.77382521</td>
</tr>
</tbody>
</table>

**Method-2: Internal Consistency using Cronbach’s Alpha**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you consider health benefits provided by a chocolate when buying a chocolate?</td>
<td>Chocolates provide health / nutritional benefits.</td>
<td>0.89976134</td>
</tr>
<tr>
<td>I often buy chocolates spontaneously</td>
<td>I see it, I buy it describes how I buy chocolates.</td>
<td>0.85540627</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
A Cronbach’s Alpha value of >=0.7 is permissible and illustrates good internal consistency. Hence looking at above table author can say that reduced data set has good consistency to be used for conclusive research.

**Hypothesis Testing**

1. **Preference between Milk Chocolates and Dark Chocolates**

Hypothesis Test:

Let \( p \) = Proportion of students in the population who favour Milk chocolates when compared to Dark Chocolates.

Assumption: If researcher wishes to prove that milk chocolates are most preferred then at least 50% of the respondents must like milk chocolates.

Hence, the hypothesis is stated as follows:

\[ H_0: p \leq 50\% \]
\[ H_A: p > 50\% \]

Hence an Upper Tail Test.

Sample size, \( n = 62 \)

Since Target Population is very large, no correction factor is required.

Number of students who prefer dark chocolates = 16

Number of students who prefer milk chocolates = 46

Sample proportion = \( \frac{46}{62} = 74.19\% \)

Standard Error = \( \sqrt{\frac{p(1-p)}{n}} \)

= 0.05557

Let the level of significance be 1%

\( \Rightarrow \alpha = 99\% \)
\( \Rightarrow t_{0.025} = 2.626 \)

Now \( t_{obs} = \frac{0.7419 - 0.5}{0.05557} \)

\( \Rightarrow t_{obs} = 4.35 \)

\( \Rightarrow \) Since \( t_{obs} > t_{0.025} \), the Null Hypothesis \( H_0 \) may be rejected.

**Conclusion:** Researcher can say with 99% probability that the proportion of consumers who say they prefer milk chocolates when compared to dark chocolates is more than 50%

2. **To Determine the Influence of Ingredients / Product Composition of Chocolate on Customers**

Hypothesis Test:

Let \( p \) = proportion of customers in the population who do not look at the ingredients/product composition while buying a chocolate.

Assumption: If researcher whishes to prove that ingredients/product composition is not an important parameter, then at least 50% of the consumers should have answered ‘No’

Hence, the hypothesis is stated as follows:

\[ H_0: p >= 50\% \]
\[ H_A: p < 50\% \]

Hence an Upper-Tail Test.

Sample size, \( n = 47 \)

Since Target Population is very large, no correction factor is required.
Number of customers who considered ingredient/product composition as not important = 34

Sample proportion = 34 / 47 = 72.34%

Standard Error = √[p(1 − p)/n] = 0.065

Let the level of significance be 1%

⇒ α = 99%
⇒ t_{a/2} = 2.626
Now \( t_{obs} = \frac{0.7234−0.5}{0.065} \)
⇒ \( t_{obs} = 3.437 \)
⇒ Since \( t_{obs} > t_{a/2} \), the Null Hypothesis \( H_0 \) can be rejected

Conclusion: Researcher can say with 99% probability that the ingredients/product composition is not a determining factor for customers while buying a chocolate.

3. To Determine the Influence of Health Benefits Provided by Chocolate on Customer Buying Behaviour

Hypothesis Test:

Let \( p \) = proportion of customers in the population who do not consider health benefits while buying a chocolate.

Assumption: If researcher wishes to prove that health benefit is not an important parameter, then at least 50% of the customer should have answered ‘No’

Hence, the hypothesis is stated as follows:

\( H_0: p >= 50\% \)
\( H_A: p < 50\% \)

Hence an Upper-Tail Test.
Sample size, \( n = 47 \)

Since Target Population is very large, no correction factor is required.

Number of customers who do not considered ingredient/product composition important while buying a chocolate = 36

Sample proportion = 36 / 47 = 76.596%

Standard Error = √[p(1 − p)/n] = 0.0617

Let the level of significance be 1%

⇒ α = 99%
⇒ t_{a/2} = 2.626
Now \( t_{obs} = \frac{0.76596−0.5}{0.0617} \)
⇒ \( t_{obs} = 4.31 \)
⇒ Since \( t_{obs} > t_{a/2} \), the Null Hypothesis \( H_0 \) can be rejected

Conclusion: Researcher can say with 99% probability that the health benefits are not a determining factor for customers while buying a chocolate.

4. To Determine the Influence of Ease of Availability of Chocolate on Customers While Buying A Chocolate

Hypothesis Test:

Let \( p \) = Weighted mean of the customers who consider that ease of availability influences the chocolate buying behaviour.
Assumption: If researcher wishes to prove that ease of availability is one of the most important parameter, then at least 50% of the customer should be considering it while buying the chocolate i.e. the mean should be greater than 3.

Hence, the hypothesis is stated as follows:

\[ H_0: p \leq 3 \]
\[ H_A: p > 3 \]

Hence an Upper-Tail Test.

Sample size, \( n = 46 \)

Since Target Population is very large, no correction factor is required.

Mean of customers who considered ease of availability important while buying a chocolate = \( \frac{6 \times 5 + 26 \times 4 + 10 \times 3 + 1 \times 4 + 3 \times 1}{46} = 3.72 \)

Sample Standard Deviation, \( s = 0.967341094 \)

\( s / (n^{0.5}) = 0.1426 \)

Let the level of significance be 1%

\[ \alpha = 99\% \]
\[ t_{a/2} = 2.626 \]

Now \( t_{obs} = \frac{(3.72-3)}{0.1426} = 5.049 \)

Since \( t_{obs} > t_{a/2} \), the Null Hypothesis \( H_0 \) may be rejected.

Conclusion: Researcher can say with 99% probability that availability influences consumer buying behaviour

5. To Determine the Influence of Ad Campaign of Chocolate on Customers While Buying a Chocolate

Hypothesis Test:

Let \( p = \) Weighted mean of the customers whose buying behaviour is influenced by the recent ad campaign.

Assumption: If researcher wishes to prove that recent ad campaign is one of the most important parameter, then at least 50% of the customer should be considering it while buying the chocolate i.e. the mean should be greater than 3

Hence, the hypothesis is stated as follows:

\[ H_0: p = 3 \]
\[ H_A: p > 3 \]

Hence an Upper-Tail Test.

Sample size, \( n = 46 \)

Since Target Population is very large, no correction factor is required.

Mean of customers who considered recent ad campaign influential while buying a chocolate = \( \frac{1 \times 5 + 11 \times 4 + 19 \times 3 + 12 \times 4 + 3 \times 1}{46} = 157/46 = 3.41 \)

Sample Standard Deviation, \( s = 0.924440032 \)

\( s / (n^{0.5}) = 0.1363 \)

Let the level of significance be 1%

\[ \alpha = 99\% \]
\[ t_{a/2} = 2.626 \]

Now \( t_{obs} = \frac{(3.41-3)}{0.1363} = 3.008 \)

Since \( t_{obs} > t_{a/2} \), the Null Hypothesis \( H_0 \) may be rejected.
Conclusion: Researcher can say with 99% probability that ad campaign influences consumer buying behaviour

6. To Determine Whether Chocolate Buying is an Impulse Process or Not

Hypothesis Test:

Let \( p \) = Weighted mean of the customers who consider that chocolate buying is an impulse process.

Assumption: If researcher wishes to prove that chocolate buying is an impulse process, then at least 50% of the customer should be considering it while buying the chocolate i.e. the mean should be greater than 3.

Hence, the hypothesis is stated as follows:

\[
H_0: p = 3 \\
H_A: p > 3
\]

Hence an Upper-Tail Test.

Sample size, \( n = 46 \)

Since Target Population is very large, no correction factor is required.

Mean of customers who considered recent ad campaign influential while buying a chocolate = \( \frac{10*5 + 28*4 + 5*3 + 3*4 + 0*1}{46} = \frac{189}{46} = 4.10 \)

Sample Standard Deviation, \( s = 0.774284772 \)

\[
s / (n^{0.5}) = 0.1142
\]

Let the level of significance be 1%

\[
\Rightarrow \alpha = 99% \\
\Rightarrow t_{a/2} = 2.626
\]

Now \( t_{obs} = \frac{4.10-3}{0.1142} = 9.63 \)

\[
\Rightarrow t_{obs} = 9.63 \\
\Rightarrow \text{Since } t_{obs} > t_{a/2}, \text{ the Null Hypothesis } H_0 \text{ may be rejected.}
\]

Conclusion: Researcher can say with 99% probability that chocolate buying is an impulse process.

7. To determine if Customers are ready to try new Flavors which they have not consumed Before

Hypothesis Test:

Let \( p \) = Weighted mean of the customers who are willing to try new flavours which they have not consumed before.

Assumption: If researcher wishes to prove that customers are willing to try new flavours, which they have not consumed before, then at least 50% of the customer should be considering it while buying the chocolate i.e. the mean should be greater than 3.

Hence, the hypothesis is stated as follows:

\[
H_0: p = 3 \\
H_A: p > 3
\]

Hence an Upper-Tail Test.

Sample size, \( n = 46 \)

Since Target Population is very large, no correction factor is required.

Mean of customers who considered recent ad campaign influential while buying a chocolate = \( \frac{3*5 + 24*4 + 15*3 + 4*4 + 0*1}{46} = \frac{172}{46} = 3.73 \)
Sample Standard Deviation, \( s = 0.749879217 \)

\[
s / (n^{0.5}) = 0.1106
\]

Let the level of significance be 1%

\[ \Rightarrow \alpha = 99\% \]
\[ \Rightarrow t_{\alpha/2} = 2.626 \]

Now \( t_{obs} = \frac{(3.73-3)}{0.1106} \)

\[ t_{obs} = 6.60 \]

\[ \Rightarrow \text{Since} \ t_{obs} > t_{\alpha/2}, \text{the Null Hypothesis } H_0 \text{ may be rejected.} \]

**Conclusion:** Researcher can say with 99% probability that customers are ready to try new flavours which they have not consumed before.

8. To Determine if Customers are Ready to Pay Premium for their Current Preferred Chocolate

Hypothesis Test:

Let \( p \) = Weighted mean of the customers who are willing to pay premium for their current preferred chocolate.

Assumption: If researcher whishes to prove that customers are willing to pay premium for their current preferred chocolate, then at least 50% of the customer should be considering it while buying the chocolate i.e. the mean should be greater than 3.

Hence, the hypothesis is stated as follows:

\[ H_0: p = 3 \]
\[ H_A: p > 3 \]

Hence an Upper-Tail Test.

Sample size, \( n = 44 \)

Since Target Population is very large, no correction factor is required.

Mean of customers who considered recent ad campaign influential while buying a chocolate = \( \frac{(2*5 + 17*4 + 15*3 + 8*4 + 2*1)}{44} \)

\[ = \frac{157}{44} = 3.56 \]

Sample Standard Deviation, \( s = 0.929888943 \)

\[
s / (n^{0.5}) = 0.1402
\]

Let the level of significance be 1%

\[ \Rightarrow \alpha = 99\% \]
\[ \Rightarrow t_{\alpha/2} = 2.626 \]

Now \( t_{obs} = \frac{(3.56-3)}{0.1402} \)

\[ t_{obs} = 3.994 \]

\[ \Rightarrow \text{Since} \ t_{obs} > t_{\alpha/2}, \text{the Null Hypothesis } H_0 \text{ may be rejected.} \]

**Conclusion:** Researcher can say with 99% probability that the proportion of customers who are willing to pay premium for their current preferred chocolate is more than 50%

**Principal Components Analysis**

Principal component analysis refers to the procedure of finding out the principal (or the most important) components or factors from all the given factors. These factors capture most of the information contained in the initial set, and will then be used further in regression analysis.
To make the process of interpreting the results from factor analysis procedure, we use Rotation. This method is especially useful when we have large loadings on several un-rotated factors, which make analysis and interpretation difficult. Through the use of Rotation, we tend to maximize the loading of one of the factors on the final output while at the same time minimize the load on all the other factors.

Table-4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor3</th>
<th>Factor4</th>
<th>Factor5</th>
<th>Factor6</th>
<th>Communality</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Brand Awareness]</td>
<td>0.25</td>
<td>0.098</td>
<td>0.012</td>
<td>-0.079</td>
<td>0.935</td>
<td>-0.094</td>
<td>0.962</td>
</tr>
<tr>
<td>[Taste]</td>
<td>0.682</td>
<td>0.066</td>
<td>-0.256</td>
<td>-0.305</td>
<td>0.413</td>
<td>-0.164</td>
<td>0.826</td>
</tr>
<tr>
<td>[Chocolatiness]</td>
<td>0.854</td>
<td>0.251</td>
<td>-0.144</td>
<td>-0.245</td>
<td>0.189</td>
<td>-0.147</td>
<td>0.93</td>
</tr>
<tr>
<td>[Price]</td>
<td>0.161</td>
<td>0.138</td>
<td>-0.145</td>
<td>-0.126</td>
<td>0.105</td>
<td>-0.095</td>
<td>0.995</td>
</tr>
<tr>
<td>[Texture]</td>
<td>0.33</td>
<td>0.227</td>
<td>-0.222</td>
<td>-0.842</td>
<td>0.063</td>
<td>-0.172</td>
<td>0.953</td>
</tr>
<tr>
<td>[Nutrition value]</td>
<td>0.13</td>
<td>0.899</td>
<td>-0.254</td>
<td>-0.148</td>
<td>0.036</td>
<td>-0.16</td>
<td>0.938</td>
</tr>
<tr>
<td>[Packaging]</td>
<td>0.311</td>
<td>0.612</td>
<td>-0.145</td>
<td>-0.529</td>
<td>0.304</td>
<td>-0.038</td>
<td>0.866</td>
</tr>
<tr>
<td>[Softness]</td>
<td>0.296</td>
<td>0.395</td>
<td>-0.535</td>
<td>-0.369</td>
<td>0.323</td>
<td>-0.105</td>
<td>0.782</td>
</tr>
<tr>
<td>[Storage at room temperature]</td>
<td>0.156</td>
<td>0.213</td>
<td>-0.913</td>
<td>-0.145</td>
<td>-0.045</td>
<td>-0.142</td>
<td>0.947</td>
</tr>
<tr>
<td>Variance</td>
<td>1.6176</td>
<td>1.5314</td>
<td>1.3634</td>
<td>1.3435</td>
<td>1.2956</td>
<td>1.0471</td>
<td>8.1986</td>
</tr>
<tr>
<td>% Var</td>
<td>0.18</td>
<td>0.17</td>
<td>0.151</td>
<td>0.149</td>
<td>0.144</td>
<td>0.116</td>
<td>0.911</td>
</tr>
</tbody>
</table>

Note: Rotated Factor Loadings and Communalties
Varimax Rotation

Sources: Authors Compilation

In these factor loadings, we can extract the variables, which have higher factor loading, which form the major factors that explain the variance of the data sets. In other words, we saw that the components, which have a higher factor loading on the rotated, factor 1. From the above table, we saw that [Price], [Nutrition Value] and [Storage at room temperature] have the least factor loadings (less than 0.2). Therefore, we eliminated these variables from further analysis.

Therefore, the set of 6 variables which are the main factors are, [Brand Awareness], [Taste], [Chocolatiness], [Texture], [Packaging] and [Softness]. Regression was run on this data.

Taking the above six factors as the independent variables and preference of the brand of chocolate as the dependent variable, multiple linear regression is carried out. More specifically, the rank that each brand received in the questionnaire was mapped to a corresponding rating for the brand. So a rank of 1 (most preferred) was mapped to the highest rating of 6, rank 2 mapped to rating of 5, and so on. This rating was taken as the dependent variable for the regression analysis.

The regression results in an equation with an R-squared value of 43% and adjusted R-squared value of 39.9%.

Regression Analysis: Brand Rating versus [Brand Awareness], [Taste],...

The regression equation is:

\[
\text{Brand Rating} = -1.61 + 0.557 \times \text{Brand Awareness} + 0.313 \times \text{Taste} \\
+ 0.335 \times \text{Texture} + 0.378 \times \text{Softness} - 0.298 \times \text{Packaging} \\
+ 0.151 \times \text{Chocolatiness}
\]

Table-5: Multiple Regression Analysis Model

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Coef</th>
<th>SE Coef</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.6114</td>
<td>0.6794</td>
<td>-2.37</td>
<td>0.019</td>
</tr>
<tr>
<td>[Brand Awareness]</td>
<td>0.5573</td>
<td>0.1678</td>
<td>3.32</td>
<td>0.001</td>
</tr>
<tr>
<td>[Taste]</td>
<td>0.3133</td>
<td>0.1834</td>
<td>1.71</td>
<td>0.09</td>
</tr>
<tr>
<td>[Texture]</td>
<td>0.3349</td>
<td>0.1701</td>
<td>1.97</td>
<td>0.051</td>
</tr>
<tr>
<td>[Softness]</td>
<td>0.3777</td>
<td>0.1748</td>
<td>2.16</td>
<td>0.033</td>
</tr>
<tr>
<td>[Packaging]</td>
<td>-0.2975</td>
<td>0.2068</td>
<td>-1.44</td>
<td>0.153</td>
</tr>
<tr>
<td>[Chocolatiness]</td>
<td>0.151</td>
<td>0.1652</td>
<td>0.91</td>
<td>0.363</td>
</tr>
<tr>
<td>S = 1.17715</td>
<td></td>
<td>R-Sq = 43.0%</td>
<td>R-Sq(adj) = 39.9%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation
As we see from the regression results above, at the significance level of 90%, the coefficients of [Packaging] and [Choclatiness] are insignificant. However, the coefficients of the other 4 variables are significant. The standard coefficients for these variables are:

- Brand Awareness: 3.32
- Taste: 1.71
- Texture: 1.97
- Softness: 2.16

### Table-6: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>6</td>
<td>116.129</td>
<td>19.355</td>
<td>13.97</td>
<td>0</td>
</tr>
<tr>
<td>Residual Error</td>
<td>111</td>
<td>153.811</td>
<td>1.386</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>269.941</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

### MANAGERIAL IMPLICATIONS

From our research, the following attributes have emerged as being the most important influencing consumer buying behaviour (in the order of priority): a) Brand Awareness, b) Softness, c) Texture, and d) Taste.

Here we get the answer to our first research objective i.e. attribute preferences of a consumer while buying milk chocolate.

Awareness of the brand becomes quite important determining consumer buying. This was derived from qualitative research as well that consumers value brand awareness. This derives both from aspirational value where a consumer prefers buying a chocolate, which is known by his influence group. Additionally, there are no quality concerns due to awareness about the product.

Interestingly, inherent product attributes like softness and texture emerged as important for consumers. As such, apart from hygiene factors like good taste and packaging, one does to exclusively concentrate on softness and texture of the milk chocolate.

As inferred from literature review & qualitative research, taste is one of the most important attributes. This belief was further enhanced by the conclusive research. However, one needs to keep in mind that both awareness and the inherent attributes like softness and texture compliment taste, and when bundles together form a successful product.

### Other critical product characteristics influencing consumer buying behaviour:

- **Availability**

  Consumers usually preferred buying those chocolates, which were available, at most common stores (keeping other factors constant). Hence, *distribution and retailing* become quite important from the manufacturer perspective. Moreover, this idea was further strengthened when consumers said that their most bought chocolate was usually available at most stores.

- **Influence of Ad Campaigns**

  Ad Campaigns play an important role in creating brand awareness. In addition, since brand awareness emerged as a critical attribute, it is logical that one does have to emphasize on building an effective ad campaign. This was evident

### Table-7: Performance of Leading Brands on the Critical Attributes Identified

<table>
<thead>
<tr>
<th>Brand / Critical Attributes</th>
<th>[Brand Awareness]</th>
<th>[Softness]</th>
<th>[Texture]</th>
<th>[Taste]</th>
<th>[Choclatiness]</th>
<th>[Packaging]</th>
<th>[Storage at room temp.]</th>
<th>[Price]</th>
<th>[Nutrition Value]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadbury Dairy-Milk</td>
<td>4.76</td>
<td>3.71</td>
<td>3.73</td>
<td>4.39</td>
<td>4.20</td>
<td>3.76</td>
<td>3.12</td>
<td>3.78</td>
<td>2.90</td>
</tr>
<tr>
<td>Cadbury 5-Star</td>
<td>4.49</td>
<td>3.77</td>
<td>3.69</td>
<td>4.17</td>
<td>4.09</td>
<td>3.51</td>
<td>3.71</td>
<td>3.94</td>
<td>2.83</td>
</tr>
<tr>
<td>Nestle Milk-Chocolate</td>
<td>3.62</td>
<td>3.62</td>
<td>3.65</td>
<td>3.62</td>
<td>3.42</td>
<td>3.00</td>
<td>3.27</td>
<td>3.77</td>
<td>3.08</td>
</tr>
<tr>
<td>Nestle Bar-one</td>
<td>4.00</td>
<td>3.44</td>
<td>3.41</td>
<td>3.93</td>
<td>3.59</td>
<td>3.11</td>
<td>3.44</td>
<td>3.74</td>
<td>2.78</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
when most consumers remembered their favorite TV advertisement in the milk chocolate category and expressed that it influenced their awareness about the brand to a great extent.

- **Impulse Buying Behaviour**
  
  It was observed that milk chocolate buying was an impulse buying process for most consumers, and as such shelf space availability and utilization become quite important for any brand. This was further reinforced when consumers said that the chocolate that they bought most often was usually the first or most seen milk chocolate brand in the store they visited.

- **Importance of Health Benefits / Nutrition Value**
  
  Firstly, most consumers believed that milk chocolates do not provide any health benefits or any nutritional value. Further, the attribute was also not considered important by consumers while buying milk chocolate because consumers believed that chocolates and nutrition value had very little correlation. As such, any health benefit / added nutrients may fail to attract most milk chocolate consumers.

- **Acceptance of New Products / Product Variations**
  
  Most consumers said that they were open to trying out new chocolates or product variations of the current popular choices. As such, any chocolate manufacturer may increase his volume sales by introducing new product variations provided the critical attributes like taste, softness, etc are met.

- **Price Sensitivity of Consumers**
  
  While results showed that price was a hygiene factor determining milk chocolate buying process, the consumers were however open to small premiums for their most preferred brand. Two inferences emerged from this behaviour:
  
  - If critical attributes for a particular milk chocolate like awareness, taste, softness, etc are met; one can charge a small product premium
  - Secondly, milk chocolate consumers are less price sensitive provided the key attributes are present in the given milk chocolate.

**CRITICAL ATTRIBUTES IDENTIFIED & ASSOCIATED RECOMMENDATIONS**

Both Cadbury Dairy Milk and Cadbury 5-Star have shown to perform extremely well on the four attributes identified. This is further reinforced by the high market shares of the brands nationally (Secondary Data Analysis). However, when relative performance among attributes is considered, both the brands have scope for improvement on softness and texture product attributes. While Nestle Bar-One has average performance on most critical attributes, they are below par when compared to Dairy Milk & 5-Star. As such, an improvement on these attributes may further increase the market share of Bar-One milk chocolate.

Nestle Milk Chocolate has comparable performance on the attributes Softness and Texture. However, the performance drastically falls for the attributes Brand Awareness and Taste when compared to other leading brands. This is reinforced by the low market share of the brand nationally (Secondary Data Analysis). As such, Nestle Milk Chocolate had to substantially improve on Brand Awareness and Taste attributes if it wishes to increase its market share.

**LIMITATIONS OF RESEARCH**

The research uses Convenient Random Sampling with surveys being collected mainly from students of nearby management colleges. This sample may not be a true representation of the population, which may cause certain biases in the research results. Due to only online surveys being floated, there is a possibility that respondents belong to relatively similar geographic, economic and educational backgrounds. Lack of incentives: Since no incentives were provided to the respondents, there can be a lack of interest in filling the survey. Due to local sampling, the model may not be applicable across all geographies in India and across all types of milk chocolate consumers.

**SCOPE FOR FUTURE WORK**

A holistic and comprehensive method of sampling like cluster or strata sampling may be employed to further strengthen the model and create a closer representation of the target population. The sample size may be increased using incentivization to decrease the proportion of redundant and inconsistent data.
The channels (retail stores, shopping malls, authorized outlets, etc) may be individually explored to understand the variability of each attribute preference with the change in channel. The impact of positioning and advertising across various channels may be studied in detail to further elucidate the importance of awareness and campaigning for increasing the market share of a particular brand.

REFERENCES


*****

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(sd/-)
( Editor-In-Chief)
SERVICE QUALITY: A KEY TO SUCCESS AND CUSTOMER SATISFACTION

Madhavi Garikaparthi26

ABSTRACT

The article introduces the concept of service quality from its origin and throws light on various advantages of focusing on the same. Focusing on service quality helps in improving and differentiating the business/company to customers. Service quality focus also gives the company an edge over other competitors and shows a direct relationship to profits and customer satisfaction. The numerous factors important to customer satisfaction are concentrated in service quality. The same are also briefly discussed.

KEYWORDS

Customer Satisfaction, Service Quality, Servqual, Gap-Model etc.

INTRODUCTION

Modern day economies are dominated by services. Services contribute more than fifty percent of Indian Gross Domestic Product (GDP), rest coming from manufacturing and agriculture Industries. It is generally seen that as economy grows from developing to developed stage, sectorial contribution of services goes on increasing. We can definitely draw an analogy that as the markets (and customers) mature they become more and more demanding hence services play a very important role to satisfy their expectations. Services as a sector also generates large amount of employment. In India, the percentage of contribution of services towards employment is on a steady rise. With the growth in services, many industries are acknowledging growth spurt for the past decade and we have seen the birth of many new services due to the change in environment.

Reasons for growth in services in India include – the raising economic affluence, changing role of women, increased cultural changes with other cultural influences, Information Technology revolution, development of markets, unbundling of corporations, tie-ups with multi-national organizations, economic liberalization and increased focus on travel and tourism. The key service businesses in India include – education, transport, telecommunications, tourism, health care, banking, software, power, insurance, postal services and hospitality. With the requirement of various services on rise, diverse management areas where service organizations need to focus and improve have come to forefront.

Market orientation has become essential function to succeed in service business. With growing information access, consumers have become smarter and look for best of the choice; as a result, consumer expectations are changing rapidly and are creating new challenges for service organizations. Service organizations too need to have the ability to track the changing dimensions in the customer expectations and markets and respond faster and more competently than their competitors. Therefore, the reason to understand the factors that lead to customer satisfaction and retention is on rise.

The concept of service quality, customer service and customer satisfaction which was so far not given much of thought earlier, gained importance with the increase in number of national and multinational players, each one vying for large share of market. The focus on quality delivery has also gained significance. With the cutthroat competition each player is looking at service quality, customer service and customer satisfaction as the key to attract and retain customers.

Service Quality & Gaps Model

Parasuraman, Berry and Zeithaml were the first to attempt and put forward the approach for defining and measuring service quality. They have developed the service quality scale known as SERVQUAL. This focused on measuring the perceived service by customers in comparison to the expectations of customers. The focus is to reduce the difference between these two as that would define the quality level of service provided. 1983 to 1985 marks the period of birth of SERVQUAL, since this is the time when the trio mentioned earlier have identified and discussed the service quality gaps and SERVQUAL. The concept of service quality has stimulated a lot of interest and deliberation for some time now. This is due to the fact that it is very difficult to define and measure. There is no consensus on service quality measurement and researchers are still exploring various methods of defining and measuring it. The most commonly used definition for service quality is the ‘extent to which the service provided meets the expectations of customers’. Service quality has been further defined by Parasuraman et al., as ‘the difference between customer service expectations and the perceived service’. If service provided is less than customer expectations then it is perceived that his service quality is not up to the mark and hence can lead to customer dissatisfaction. This also brings to the focus of the importance of measuring service quality since it assists in comparison of service quality before and after service delivery and delivery of service at different points in time. This would further help in setting up standards and steps to achieve the same.

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One of the most used model to understand the study of services is the gaps model of service Quality developed by the famous trio – Parasaraman, Zeithaml and Berry. The model shows four major provider gaps and the Customer gap and tries to explain with the help of these gaps the difference between what needs to be done and what has been done. Customer Gap – is considered the most important and if this gap exists then one or more of provider gaps exist. The gap between the expectations of customers and the actual service received by them is known as Customer Gap. Provider Gaps are the gaps that arise out of service failure to the customers. Provider Gap one – also known as Knowledge Gap is the difference between ‘what customers expect from a company’ and what the ‘service provider considers as customer expectations’. Provider Gap two – Standard Gap – is the difference between what a ‘service provider considers as customer expectations’ and the ‘standards of service set based customer expectations’. Provider Gap three – Delivery Gap – is the difference between ‘Customer driven service standards’ and ‘Service Delivery’. Provider Gap four – delivery gap- is the difference between ‘Service Delivery’ and ‘external service communication’. A complete study of service quality will show us the difference – if any – between customer expectations and the actual service received by them. It should also show to what extent the difference is. This would help the marketer to understand the needs and requirements of customers and where the organization is lacking in providing the same.

![Figure-1: Gaps Model of Service Quality](image)

Out of many tools that have been developed to study the quality of service, SERVQUAL continues to be the most used tool/ scale. Much of the attention focused on the service quality construct is attributable to the SERVQUAL instrument developed by Parasuraman, Zeithaml & Berry (1988) for measuring service quality. Service quality has been developed taking into consideration the incompatibility between expected service level and perceived service performance. Service quality would be high when service performance is perceived to be higher than expectations of service (Parasuraman et al., 1990).

SERVQUAL study includes study of tangible and intangible components of service. The initial studies conducted to develop and test the scale identified ten parameters as the dimensions of SERVQUAL. These included – Tangibility, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication and Understanding (knowing the customer). It was identified that some of these dimensions are close or overlap with and the scale was further tuned and five parameters were specified. Tangibility, Reliability and Responsiveness due to their relevance were retained in the scale, Competence, Courtesy, Credibility and Security were clubbed to a new dimension ‘Assurance’ was formed. Similarly, Access, Communication and Understanding the customer were grouped under ‘Empathy’ dimension. The five parameters of the RATER Scale used in SERVQUAL are – Reliability, Assurance, Tangibles, Empathy and Responsiveness.

The term reliability implies the potential of the organization to dependably and accurately complete the service promised. The term responsiveness implies the willingness on the part of the organization to give prompt service to the customers. The term assurance implies the potential of the organization to convey trust and confidence in their customers through courtesy and knowledge of its employees. The term empathy implies the caring and individualized attention of the employees given to the customers. The term tangible implies the look, the physical facilities, the equipment’s, the personnel, and the communication
materials of the employees. The questionnaire of SERVQUAL includes 21 items, which fall under these five parameters. It has been observed that service quality influences trust, customer satisfaction, and profitability in customer relationship.

Several studies subsequently employed the SERVQUAL to measure service quality and to assess the validity and reliability of the scale across a wide range of industries and cultural contexts. Nationally and internationally many studies have been done in retail industry and the quality of service is measured using different scales like SERVQUAL, SERVPERF and RSQS among others.

Service quality can also be measured through various other tools like: complaint procedures; having focus group discussions; providing suggestion boxes; customer surveys; feedback from internal customers i.e., employees who are in continuous touch with customers, especially front office employees; feedback from service delivery chain members (distributors, retailers or franchisees of a service organization).

The most important aspect of service quality is continued evaluation of quality through regular information collection and analysis from customers and internal sources. This highlights the need to build a good Service Quality Information System (SQIS). A good SQIS should focus on periodical surveys of customers, competitors and employees. It should also ensure an effective customer complaint procedure which would initiate and continue to capture information from customers along with a regular complete market and employee survey. The most valuable information collected by the system would be the negative feedback given by the customers and that need to be focused upon. Rather than projecting the good feedback (which also is important for promoting and attracting customers) organization should focus on improving the negative areas of service quality. This could be any single P of services marketing mix or a combination of them. An efficient SQIS should – measure customer service expectations; capture the exact phrases used by customers; should be accessible to every employee; help in improvement of the flow operations; and link service performance to results achieved.

**RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION**

Customer satisfaction is an essential issue for the success of any business, be it traditional business systems or online business formats. Starting with the basic banking services to consulting services or hospitality services to matrimonial services – customer satisfaction is the key to successful business. It is vital here to understand that the extent of customer is dependent on the extent of quality service provided. Organizations also need to realize that if over a period of time customer expectations are not met it would lead to losing customers and gaining the attention and trust of a lost customer is doubly difficult and costly. Hence, customer satisfaction is a result of service quality and satisfaction of the customer will determine the future intentions and behavior of customer towards the service and the provider.

**SERVICE QUALITY AND CUSTOMER LOYALTY**

Customer loyalty is a reflection of attitudes, behavior and response of customers towards services and their re-usage. As cited by many marketing gurus, customer loyalty also has significant business advantage, as it is easier and profitable to retain customers than to attract new ones. Customer loyalty can be retained through continuous customer satisfaction, which in turn can be retained through maintaining and delivering quality service constantly.

**CUSTOMER SATISFACTION, EMPLOYEE SATISFACTION AND SERVICE QUALITY**

The relationship between service quality and customer satisfaction has been discussed earlier. Delving further one would understand the relationship of these two with employee satisfaction. Significance of service employee can be noted from services marketing mix. The marketing for products includes four Ps – Product, Price, Place and Promotion. Due to intangibility of services, the marketing mix is expanded to include three more Ps – Physical Evidence, Process and People. Physical Evidence focuses on the tangible components of service and how an organization can communicate through the same. Process focuses on the operational aspects of service and tries to standardize the intangible component of services, thereby ensuring that the quality of service offered to a customer remains same. People, the intangible component of services, are crucial in development and delivery of services. In many services, people are the service.

The model of ‘Service Profit Chain’ aptly explains the same. Service Profit Chain (SPC) is a framework, which links the service operations, employee satisfaction, customer satisfaction and profitability of the organization. This framework draws attention to the fact that internal customers i.e., employees of a firm, also need to focused on if the it desires to be successful. Employee satisfaction depends upon the kind of environment provided to work (internal service quality) to them. Focus on the employee would lead to employee loyalty, increased productivity and quality output, service quality, capability and employee satisfaction. In an encouraging work environment, an employee succeeds in performing well, which in turn affects the quality of service provided. The quality of service evidently increases the customer satisfaction leading to customer retention and profitability. For this reason, a firm has to understand and concentrate on employee satisfaction along with service quality.
CONCLUSION

Marketing of services brings forth the close involvement of other functional areas, especially operations and human resources. Their relevance can also noted from the gaps model of services marketing discussed earlier. A service firm, along with the marketing imperative needs to focus on the operations and human resources imperative too. Operations focus on creating and delivering the specified service to customers, where the firm has to select techniques that allow consistent quality of service to meet customers’ requirements and at the same time focus on cost, schedule and quality. Human Resources imperative urges the service firm to recruit, train and motivate employees who can work as a team to achieve the goals of operational effectiveness and customer satisfaction.

Services are so varied and diverse that one needs to classify and identify areas to be managed strategically. With more and more people in India focusing on service firms to perform many activities services have started to move out of homes and are being commercialized (restaurants, childcare, entertainment, hair and beauty care, etc., are a few). In addition, they are being recognized as significant contributors to the Indian economy and are being given sector specific considerations. With increase in the sector for the past two decades, even educational institutions have included the sector in their curricula. Research to understand and enhance customer satisfaction and service quality in specific service firms is also on rise.

Organizations have to continue their efforts in meeting the requirements of customers and ensuring customer satisfaction and the key to achieve the same is delivering quality of service consistently.

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IMPACT OF SOCIAL MARKETING ON CONSUMERS’ PERCEPTION:
AN EMPIRICAL STUDY

Raman Kumar27 Dr. Preeti Srivastava28 Risa Singh29

ABSTRACT

The effective marketing communication is imperative for the success of business. Several marketing and positioning strategies are developed to acquire the attention of potential customers. The social marketing campaign always plays an important role in this regard. This paper aims at identifying the impact of such campaigns among consumers. The consumer’s attitude and perception go on changing on a regular interval. The changes occur on account of various reasons. The study will also put light on reasons that affect changing behaviour of consumers.

KEYWORDS

Social Marketing, Consumer Behaviour, Attitude, Campaign, Social Responsibility etc.

INTRODUCTION

Social marketing, by contrast, involves attitude and behaviour change around specific issues through campaigns targeting specific audiences. Usually led by non-profit organizations or public agencies, corporations may also coordinate efforts on behalf of coalitions or community groups for the welfare of the society. Social marketing represents the strategic use of economic and social forces in order to change behaviour that lead to social problems (Kotler, Roberto, & Lee, 2002).

Social marketing works for causes with a clearly identified solution to a problem. The campaign often employs creative approaches to contributing in raising the standard of living of people, educating people, and working against perceptions by highlighting benefits or promoting more attractive outcomes. It tries to develop and merge the marketing concepts with creative approaches to reasonably convince behaviour of customers and benefits them individually and collectively for social good. It is generally invoked by ethical practices for mutual benefits. In the USA, social marketing is increasingly being advocated as a core public health strategy for influencing voluntary lifestyle behaviours such as smoking, drinking, drug use and diet (CDC, 2005). Social marketing has now become a centre of educating and eradicating of server health related issues now a day across the globe. Many such issues viz. save paper save tree, educational campaigning about health related issues (smoking is injurious to health and it causes cancer) and individual social responsibility and duty etc., are being dealt with by government as well as big organizations.

Several companies including big names like P&G, ITC, TATA, Idea Cellular, Nihar and numerous others are now working on it. They understand their social responsibilities and come up with a variety of creative ideas and solutions to accompany the government in the development of the society, be it infrastructure, education, health and so on so forth. As per Jude Varcoe ‘Social Marketing campaign’ is used to describe Social Marketing for the purpose of shifting a specific behaviour (or set of behaviours), with a view to achieving an improved quality of life. While individual programs are considered enablers and contributors, they are not considered stand-alone Social Marketing campaigns.

REVIEW OF LITERATURE

Social marketing was first defined by Kotler and Zaltman (1971) as the design, implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution and marketing research. In a review on social marketing nutrition and physical activity interventions, it was found that social marketing had been effective in altering some behaviour but its overall effects were limited (Alcalay & Bell, 2000). Donovan (2003) has said that the end goal of any social marketing campaign is to contribute to achieving a socially just society.

OBJECTIVE OF STUDY

- To understand the concept and objective of Social Marketing.
- To identify the influence of social marketing on consumers.
- To find out the significant impact of various social cause marketing.

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HYPOTHESIS OF STUDY

- H₀₁: There is no significant difference on consumer’s perception for social marketing with respect to socio-demographical factors like sex and age.
- H₀₂: There is no significant impact of social marketing on consumer’s willingness to buy.

RESEARCH METHODOLOGY

Data Collection and Method

To acquire and reach at a conclusion, primary data was gathered by way of survey conducted on walking customers of Big Bazar, Spencer and traditional General/Kirana stores located in Lucknow. The research design used in this study is descriptive research design. Data collection could only be possible from 195 respondents from among 215 contacted visiting customers of Big Bazar, Spencer and many traditional General/Kirana stores.

Statistical Analysis

To analyze and reach at a conclusion of findings of the study, Statistical Package for Social Sciences (SPSS) 20.0. The data was recorded and summarized in SPSS version 20.0. After recording the information, analysis of the collected data was done on SPSS 20.0 through the analytical tools like reliability test and Correlation analysis.

Respondents’ Profile

The personal information was recorded in a way to have a clear idea about the respondent’s profile first. The collected primary data consists of the respondents who were graduate and post-graduate only. The ratio of male and female respondents is 6:4 as the respondents comprised of males with 60.5% and 39.5% of female. The maximum numbers of respondents 47.20% are from age group of 30-40, which is followed by respondents of age bracket 20-30 with 24.60% and 40-50 with 22.10% respectively. The majority of respondents (67.7%) are graduates and the rest (32.30%) is post-graduates.

Table 1: Demographical Profile of the Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>48</td>
<td>24.6</td>
</tr>
<tr>
<td>30-40</td>
<td>92</td>
<td>47.2</td>
</tr>
<tr>
<td>40-50</td>
<td>43</td>
<td>22.1</td>
</tr>
<tr>
<td>50 and above</td>
<td>12</td>
<td>6.2</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>118</td>
<td>60.5</td>
</tr>
<tr>
<td>Female</td>
<td>77</td>
<td>39.5</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>132</td>
<td>67.7</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>63</td>
<td>32.3</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

RESULTS AND DISCUSSION

The above stated objectives require analysis of the findings. The result of analysis as per the mean value and standard deviation is as under:

Table 2: Overall Gender and Age Score

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>195</td>
<td>2.10</td>
<td>.841</td>
</tr>
<tr>
<td>Sex</td>
<td>195</td>
<td>1.39</td>
<td>.490</td>
</tr>
</tbody>
</table>

Valid N (list wise) 195

Sources: Authors Compilation

The table-2 depicts that the response of respondents for social marketing. The mean values for sex and age are 1.39 and 2.10 respectively. Both the mean values are significant on a Likert scale of one to five where 1 is highly encouraging and 5 is highly discouraging. Thus, the conclusion based on mean values and standard deviation can be drawn that social cause-marketing influence people irrespective of gender and age. The only difference can be seen in terms of the degree to which one variable (sex) is more influenced than the other variable (Age).
Table-3: Perception and Demographics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean Value</th>
<th>Std. Deviation</th>
<th>Remarks (H₀₁)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>1.31</td>
<td>0.466</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>1.30</td>
<td>0.461</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The table-3 depicts that the perception on social marketing has not any significant difference for the both males and females. Both of them hold almost same opinion for the said marketing. Thus, hypothesis H₀₁ stating that there is no significant difference on consumer’s perceptions for social marketing in connection to socio-demographical factor of sex is accepted.

Table-4: Consumer Perception with regard to Social Marketing

<table>
<thead>
<tr>
<th>Age</th>
<th>Mean Value</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Remarks (H₀₁)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>1.23</td>
<td>48</td>
<td>.425</td>
<td></td>
</tr>
<tr>
<td>30-40</td>
<td>1.27</td>
<td>92</td>
<td>.447</td>
<td></td>
</tr>
<tr>
<td>40-50</td>
<td>1.35</td>
<td>43</td>
<td>.482</td>
<td>Accepted</td>
</tr>
<tr>
<td>50 and above</td>
<td>1.75</td>
<td>12</td>
<td>.452</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.31</td>
<td>195</td>
<td>.463</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

The table-4 depicts that the mean values for age-brackets 20-30, 30-40 and 40-50 are almost same. The mean value for age group 50 and above is 1.75, which is little bit more that the rest of age groups. However, there is not any significant difference in their perception for social marketing. Respondents of all age-groups opine almost same perception with regard to the social marketing at the time of purchasing a product. Thus, hypothesis H₀₁ stating that there is no significant difference between consumer perceptions with respect to socio-demographical factor of age is also accepted.

Correlation Analysis

The below mentioned table-5 reveals that the social marketing is high as the mean value is 1.82 on a one-to-five Likert scale where 1 is very high responsible and 5 is very less responsible.

Table-5: Spending on Social Welfare

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending on Social Marketing</td>
<td>195</td>
<td>1</td>
<td>4</td>
<td>1.82</td>
<td>.637</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>195</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-6: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending on Social Marketing</td>
<td>1.82</td>
<td>.637</td>
<td>195</td>
</tr>
<tr>
<td>Willing to buy</td>
<td>1.10</td>
<td>.297</td>
<td>195</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-7: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Spending on Social Welfare</th>
<th>Willing to buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending on Social Marketing</td>
<td>Pearson Correlation 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>195</td>
</tr>
<tr>
<td>Willing to buy</td>
<td>Pearson Correlation .664**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>195</td>
</tr>
</tbody>
</table>

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

Sources: Authors Compilation
The correlation as per the table 6.2.3 is 0.664 at the 99 percent confidence level. The willingness to buy is a dependent variable whereas the social marketing is independent variable. The positive correlation (0.664) is found in this study, which indicates that there is positive correlation between consumer buying willingness and behaviour and social marketing. Thus, hypothesis H02 stating that there is no significant impact of social marketing on consumer’s willingness to buy is rejected.

CONCLUSION

Our study has revealed the fact that the social marketing does have a positive impact on consumer buying perception. Social marketing is closely related to the willingness of consumer to buy a product. The positive correlation between social marketing and consumer perception indicates that the companies are using social marketing as a strategic approach to win the consumer’s confidence and creating brand equity and loyalty. Therefore, this is beneficial for the companies. Further, there is no significant difference on people of different age groups in relation to their perception for social marketing found. In addition, no significant difference was observed for social marketing based on sex. Thus, the study reveals that there is no significant difference on socio-demographic factor for social marketing as every age group is influenced by social marketing.

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ANALYSIS OF FACTORS INFLUENCING ONLINE SERVICE BUYERS

Sarika S. Pawar30 Dr. Dinkar Khashaba More31 Dr. Sarang Shankar Bholaa2

ABSTRACT

This paper attempts to investigate the factors influencing online service buyers as to buy service online. Similarly, with the help of mean and rank satisfaction level of online buyers also studied in Indian context. Reliability coefficient for the scale was satisfactory and further correspondence analysis is done to study the relation between agreement factors and satisfaction of online buyers. Instrument is executed on 802 samples of Satara District state Maharashtra India to find out correspondence analysis of online service buyers Managerial implications and measures for improvement are discussed.

KEYWORDS

Internet, Online Shopping, Correspondence Analysis etc.

INTRODUCTION

As per the market research firm Forrester Research, the present size of the Indian e-commerce market is $1.6 billion and it is expected to grow to $3 billion in 3 years and might reach $15 billion by 2020, where it is expected to contribute 4% of GDP. The key to success in this field will depend on catering to the Indian consumers who connect to the internet via mobile phone because 80 million consumers with personal computers are going to be superseded by 200 million (Forecasted figure with CAGR of 46%) smart phone users by the year 2016. The number of smartphone users in the country over the years is given in the chart below. The number has been increased with a CAGR of 46% in the last 3 years. It can be forecasted that with this growth rate the country is going to have 300 million smart phone users by the year 2017. Said facts leads to questions as - What are factors that motivate online users to avail service online? Are they satisfied with online services?

REVIEW OF LITERATURE

Buyer’s behavior is influenced by varieties of factors. Again, different behavior is observed at different situation. (Nabil Tamimi, 2004) observed the speed of Internet connection was dependent of the frequency of online shopping. The results demonstrate that higher frequency of online shopping is associated with “broadband” connections. Internet experience and frequency of online shopping are independent of each other. (Gerald L. Lohse, 1999) found that the longer the amount of time spent online, the greater the chance of making a purchase online. The number of email messages per day had the next largest effect on buying behavior. Receiving more email messages is associated with a higher proclivity to buy online. According to (Syed Shah Alam, 2008) user who are having their own internet connection at home lead to the active usage of Internet whereby the average time spends is more than 2 hours. Good web site design influence the young students for online purchase. Online buying was highly influenced by reliability of website of e-retailers, service provided to customers and trust.

(Jarvelainen, 2003) Opines that perceived ease of use was considered the most important element of the perceived usefulness and Ease of use construct. He also states that experience mainly influences intention and behavior directly, but also indirectly, mostly through perceived ease-of-use. Similarly (Aron O’Cass, 2003) marked two constructs, perceived usefulness and perceived ease of use mediate all external variables likely to influence an Internet user’s (consumer’s) decision to use the WEB for purchases. These factors were argued to influence attitude towards the WEB for retailing, and that, attitudes influences actual behavior (adoption versus non-adoption) of using the WEB for retail purchases. The results indicate that the antecedents (Opinion Leadership, Impulsiveness, Shopping Orientation, Web Shopping Compatibility, Internet Self-Efficacy, Perceived Web Security, and Satisfaction with Websites) differentially affects internet user’s beliefs (perceived usefulness of the WEB for retail purchases and perceived ease of use of the WEB for retail purchases. Somewhat similar opinion is observed by (Georgd, 2004) that internet trustworthiness beliefs had a significant impact on attitudes. In addition, they give vital importance to that point that organization should not use online buyer’s personal information without their permission as it negatively affect the frequency of online buying. Attitudes toward internet purchasing, in turn, affected actual purchasing behavior. Again while talking about perceived usefulness it is observed by (Kuo-Wei Su, 2009) that online shoppers’ trust in sellers is positively associated with perceived usefulness, and perceived usefulness is positively associated with their repurchase intentions. Perceived behavioral control is found not to have positive influence on actual online purchasing. This would imply that the internet users will not purchase online unless they are provided with the necessary infrastructures and training involved in actual online purchasing (Mat, 2009).

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Online stores should use effective implementation of website design factors such as information design, visual design and navigation design as marketing tools by which trust in the website can be created and subsequently, purchase intention can be enhanced (Ganguly, 2010).

(Miray Baybars, 2011) extended their views about price discounts in online shopping. He depicts that price discounts seem more crucial for attracting consumers. The member individuals of private shopping platforms are found to be innovative with a significant need for uniqueness. Price discount has a remarkable effect on both consumers’ positive attitude toward private shopping and shopping amount. Thus, it could be noted that price discount is the main factor that motivate the consumer purchases.

(Sophia Wang, 2006): Attitude toward online shopping will be not associated with intention to shop online. A potential online consumer’s level of Internet knowledge will be positively associated with his or her attitude toward online shopping. The more a potential online consumer searches information from Internet-based sources, the more likely he or she would hold a positive attitude toward online shopping. A potential online consumer has perceived self-efficacy will be positively associated with his or her attitude toward online shopping. A potential online consumer has perceived risk of online shopping will be negatively associated with his or her attitude toward online shopping. Openness to experience will be positively associated with attitude toward online shopping. Risk-taking propensity will be positively associated with attitude toward online shopping (Sophia Wang, 2006).

(Archan Shrivastava, 2011) It is concluded that the motivation to buy online exhibits positive correlation to convenience based pragmatic motivation, time and efforts based pragmatic motivation, search and information based pragmatic motivation, product based motivation, economic motivation, service excellence motivation, situation and hassle reducing motivation, demographic motivation, and social and exogenous motivation have a significant influence on people’s intention to reserve railway tickets online in India. (Rastogi, 2010) observed that ratio of male consumers is very high in online shopping. Regarding awareness of online shopping 100% awareness was observed. Employees of various companies are purchasing more than others through online shopping. Maximum numbers of respondents prefers online shopping due to number of reason such easy buying procedures, wide variety of products, lower price of the products, various modes of payments etc. Most of the respondents think that availability of online information’s about product & services are excellent. Most of the respondents search and buy online but pay in cash on delivery.

It opine that the most influencing and attractive factor among four factors is website design/features with possibilities following by convenience factor. Time saving and security is also important, particularly the security concerns are very important while shopping online. Most of the respondents are fulfilling that there has no risk in online shopping. Most of the respondent have strongly believe that there has a problem to give the credit/debit card related information because the city where they leave is faced many cases for card related frauds but unfortunately they have known about visa verification password therefore, they agree that online shopping is better than offline shopping.

RESEARCH METHODOLOGY

Study has undertaken with an objectives to find out factors influencing purchase decision regarding e-shopping for online service; and, to find out relation between agreement and satisfaction parameters of online service buyers.

802 samples residing in Satara district of Maharashtra State, India are selected for study using convenient sampling method. Data has collected during November and December of 2013 using structured schedule divided into two parts. All variables in Schedule were considered after review of literature on online shopping by various researchers, including (Mohammad Hossein Moshref Javadi, 2012), (Karayanni, 2003) and (Ting-Peng Liang, 2000).

The first part of schedule includes variables that provide demographic details of samples, which are developed by the researcher. In second parts, variables, which provide list of services that, purchased online and Factors that influence online buyers to shop services online were asked on five point Likert type scale. All those factors were taken from (Mohammad Hossein Moshref Javadi, 2012).

Collected data was analyzed using Mean, Percentage and correspondence analysis.

DATA ANALYSIS

Agreement Factors that Influence Online Service Buyers

Following table shows the agreement and satisfaction of samples towards buying online services. Eight parameters were asked to option on five point Likert type scale. 1 for strongly agree and 5 for strongly disagree. The options were analyzed using mean, SD and ranks calculated on mean score as follows:
Table 1: Factors that Influence Online Buyers

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Parameter</th>
<th>Agreement</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>S D</td>
</tr>
<tr>
<td>1</td>
<td>The information on the online service website was up to date.</td>
<td>4.39</td>
<td>0.750</td>
</tr>
<tr>
<td>2</td>
<td>Transaction through online service website is transparent.</td>
<td>4.11</td>
<td>0.863</td>
</tr>
<tr>
<td>3</td>
<td>Information presented on website having high degree of Interaction.</td>
<td>4.22</td>
<td>0.865</td>
</tr>
<tr>
<td>4</td>
<td>Online service website keeps importance of secure transaction.</td>
<td>4.05</td>
<td>0.930</td>
</tr>
<tr>
<td>5</td>
<td>I do not get any busy signal while using service website.</td>
<td>3.77</td>
<td>1.057</td>
</tr>
<tr>
<td>6</td>
<td>Information on the online service website was relevant to my purchase decision.</td>
<td>4.07</td>
<td>0.850</td>
</tr>
<tr>
<td>7</td>
<td>The online service website provided accurate information.</td>
<td>4.03</td>
<td>0.843</td>
</tr>
<tr>
<td>8</td>
<td>Information on the online service website was complete.</td>
<td>3.95</td>
<td>0.939</td>
</tr>
</tbody>
</table>

Sources: Field Data

Table narrates that, online shopping saves time during the purchasing of goods and it can avoid time required to wait in queue in the traditional stores. The respondent experienced the services of shopped online and are strongly agree. They are agreed that the information on the online service website was up to date which has mean value 4.39 and secured 1st rank. Followed to these samples agreed Information presented on website having high degree of Interaction, which has meant value 4.22 and secured and secured 2nd rank. Also agreed with Transaction through online service website are transparent which gained mean value of 4.39 and ranked 3rd. Remaining variables shows mean value less than 4 and more than 3 it means samples are not fully agreed but satisfied with all parameters. The last rank received to the variables that respondent get busy signal while using service website. This is subjective to the web site. Few web sites may have the problem of busy signal. Followed to it samples seems have not satisfied with the information made available on the website since the mean score is 3.95.

Satisfaction towards Services Shopped Online

Table shows the opinions of respondent regarding satisfaction towards services shopped Online. The respondent experienced the services of shopped online and have responded on satisfaction level. They are fully satisfied that the information on the online service website was up to date which has mean 4.38 and secured 1st rank. Followed to this they are satisfied 4.23 and secured 2nd rank, and also satisfied with the ‘transaction through online service website are transparent’ which gained mean value of 4.11 and ranked 3rd. Remaining variables shows mean value less than 4 and more than 3 it means samples are not fully satisfied but satisfied with all parameters.

Correspondence Analysis

Following graph shows agreement and satisfaction towards 8 parameters facilitated to opine on five point Likert type scale. The mean score of opinion has calculated and spread over the graph to find out the position of parameters. On X axis mean satisfaction score by sample samples for 8 statements has given whereas on Y-axis agreement men score on the same statements has given.

Graph 1: Agreement and Satisfaction towards Parameters of Online Services Shopping
Graph depicts the strong correlation between samples’ opinion on agreement correspondence to their satisfaction level with the set of 8 statements depicts parameters, as entire variables found in 1st quarter which depicts high satisfaction and strong agreement and rest of other 3 quadrants are empty which depicts low satisfaction and strong agreement II quadrant, low satisfaction and low agreement level III quadrant and the IV quadrant denotes high satisfaction and low agreement with set statements. Amongst 8 statements 5th and 8th statements viz. ‘I don’t get any busy signal while using service website’ and ‘Information on the online service website was complete’ shows less agreement and low satisfaction compared to rest of the six parameters whereas the statement 1 viz. ‘The information on the online service website was up to date’ shows highest satisfaction and high agreement among the set 8 statements.

Apparently, statement number 1 and 8 talks about information available on the web. Samples have found to be satisfied with the updating of information on the web site but found to be little satisfied with availability of complete or sufficient information.

Analyzing service parameters, the graph of mean agreement and satisfaction score of eight statements talks about the parameters of online shopping revealed positive correlation amongst opinion. The parameter most agreed on and satisfied was that the information on online service website was up to date. Comparatively less satisfied parameters are one is information has not available completely and busy signal while using website. Though there is not complete dissatisfaction regarding any parameters it has not found complete satisfaction with respect any parameter.

**FINDINGS AND DISCUSSION**

1. Samples are agreed that the information on the online service website was up to date which has mean value 4.39 and secured 1st rank. Followed to this samples agreed Information presented on website having high degree of Interaction which has mean value 4.22 and secured 2nd rank. Also agreed with Transaction through online service website are transparent which gained mean value of 4.39 and ranked 3rd.

2. Samples are fully satisfied that the information on the online service website was up to date which has mean 4.38 and secured 1st rank. Followed to this they are satisfied with information presented on website having high degree of interaction which has mean value 4.23 and secured 2nd rank, and also satisfied with the ‘transaction through online service website are transparent’ which gained mean value of 4.11 and ranked 3rd. Remaining variables shows mean value less than 4 and more than 3 it means respondents are not fully satisfied but satisfied with all parameters.

3. Analyzing service parameters, the graph of mean agreement and satisfaction score of eight statements talks about the parameters of online shopping revealed positive correlation amongst opinion. The parameter most agreed on and satisfied was that the information on online service website was up to date. Comparatively less satisfied parameters are one is information has not available completely and busy signal while using website. Though there is not complete dissatisfaction regarding any parameters it has not found complete satisfaction with respect any parameter.

**RECOMMENDATION**

1. Some web retailers may go for increasing their speed of website as Government websites viz. railway reservation, university website shows busy signals, creates difficulties to online buyers regarding online transaction.
2. Web retailer may provide complete information on web site as it may facilitate the online user for online transactions.
3. To motivate online buyers’ web retailers may provide user-friendly navigation for their service organizations.

**CONCLUSION**

It is observed that samples have found to be satisfied with the updating of information on the web site but found to be little satisfied with availability of complete or sufficient information.

Analyzing service parameters, the graph of mean agreement and satisfaction score of eight statements talks about the parameters of online shopping revealed positive correlation amongst opinion. Samples are most agreed on parameter and satisfied was that the information on online service website was up to date. Comparatively less satisfied parameters are one is information has not available completely and busy signal while using website. Though there is not complete dissatisfaction regarding any parameters it has not found complete satisfaction with respect any parameter.

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ISSUES AND CHALLENGES OF HIGHER EDUCATION IN INDIA

Sujata Sinha

ABSTRACT
The present system of higher education is not able to serve the purpose for which it was intended. Education has become such a profitable a business that quality is totally relegated to the background and the entrepreneur eyes profit only; the quota system and politicization add fuel to the fire of spoils system; and the increasing unemployment of graduates without quick relief to mitigate their sufferings in the job market of the country, is forcing them to look abroad.

This paper is based on secondary research wherein based on author’s personal experience, some of the critical ‘structural and functional issues’ at the higher education level have been examined. These issues demand attention of all the stakeholders of higher education. In the paper I have limited myself to issues only and have not dwelt on future course of action.

KEYWORDS
Higher Education, Privatization, Employability, Quota etc.

INTRODUCTION
Peter Drucker shocked many in 1997, when he suggested, “Universities won’t survive” and argued “today’s [college] buildings are hopelessly unsuited and totally unneeded”. Although Drucker was perhaps exaggerating but he helped in creating awareness that while higher education is becoming a dynamic, global enterprise, the strategic management of higher education facilities is becoming increasingly complex.

The Higher Education system in India is posed with several external and internal challenges. Although we possess “a highly developed higher education system which offers facility of education and training in almost all aspects of human creative and intellectual endeavors” yet it is afflicted with structural and functional malaise forcing previous prime minister Dr. Manmohan Singh to remark “our university system is, in many parts, in a state of disrepair”.

The changed world order with emergence of Globalization, ICT and new economic scenario at once presented both threats as well as opportunities for the developing countries to catapult them onto center stage and become major powerhouses of growth and development. The sheer size of India and its demographic dividends provided a great platform for creating a new learning environment. India’s new growth patterns have been directly aided by its higher education system in the last decade. The expansion of tertiary sector and the rest of the economy have been visibly impacted by a relatively robust higher education system. “For a vast populated and socially diverse emerging country like India higher education” is seen as the platform to leverage the social capital to achieve a faster and more inclusive economic growth. The rapidly changing economic scenario has placed increasingly new demands on the existing system of higher education. In order to effectively deal with the current challenge all the stakeholders of the education system need to gear up and meet the required change by making amends in their current work styles and moving out of their cocooned comfort zones.

This paper is based on secondary research wherein based on author’s personal experiences some of the critical ‘structural and functional issue’ at the higher education level have been examined. These issues demand attention of all those concerned with higher education. In the paper I have limited myself to issues only and have not dwell on future course of action since that would have been a subject too lengthy to be tackled in one paper.

OVERVIEW: THE HISTORY OF HIGHER EDUCATION

Though the history of Higher Education in India can be traced back to Nalanda and Takshashila, we can trace the foundation of the existing education system back to the British. They set up a network of schools to impart western education in English medium (Perkin, 2006). First such college to impart western education was founded in 1818 at Serampore near Calcutta. Over the next forty years, many such colleges were established in different parts of the country at Agra, Bombay, Madras, Nagpur, Patna, Calcutta, and Nagapattinam.

The historical landmarks of the educational frame work are McCauley’s Policy of 1835 to promote European learning through English and Sir Charles Woods’ Dispatch of 1854 which for the first time recognized the need for mass education with private and missionary help and gave up the policy of selective education known as the ‘filtration theory’.

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The objective of the system of education conceived by the British government for India was to produce a class of intermediaries between the rulers and the ruled. An important step in the history of Indian education is marked by Sir Charles Wood’s epoch-making Dispatch of 1854, which led to (1) the creation of a separate department for the administration of education in each province, (2) the founding of the universities of Calcutta, Bombay, and Madras in 1857, and (3) the introduction of a system of grants-in-aid. Even under the British crown in 1858, the educational policy of Wood’s Dispatch was retained.

The newly established universities did not initially undertake any teaching responsibilities but were merely examining bodies. Their expenses were confined to administration and could be met from the fees paid by the candidates for their degrees and certificates. The then existing 27 colleges were affiliated to these three universities. Later on, more universities were established. At the time of independence in 1947, there were 19 universities and several hundred affiliated colleges (CABE, 2005).

The establishment of the universities resulted in rapid expansion of college education and the products of the new learning displayed keen scholarship. The university degree became synonymous with, ‘passport to distinction in public services and in the learned professions’ as declared by the Indian Education Commission of 1882. With the practice of Entrance Exams, the universities came to gain a remarkable domination over secondary education. University policies regarding curricula, examination systems, language of instruction, and other vital issues were chalked out by university teachers who had little experience in school education. In the process, the secondary schools were only geared towards preparing the students for college education, creating a system, which became top heavy. The Education Commission of 1882 articulated the need for practical education for the ever-growing number of students. Despite this concern, however, alternative courses in commerce, agriculture, and technical subjects that were offered in a limited number of selected schools did not prove to be popular.

The second half of the 19th century is, nonetheless, of great significance to the country because modern India may indeed be said to be a creation of this period. It brought about a renaissance by breaking down geographical barriers and bringing different regions and long-separated Indian communities into close contact with one another. The blind admiration for Western culture gave way to a new vision and reorientation leading to a feeling of dissatisfaction toward the existing governmental and missionary institutions. The Indian patriots felt that Indians themselves could build the character of Indian youth. This led to the establishment of a few notable institutions aiming to impart sound education to Indian youth on national lines-institutions such as the Anglo-Mohammedan Oriental College in Aligarh (1875), the D.A.V. College in Lahore (1886), and the Central Hindu College in Varanasi (1898).

POST INDEPENDENCE HIGHER EDUCATION IN INDIA

Higher Education in India has come a long way from the initial days following the Wood’s Dispatch (1854); it has grown “in a remarkable way, particularly in the post-independence period, to become one of the largest systems of its kind in the world”. Indian higher education system is the third largest; after China and the United States, and is among the most complex ones.

There has been a phenomenal expansion of higher education in India in the last sixty odd years; there were also several path breaking initiatives such as the founding of the five Indian Institutes of Technology (IITs), four of which were in collaboration with major industrialized nations (USA, Germany, Russia and UK). There was the establishment of several engineering colleges, setting up of the Indian Institutes of Management (IIMs) in the 60s, and the establishment of several Agricultural Universities. These all can be considered important landmarks in the development of Higher education in India. During this period, there was significant expansion of medical education, besides the growth of a rapidly expanding technical education base.

THE CURRENT SITUATION

Currently, there are 573 government-recognized universities in India. Out of them 42 are central universities, 129 are deemed universities and 11 are open universities and 287 are state universities. Most of these universities in India have affiliating colleges where undergraduate courses are taught. According to the Department of higher Education government of India, there are 35000 colleges, and 20 million students in various higher education institutes in India. Apart from these higher education institutes there are 115 private institutions in India that offer various professional courses in India. Distance learning has also come up in a major way as a feature of the Indian higher education system.

REVIEWS AND REFORMS

The Higher Education System has been put to constant reviews and reforms in India. Important landmarks have been Reforms based on the Committee Report of University Education Commission of 1948-49 under the Chairmanship of Dr. Radha Krishnan and the formulation of the first National Policy on Education based on the recommendations of Education Commission (1964-66). Expansion of higher education in India was recommended to meet the manpower needs.

During Rajiv Gandhi’s prime ministership the relevance and job orientation of higher education was given much importance in the Second National Policy on Education 1986, which was based on the paper ‘Challenge of Education’ (1986).
In the year 2003 UGC report on higher education had recognized the basic fact, that the “Universities have to perform multiple roles, like creating new knowledge, acquiring new capabilities and producing an intelligent human resource pool, through challenging teaching, research and extension activities so as to balance both the need and the demand”.

In view of the critical role of knowledge institutions and the required institutional reforms The National Knowledge Commission was envisaged by Dr. Manmohan Singh in 2005 under Mr. Sam Pitroda to prepare a blueprint for reform of knowledge related institutions and infrastructure which would enable India to meet the challenges of the future.

One of the most comprehensive reviews came in the shape of Yashpal committee report: “Renovation and Rejuvenation of Higher Education” submitted in 2009, which referred to the disconnects in the present education system between theory and practice, the report pointed to “the isolation of universities from the real world outside”. The report accepted that, “Most instrumentalities of our education harm the potential of human mind for constructing and creating new knowledge,” while calling for a more holistic and inter-disciplinary approach at the university level, the report condemns the “Mushrooming engineering and management colleges”, which the report outlines “have largely become, mere business entities”.

**CRITICAL CHALLENGES**

**Role of Regulatory Bodies vis-a-vis Quality**

Higher education in India is coordinated by several agencies. While most of general higher education falls within the jurisdiction of the UGC, professional institutions are coordinated by different bodies. The AICTE is responsible for coordinating technical and management education institution.

The other statutory bodies are Medical Council of India (MCI), Central Council of Indian Medicine, The homeopathy Central Council, The Indian Council of Medical Research (ICMR), Indian Nursing Council, The Dental Council, The Pharmacy Council, The Bar Council of India, and The Indian Council of Agriculture Research (ICAR) etc. There are also a few such bodies at state level, such as State Council of Higher education that were established currently. There is yet another type of a coordinating agency, called AIU, which was earlier known as Inter-University Board of India.

AIU has no executive powers, but plays an important role as an agency in the dissemination of information and as an adviser both to the government as well as the UGC along with Universities.

There are significant differences in their mandate, powers and functions. The councils have rules and regulations of their own. There is large overlap of their functions with the functions of the UGC, other professional councils, and even function of universities in some cases.

Today in this scenario there is very little of clearly defined policy for promoting and regulating institutions and especially the private initiatives. “Whatever policies exist, they are of ad-hoc nature prescribed by either the central regulatory bodies and/or by the various states and UT’s. Often because of inconsistencies, ambiguities, and vagueness especially in the light of different legal mandates of these agencies and the concurrent status of higher education-there have been a plethora of legal battles resulting in enormous expenditure to the governments and the institutions” (M. Anandakrishnan, Policy Orientation for Private Initiatives in Higher Education: Issues and Options, 2003).

**Unprecedented Privatization**

The forces of globalization, liberalization have created a new wave of demand for higher education where it was deemed necessary to encourage full participation of private education providers wherein the regulatory bodies needed to play the role of facilitators and not regulators.

In the 1980s, there was an immense demand for quality higher education relevant to the needs of business and industry, putting considerable stress on government resources. In addition, there was a substantial increase in the population in the middle and higher income groups, which could afford to pay higher tuition fees. This made the non-subsidized higher education a viable enterprise.

The Economic reforms of 1990s saw a rise in entrepreneurship in the country, the rising demand of higher education from the growing middle classes and the growing culture of entrepreneurship together accelerated the pace of growth of private higher education in the country.

Till the late 1990s, the expansion of higher education largely took place through affiliated colleges. By then, many promoters of private unaided colleges began to realize that the regulatory mechanisms of the affiliating university and state governments were inhibiting their growth and did not allow them to fully exploit their market potential. The promoters were not able to make money from their educational enterprises. Such institutions explored the possibilities of wriggling out of the control of the state governments and the affiliating universities. Some of the institutions took the deemed to be university route to get the degree
granting powers. However, universities in the country are either set up by an Act of Parliament or State Legislature; however, certain institutions are also given the status of a deemed to be university in terms of section 3 of the UGC Act, 1956. Earlier this provision was used sparingly to declare premier institutions offering programmes at advanced level in a particular field or specialization as a deemed to be university to enable it to award degrees. Indian Institute of Science at Bangalore and Indian Agricultural Research Institute at Delhi were the first two institutions to be declared as deemed to be universities in 1958, for education and research at advanced level in the field of basic sciences and agriculture respectively.

Over the last two decades, there had been a sudden jump in the number of deemed universities. In the early years, this privilege was extended only to the government / government aided institutions. Manipal Academy for Higher Education (MAHE) became the first totally self-financed institution to be declared a deemed to be university in 1976. After 2000, when the provision for conferring the deemed to be university status to a new institute was introduced, there was a sudden spurt in the growth of deemed to be universities in the private sector. Between 2009 and 2010, 42 private-sponsored institutions got the deemed university status. Though the deemed to be universities do not have affiliating powers, many of them have a number of campuses spread throughout the country. In this way, the new entities were able to wriggle out of the oversight mechanism of the affiliating universities. They were also able to overcome the service area restrictions associated with an affiliating university. This intensified the competition in higher education in the country.

Meanwhile, many state governments realized that education was on the concurrent list of the Constitution and that they could establish private universities through legislation. By early 2009, seven private universities set up in different states were recognized by the UGC. This also led to a new state – Chhattisgarh - in central India indulging in an astounding misadventure by allowing the setting up of 97 private universities with all India jurisdictions in the year 2002. The Supreme Court struck this down in February 2005 leaving the fate of nearly fifty thousand students registered in these universities hung in balance; the future of those who acquired degrees from these so-called universities remains uncertain. The Chhattisgarh case cited above illustrates the fact that there are a number of loopholes in the regulatory system in the country. Given an opportunity, the private providers would resort to such misadventures. The fact that they resorted to such strategies in connivance with a state government indicates a major policy lacuna in the higher education sector in the country.

**Decline in Quality**

Private educational institutes alone are not to be blamed for the current “moriibund stagnation” (Dr. Mamohon Singh Harvard Alumi meet 2006) in higher education, the Chhattisgarh misadventure has recently been replicated by Uttar Pradesh Technical University which overlooked all the basic formalities and requirements while allowing affiliation to over 700 professional colleges of MBA and B. Tech creating a mayhem, where the supply far exceeded the demand. The number of colleges was clearly higher than the number of aspirating students in Uttar Pradesh, which gave rise to the unethical practices by a new class of middle men who beguiled the rural students with a promise of Professional degree. In this process, touts created fake documents for substandard students, luring them to professional colleges and finally peddling these students to the highest bidding college in the market. The disreputable practices abounded in the most revered profession leaving all the stakeholders, the students, the teachers and the colleges in dark insecurities regarding their future. Through this random affiliation, UPTU faces a total loss of credibility in the industry. The Knowledge and skill threshold of students of UPTU colleges is far below the expected industry standards making them utterly unemployable.

The mushrooming of various universities and colleges has led to a decline in the standard of higher education and a loss of credibility in the mind of the students who is searching for alternative avenues of employment. Currently a number of higher education family owned colleges have become de jure profit enterprise where quality is sacrificed at the altar of quantity. At the same time, the spread of distance education learning institutes has made confusion more confounded where quality controls have become increasingly difficult to observe. Although distance learning was initially promoted to increase the student enrolment at the higher education level, the growth has largely been haphazard and the quality is both unsatisfactory and uneven. There is an anomaly also, with major provider - IGNOU being the regulator. The regulator for distance education – the Distance Education Commission (DEC) is a part of IGNOU. This results in conflict of interest with IGNOU getting a preferential treatment over the other distance education providers from the regulator.

Nowadays, the boundaries between distance education and on-campus education are getting blurred and it is likely that the future interrelations between them will be marked both by a growing competition and a growing confusion leading to greater decline in the standards.

**Employability**

In the context of the Information Technology Revolution, Communication Explosion, the Knowledge Economy and Globalization, India's production of Professionals is phenomenal. With more than 500 Universities and 35,000 Colleges churning out nearly 20 million graduates each year, in terms of the volume of production India is clearly one of major providers of human resource to the world market. At this juncture, India’s burning issue is not the lack of talent pool, but the lack of talent pool, which is employable. Two of the greatest concerns of employers today, are finding good workers and training them. The difference between the skills needed on the job and those possessed by applicants, sometimes called the skills-gap, is of real concern to
Human Resource Managers and Business owners looking to hire competent employees. The employers prefer to hire people, who are trained and ready to go to work, whereas only 15% of people coming out of Indian colleges are employable. The rest are branded ‘not employable’, it is not for the lack of theoretical knowledge but for the lack of skills and attitude necessary for doing the job successfully. This is truly a challenge as well as a social responsibility. The quality of the student’s intake, the declining standards of the colleges have created a critical gap between the industry requirements and quality of the products churned out of our portals of higher education.

It is important to ponder over Employability Skills over here. In the current economic scenario Knowledge, Skills and Attitude play a dominant role in the Employability of an individual. In this era of fierce competition, companies are increasingly looking for a set of ‘skills beyond subject knowledge’—skills, which enable the individual to secure a job and to be effective in it. ILO in its 5th Report of 88th Session of June 2000 ‘Training for employment: social inclusion, productivity and youth employment’ mentions three levels Knowledge Skills and Attitude as Employability Assets these are:

a. **Base line Assets**: such as basic skills and essential personal attributes of integrity and reliability.
b. **Intermediate Assets**: Occupation Specific Skills (at all levels) and generic skills such as communication skills & problem solving and personal attributes such as initiative motivation.
c. **High-Level Assets**: Skills, which are needed for the organizational performance such as teamwork and self-management.

Further, on the ILO paper gives a suitable definition of Employability as an individual’s ability to:

- Secure a job,
- Retain Employment... and cope with change,
- Secure another job in case of retrenchment, &
- Move flexibly in and out of the labour force.

There is an urgent need for us to realign the higher education system by making it contextual, where in the student is able to use his education as a platform for availing adequate employment opportunities. The time now is to modernize our education system. The process of education is not merely digesting books; it is also about doing several co-curricular and extra-curricular activities that give a broader meaning to life in general and education in particular.

**Quota**

Professor Yashpal Committee’s report ‘Renovation and Rejuvenation of Higher Education’ submitted in 2009 talks of an invisible wall, although he refers to the compartmentalization of knowledge, but on the ground level one of the major indivisible walls of the present education system in India is, the reservation system which is acting as a hindrance in the quality outcomes. The Directive Principles of State Policy of Indian Constitution envisioned a reservation of seats in jobs and education for the hitherto downtrodden sections of the society: the Schedule Castes; and the Schedule Tribes. Initially this reservation was to be implemented for a period of ten years, despite Mahatma Gandhi’s open resistance to implementation of quota, successive governments have used the reservation system to enhance their political base. The crowning glory came with the implementation of Mandal Commission report in 1991 by under-siege prime-minister Mr. V. Singh, unleashing caste clashes and an eruption at all India level students’ agitation, which witnessed a large number of upper caste students publicly committing suicide.

The brain drain, the unprecedented privatization, declining standards have since then become inter related issues which have created a vicious circle stemming out of quota or reservation system. In recent years, we have witnessed a steep decline in the quality of higher education in India. In most of the government run institutes despite extremely tough competition nearly 49% of the seats are reserved for SC, ST, OBC and other sections. The impact of this has been adverse on those students who might be competent but fail to make it to these highly esteemed institutes. Such students become bewildered, disillusioned and disgruntled with the current education system, choosing to move abroad which appears to be the only logical solution to their future insecurities. On the flip side a student with much lesser capabilities is suddenly leapfrogged into an environment where a) he fails to cope with pressure and b) the institute is burdened with students who desperately lag behind others, putting an extra pressure on faculty who are forced to find novel ways and means of ensuring success of below-par students, who continue to struggle throughout the study duration hampering the placement success of the institute. Language also becomes a major barrier for most of these students whose previous educational background obscures their comprehension of content making the task of a teacher increasingly difficult, while vitiating the learning environment of the class. This creates a very visible gap between a small minority of students who understand the content and a greater majority who do not, deepening a cultural divide where the learning environment of the class does not remain conducive to the holistic development of the student.

Adding to the woes is the rise of unethical practices, where the temptation of obtaining a seat in government colleges with relatively lower fees and better placements, drives many a parent and student into procuring fake caste and income certificates while applying to colleges for higher education. All this is leading to a total loss of credibility in the mind of industry as well as the students.
CONCLUSION

Most observers agree that Indian higher education, the significant and impressive developments of the past few decades notwithstanding, faces both internal and external challenges. Perhaps the clearest and boldest statement of this issue can be found in the “Report to the Nation 2006” of the National Knowledge Commission, which concludes that there is ‘a quiet crisis in higher education in India that runs deep’, and that it has to do with both the quantity and the quality of higher education in India.

Reflecting on the findings of a confidential report by the National Assessment and Accreditation Council, which is affiliated to the University Grants Commission (UGC), ex-prime minister Dr. Manmohan Singh expressed, grave concern over the fact that two thirds (68%) of the country’s universities and 90 percent of its colleges were “of middling or poor quality” and that well over half of the faculty in India’s colleges fail to meet the required standards. Knowledge is the base for overall growth and if the nation has to be competitive and to be at par with the global pace, we will have to respond to the market forces.

All these issues together raise serious questions about the integrity and utility of the Indian higher education system. There is a need to safeguard its integrity and enhance its credibility. Loss of credibility would have serious repercussions. Our competitive advantage as a nation with huge reserve of highly qualified and trained manpower may be lost. Many countries are shying away in signing mutual recognition agreements with us because of horror stories that they hear about deteriorating standards of higher education in India. This would become more difficult in the years to come, if we allow any further compromise on the standards of higher education in the country. If higher education is to act as a powerful tool for building a strong knowledge based society in the 21st Century, the existing conventional educational system needs to be overhauled in order to match the quality expectations of the employers and society. Simultaneously, if we are to move beyond the concept of simple acquisition of paper degree as higher education and empower the youth with knowledge, skills and attitude to fend for themselves, more cost effective solutions have to be found, for serving the educational needs of the mammoth Indian society.

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11. http://www.learningace.com/doc/4636326/edc2734f465830d7f0c1ea600e75f6a4f/crier_w180___higher_eucation...
ABSTRACT

Visual merchandising (VM) is the means to communicate a store/company’s fashion value and quality image to prospective customers. “The purpose of visual merchandising is to educate the customer, to enhance the store/ company’s image, and to encourage multiple sales by showing apparel together with accessories”. It reminds people to buy by attractively presenting products or services at a critical juncture in the buying process. It includes window displays, interior displays, and outside displays. Decorative glass storefronts, colorful signs, creative window displays, effective store layout and design, lighting, plush carpeting, and brightly painted walls are all elements of a total visual merchandising program. Here the philosophy “Consumer is the King” has to be the guiding force.

Window shopping, mall hopping, eating out, conspicuous consumption, moving and shopping in groups is best time pass for even the most hardened buyers. The Indian youth now demands state of the art service, global standard of the product, and international level of shopping experience. In view of this trend the visual merchandising and purchase behavior of youth in India, is fast emerging and crucial thing. Therefore, this study focuses on dimensions of visual merchandising and youth behavior in terms of purchasing.

KEYWORDS

Buying Process, Purchase Behavior, Visual merchandising, Youth Behavior etc.

INTRODUCTION

Visual merchandising is the art and science of displaying and presenting product on the sales floor and in the windows with the purpose to increase store traffic and sales volume. Along with the store design, it is a key component of store unique identity and best form of advertising Visual merchandising can be defined as everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of the customer. It includes the presentation of merchandise as well as other important, features that create the store overall atmosphere. Eighty percent of impressions are created by sight; that is why one picture is worth a thousand words. Each customer has a mental image of a store and its merchandise. A store should have an inviting appearance that makes the customer feel comfortable and yet eager to buy.

Visual merchandising is directly involved in two-third of the entire process of converting a mere visitor into a buyer. Visual merchandising plays a very important role in attracting customers of different sections to buy the goods. The basic objective for visual merchandising is a desire to attract customers to a place of business in order to sell the merchandise. Visual merchandising is offered to the customer through exterior and interior presentation. Each should be coordinated with the other using the store overall theme. Creating and maintaining a store visual merchandising plan, however, is not a simple task. It is necessary to continually determine what the customer sees. This evaluation from the customer perspective should start on the exterior and work completely through the interior of the store. Although it is usually associated with retail businesses, it is also part of the promotional mixes of other types of businesses that market goods or services. Shopping malls, hypermarkets, Branded outlets and even small time retailers know now that these places are a popular hangout places for young people. India is on a path of becoming consumer driven society populated by one of the fastest growing middle classes youth in India.

Visual Merchandising in relation to Buying Behavior

In-store browsing may be a link between internal and external factors, as an important component in the impulse buying process as well as a link between consumers’ impulse buying behavior and retail settings including exterior and interior display. “Jarboe and McDaniel (1987) found customers who browsed in a store made more unplanned purchases than non-browsers in a regional mall setting. As a customer browses longer, she/he will tend to encounter more stimuli, which would tend to increase the like hood of experiencing impulse urges. This supports Stern’s (1962) conceptualization of impulse buying as a response to the consumer’s exposure to in-store stimuli. Shoppers may actually use a form of in-store planning to finalize their intentions (Rook, 1987).
The store stimuli serves as a type of information aid for those who go to the store without any predetermination of what they need or buy, and once they get into the store, they are reminded or get an idea of what they may need after looking around the store. In other words, consumer’s impulse buying behavior is responses made by being confronted with stimuli. Window shopping, mall hopping, eating out, conspicuous consumption, moving and shopping in groups is best time pass for even the most hardened buyers. The Indian youth now demands state of the art service, global standard of the product, and international level of shopping experience.

**LITERATURE REVIEW**

Visual merchandising is effective presentation of products that impacts customers purchase (Walters and White, 1987). It is providing right product to right customer at right time. It is defined as “the presentation of a store/brand and its merchandise to the customer through the teamwork of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by store” (Mills et al, 1995). This means everything that customer sees, exterior or interior, creates a positive impact on customer. Retailers are gradually realizing that only selling the product is not important, but customers’ satisfaction and convenience is also important for shopping. Stimulus in retailing includes space related, product related and people related aspects (Quartier et al, 2009). These stimuli are mostly collected through eyes. Hence, it is inexpensive way of marketing (Mattew and Clark, 2004).

Visual merchandising includes both store exterior and interior. The store exterior includes window display, facade and retail premises. Window display is a medium, which creates first impression in customer’s mind to enter the store. Physical attractiveness of the store impresses customers highly for store selection (Darden et al., 1983). In The same way exterior of the store instigates customers to enter the store (Jiyeon, 2003). Omar (1999) suggests that there are three types of interior display: Merchandising display, Point-of-sales display and Architectural display. In-store cues have always been prominent for practitioners and researchers (McGoldrick, 1990, 2002). Good store interior interests customers and hence, reduces psychological defense and help purchase (Kotler, 1974; Walters and White, 1987; Bitner, 1992; Omar, 1999; Davies and Ward, 2002, Jiyeon, 2003).

The store interior includes orienting factors (Davies and Ward, 2002); signage (Bitner, 1992); Layout (Levy and Weitz, 1996; Berman and Evans, 1995), fixturing (Levy and Weitz, 1996), merchandise (Davies and Ward, 2002), presentation techniques (Buchanan et al., 1999), props (Dua and Karolia, 2008) and spatial factors and ambient conditions (Davies and Ward, 2002), which Kotler termed “atmospherics” which is a very important strategy. Consumer expectation regarding in-store design have increased (Buchanan et al., 1999) and there is also a heightened desire for shopping excitement, which can in part be delivered through innovative design of the physical environment (Erlick, 1993; Levy and Weitz, 1996).

Visual merchandising is, therefore, concerned with both how the product/ brand are visually communicated to the customer and whether this message is aptly decoded. Visual merchandising includes various aspects of consumer such as sensory pleasure, affective pleasure and cognitive pleasure (Fiore, et al 2000). Consumers under stress will make planned or nondiscretionary purchase and will not spend as much time or money on unplanned purchases (Donovan et al, 1994).

Customers account both monetary and non-monetary costs of the merchandise (Zeithaml, 1988). Recreational i.e. non-monetary are vital for shopping (Treblanche, 1999). The longer a shopper remains in the store the more he or she will buy. In addition, the amount of time the shopper will spend in the store depends on how comfortable or enjoyable the experience is. Therefore, the visual stimulus and ambience must be soothing and effective so customer remains in store for longer time. Along with the merchandise, it triggered affective reaction among shoppers (Baker and Grewal, 1992) which creates store patronage intentions (Baker et al., 2002). It is evident from the above research studies, that in-store environment is critical component of store choice and sales behavior.

**OBJECTIVES OF STUDY**

- To explore the dimensions of visual merchandising.
- To study the impact of visual merchandising on the buying behavior of youth.

**RESEARCH METHODOLOGY**

The present study identified different merchandising techniques cues that could possibly influence the purchase decision of in such a scenario. A multiple cross sectional descriptive type of research was designed for the study. The study identified the perception of three different groups of youths. The respondent fell in age group between 16-30 years. Convenient sampling was used as the sampling technique and a total of 200 responses were collected. Primary data was used in the study, and a survey method of data collection technique was undertaken.

Data collection was carried out in Solapur district of Maharashtra. The period of study was during May-June 2014. A structured pre-tested questionnaire was used as the data collection instrument. Pretesting of the questionnaire was done among small group of youth. Data obtained through the questionnaire were analyzed using SPSS (20) software package in 95 % confidence interval.
Cluster analysis is the task of assigning set of objects into groups (called clusters) so that the objects in the same cluster are more similar to each other than to those in other clusters. The present study identified homogeneous group of supermarket, departmental store and mall visitors. Then, the buying behavior of each group was examined separately, where respondents were clustered on the basis of self-reported importance attached to each factor (visual merchandising cues/cluster variable) of the choice criteria utilized in selecting a visual merchandising. This was followed by one way ANOVA for final interpretation.

RESULTS AND DISCUSSION

Cronbach’s alpha coefficient, which is widely used to test the reliability, was obtained as 0.827. Hence, it was concluded that the variables fit for an acceptable reliability level. Hierarchical cluster analyses on 200 cases were performed using Ward’s method with squared Euclidean distance as its distance measure. An eye balling of the agglomeration schedule and the dendrogram indicated that after three clusters, the succeeding cluster added very less to distinguish between cases. Hence, a three-cluster solution was found appropriate. The clusters along with their cluster membership are shown in following table.

Table-1: Clusters and Cluster Membership

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Cluster Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>35</td>
</tr>
<tr>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Table-2: Descriptive Profile

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UG PG Total</td>
<td>UG PG Total</td>
<td>Total</td>
</tr>
<tr>
<td>Cluster 1</td>
<td>14 6 20</td>
<td>10 5 15 35</td>
</tr>
<tr>
<td>Cluster 2</td>
<td>40 25 65</td>
<td>20 15 35 100</td>
</tr>
<tr>
<td>Cluster 3</td>
<td>35 10 45</td>
<td>12 8 20 65</td>
</tr>
<tr>
<td>Total</td>
<td>89 41 130</td>
<td>42 28 70 200</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Descriptive statistics revealed that there were some major differences between the means of various clusters for each cluster variable. To ascertain the influence of different visual merchandising cues on these three clusters, a one way ANOVA was performed, as shown in table 3. This indicates that the result was significant at 95 % confidence interval or all cluster variables except floor & sealing.

Table-3: ANOVA

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Variables</th>
<th>Calculations</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean square</th>
<th>f</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Look for aesthetics</td>
<td>Between groups</td>
<td>302.169</td>
<td>2</td>
<td>151.084</td>
<td>290.14</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>121.789</td>
<td>197</td>
<td>0.519</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>423.958</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Look for information</td>
<td>Between groups</td>
<td>17.256</td>
<td>2</td>
<td>8.628</td>
<td>7.408</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>258.234</td>
<td>197</td>
<td>1.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>275.49</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Look for Interior and Exterior</td>
<td>Between groups</td>
<td>39.842</td>
<td>2</td>
<td>19.921</td>
<td>17.852</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>261.652</td>
<td>197</td>
<td>1.009</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>301.494</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Brand and purchase decision</td>
<td>Between groups</td>
<td>23.862</td>
<td>2</td>
<td>11.931</td>
<td>7.829</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>350.425</td>
<td>197</td>
<td>1.543</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>374.287</td>
<td>199</td>
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</tr>
<tr>
<td>5</td>
<td>Music and purchase decision</td>
<td>Between groups</td>
<td>71.562</td>
<td>2</td>
<td>35.781</td>
<td>35.088</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>241.562</td>
<td>197</td>
<td>1.011</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>313.124</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Color and purchase decision</td>
<td>Between groups</td>
<td>150.256</td>
<td>2</td>
<td>75.128</td>
<td>85.281</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Within Group</td>
<td>218.356</td>
<td>197</td>
<td>0.788</td>
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</tr>
</tbody>
</table>
To ascertain the significant differences, post hoc Tukey HSD multiple comparisons were performed, and it yielded the following results as in Table 4. It shows that “Look for aesthetics” clearly differentiated the three clusters through their cluster means. “Look for information” significantly differentiated between Clusters (1, 3) and (2, 3). Clusters 1 and 2 were not significantly different with respect to this variable. “Look for interior and exterior” significantly differentiated between the Clusters (1, 3) and (2, 3). Clusters 1 and 2 were not significantly different with respect to this variable. “Brand and purchase decision” significantly differentiated between the Clusters (1, 3) and (2, 3). Clusters 1 and 2 were not significantly different with respect to this variable. “Music and purchase decision” and “Color and purchase decision” also were significant for Cluster 1 and 2. The findings suggest that visual merchandising was of paramount importance with respect to most of the ‘cluster variables’ or ‘visual merchandising cues’ as far as purchase decision of youth were concerned, with the only exception of cluster variable named “Floor & Sealing and purchase decision”. This was contradiction to the findings of Arjunland (2003), wherein he found that sealing and floor design influenced the purchase decision of youth.

Table 4: Tukey HSD Multiple Comparison

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<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Between groups</td>
<td>Within Group</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7 Posters and purchase decision</td>
<td>368.612</td>
<td>7.056</td>
<td>189.348</td>
<td>196.404</td>
<td>199</td>
<td></td>
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<td></td>
<td></td>
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<td>3.528</td>
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<td></td>
<td></td>
<td></td>
<td>3.084</td>
<td>0.048</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 Signage and purchase decision</td>
<td>263.143</td>
<td>9.862</td>
<td>253.281</td>
<td>263.143</td>
<td>199</td>
<td></td>
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<td></td>
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<td>4.931</td>
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<td></td>
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<td>4.037</td>
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<tr>
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<td>9 Layout and purchase decision</td>
<td>292.599</td>
<td>16.254</td>
<td>276.345</td>
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<td>199</td>
<td></td>
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<td>8.127</td>
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<td>10 Floor, Sealing and purchase decision</td>
<td>245.812</td>
<td>0.389</td>
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<td>197</td>
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<td>0.1945</td>
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<td>0.147</td>
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<td>11 Parking and purchase decision</td>
<td>286.622</td>
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</tr>
</tbody>
</table>

Sources: Primary Data
CONCLUSION

This study revealed that visual merchandising cues largely influenced all the three clusters.

Cluster 1: This cluster comprised of 57% male respondents with over 70% undergraduate and over 30% postgraduates.

Cluster 2: This cluster comprised 35% female respondents with over 58% constituting graduates and 42% postgraduates.

Cluster 3: This cluster comprised of 69% male respondents with over 77% constituting graduates and 23% postgraduates.
Cluster variables like “Look for aesthetics”, “Music and purchase decision” and “Color and purchase decision” significantly differentiated across all the three clusters. Variable like “Posters and purchase decision”, “Signage and purchase decision”, “Layout and purchase decision” and “Parking and purchase decision” were significant only for Cluster 1 and 2. “Look for information”, “Look for interior and exterior” and “Brand and purchase decision” significantly differentiated between Clusters (1, 3) and (2, 3). The result of this study emphasized and further supported the importance of visual merchandising as an important element of marketing.

Visual merchandising as found to have high impact on youth consumers purchase patterns, the retailers, manufactures, franchisor and outlet owner have to rethink their positioning strategies for designing effective design and visual effects.

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AN EMPIRICAL STUDY ON ANTECEDENTS OF CUSTOMER LOYALTY

Kota Neel Mani Kanta37 S. Reddy Murali38 P. Srivalli39

ABSTRACT

The current arena of marketing is centered towards retaining and attracting the customers for achieving the corporate objective. This paper studies the factors, which influence in retaining the customers, customer loyalty. This study considers various factors like attitudinal commitment, calculative commitment, customer satisfaction, trust, corporate image and switching cost and its influence on customer loyalty. Customer loyalty is categorized as behavioral loyalty and attitudinal loyalty. The study is conducted among the Pepsi co outlets in Rayalaseema Region of Andhra Pradesh, here the outlet owners are considered as the customers. The data analyses the relationship between the variables affecting the customer loyalty. The study was successful in analyzing the relationship and has presented valuable insights in building customer loyalty for organization.

KEYWORDS
Customer Loyalty, Commitment, Corporate Image, Customer Satisfaction & Trust etc.

INTRODUCTION

The customer loyalty is considered as prime determinant of long-term financial performance of firms. Three conceptualizations of customer loyalty have been identified in literature: behavioral loyalty, attitudinal loyalty, and composite measure of loyalty (Uncles, Dowling & Hammond, 2003). Recent studies (Bennett & Rundle-Thiele, 2002; Rundle-Thiele, 2005a) indicate that a multidimensional view of customer loyalty is important to understand dimensions and measures of loyalty. Dick & Basu (1994) argue that both behavioral and attitudinal loyalty are important, when emphasis is both on understanding past behaviors as well as predicting future patronage by the customer. The present study considers both behavioral and attitudinal dimensions of loyalty and studies the effects of potential drivers of loyalty on both forms. The present study adopts the model developed by Harsandaldeep Kaur and Harmeen soch (2012). The following section explains the conceptual framework of the study.

Conceptual Frame Work

Behavioral Loyalty

The behavioral approach suggests that the repeat purchasing of a brand over time by a consumer reflects his loyalty. Behavioral approaches operationalize loyalty in four ways, through measures based on the (a) buyer’s expenditure within a product category that is spent with a particular supplier (Palmer, McMahon-Beattie & Beggs, 2000; Shukla, 2004); (b) proportion of purchase in the product category (Ehrenberg, 1964); (c) purchasing sequence behavior of consumers (Tucker, 1964); and (d) amount of brand switching among consumers in a product category (Javalgi & Moberg, 1997).

The advantage of behavioral measures is that they measure observable behaviors and thus help marketers to understand how people buy primarily in markets where data is readily available (Odin, Odin & Valette-Florence, 2001; Rundle-Thiele, 2005b). Another advantage of behavioral measures is that they are not incidental as they are based on purchasing behavior over a period of time (Mellens, Dekimpe & Steenkamp, 1996). The major shortcoming of loyalty measures based on repeat purchase behavior is that they do not distinguish between true loyalty and spurious loyalty (Day, 1969).

It is difficult for companies to influence repeat purchasing behavior because behavioral measurements cannot differentiate between the various buying situations and personal motives that may induce consumers to buy the same brand (Amine 1998; Palmer, McMahon-Beattie & Beggs, 2000; Odin, Odin & Valette-Florence, 2001). Finally, behavioral measures are sensitive to short-term fluctuations like stock-out, lack of choice, habit, low income, convenience, etc. (Mellens, Dekimpe & Steenkamp, 1996; Hart et al., 1999).

Attitudinal Loyalty

To overcome the limitations of behavioral approach, researchers have proposed measuring loyalty by means of an attitudinal dimension in addition to the behavioral dimension (Day 1969; Jacoby & Kyner, 1973; Srinivasan, Anderson & Pomavolu, 2002).

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The attitudinal perspective assumes that consistent buying of a brand must be complemented with a positive attitude towards the brand to ensure that repeat behavior will be pursued further (Amine, 1998). Attitudinal loyalty refers to the level of consumer’s psychological attachments and attitudinal advocacy towards the supplier (Chaudhuri & Holbrook, 2001).

The attitudinal measures based on the stated references and commitment, distinguish loyalty from repeat buying and are also less sensitive to short-run fluctuations (Mellens, Dekimpe & Steenkamp, 1996). Attitudinal loyalty measures help brand managers to understand reasons for customer’s purchase of their brands as well as those of competitors and help to identify strengths and weaknesses of their brands (Bandyopadhyay & Martell, 2007).

Attitudinal measures are not an accurate representation of reality as they rely on consumer declaration and not on observed behavior and it is possible that consumers may not provide true information (Mellens, Dekimpe & Steenkamp, 1996; Odin, Odin & Valette-Florence, 2001). Another disadvantage of attitudinal measurements is that while operationalizing attitudinal loyalty, researchers use either antecedents or consequences of loyalty (Odin, Odin & Valette-Florence, 2001).

**Composite Loyalty**

For understanding long-term relationships, both behavioral and attitudinal dimensions of loyalty are important (Dick and Basu, 1994). The composite approach to loyalty considers customers’ favorable attitudes, intentions, and repeat purchasing as measures of true loyalty (Shoemaker & Lewis, 1999; Rundle-Thiele, 2005b).

Dick and Basu (1994) define loyalty as the strength of the relationship between an individual’s relative attitude and their repeat patronage. Research findings support the two-dimensional measures as better predictors of customer’s loyalty (Chaudhuri & Holbrook, 2001; Ganesh, Arnold & Reynolds, 2000; Rauyruen & Miller, 2007; Yi & Jeon, 2003). Therefore, in line with various researchers, this study proposes a composite measure of customer loyalty incorporating both behavioral and attitudinal dimensions.

For this study, Behavioral Loyalty is seen as the readiness of customers to repurchase the services of the service provider and to maintain a relationship with the firm. Attitudinal loyalty is defined here as the level of customer’s psychological attachments, willingness to recommend the service provider and engagement in positive word-of-mouth (WOM) communications. The framework presented in Figure 1 shows the relationship between the antecedents of customer loyalty. This model considers behavioral and attitudinal loyalty as dependent variables, which are affected by customers’ overall satisfaction, trust, commitment, corporate image, and switching costs.

**Antecedents of Customer Loyalty**

**Customer Satisfaction**

Marketing literature consistently identifies customer satisfaction as a key antecedent to loyalty and repurchases behavior. Customer satisfaction is understood as the customer’s emotional or empathic reaction to a perceived difference between performance appraisal and expectations (Hennig-Thurau & Hansen, 2000). The literature on customer satisfaction research recognizes two basic conceptualizations of satisfaction: transaction-specific and cumulative satisfaction (Johnson et al., 2001; Johnson, Herrmann & Gustafsson, 2002).

Transaction specific approach defines satisfaction as a customer’s evaluation of his or her experience with and reactions to a particular product transaction, episode, or service encounter (Olsen & Johnson, 2003). Cumulative satisfaction describes the customer’s overall consumption experience with a product or service over time (Fornell, 1992; Johnson, Nader & Fornell, 1996). Cumulative satisfaction measures are also better predictors of future behavior (customer retention) and firm performance (profitability) (Anderson, Fornell & Lehmann, 1994; Johnson, Nader & Fornell, 1996; Gustafsson, Johnson & Ross, 2005).

Customer satisfaction with a company’s products or services is the key to customer retention, company’s success, and long-term competitiveness (Hennig-Thurau & Klee, 1997). High customer satisfaction indicates increased loyalty, lower costs of future transactions, lower costs of attracting new customers, and an enhanced reputation for firm (Fornell, 1992; Anderson, Fornell & Lehmann, 1994). It is widely agreed that customer satisfaction leads to customer retention (Anderson & Sullivan, 1993), purchase intentions (Anderson & Mittal, 2000), and word-of-mouth (Anderson, 1998).

**Trust**

Trust is the most critical element in the development of successful relationship between a service provider and its customers (Morgan & Hunt, 1994; Garbarino & Johnson, 1999). Berry (1995) asserts that trust is critical to the formation of service-based relationships because of intangibility of services. In marketing, trust has been defined in various ways. Moorman, Deshpande & Zaltman (1993) define trust as “the willingness to rely on an exchange partner in whom one has confidence”.

Morgan & Hunt (1994) see trust as existing when one party has confidence in exchange partner’s reliability and integrity. Urban, Sultan & Qualls (2000) suggest that trust-based strategies are an essential element in building positive relationships with customers and increasing market share and profits of companies.

Chaudhari & Holbrook (2001) found that trusted brands are purchased more often and evoke a high degree of attitudinal loyalty. Other authors such as Garbarino & Johnson, (1999), Srideshmukh, Singh & Sabol, (2002), and Ndubisi (2007) also provide empirical evidence that a relationship exists between trust and future purchase intentions and intention to stay in the relationship.

Commitment

Commitment is recognized as an essential ingredient for successful long-term relationships (Dwyer, Schurr & Oh, 1987; Morgan & Hunt, 1994). Commitment is defined as “implicit or explicit pledge of relational continuity between exchange partners” (Dwyer, Schurr & Oh, 1987).

Moorman, Zaltman & Deshpande (1992) see relationship commitment as an enduring desire to maintain a valued relationship. Prior research suggests two forms of commitment – affective commitment and calculative commitment. Affective commitment is the extent to which a customer likes to maintain relationship with a service provider based on their affective attachment and identification with the service provider (Amine, 1998). It is based on a sense of liking and emotional attachment to the partnership (Wetzels, Ruyter & Birgelen, 1998).

Calculative commitment represents a constraint-based force binding the consumer to the service provider and stems from a cognitive evaluation of the instrumental worth of a continued relationship with the organization (Wetzels, Ruyter & Birgelen, 1998; Bansal, Irving & Taylor, 2004). Previous empirical research has demonstrated a positive relationship between commitment and future purchase intentions (Garbarino & Johnson, 1999; Gustafsson, Johnson & Roos, 2005), intention to stay in the relationship (Wetzels, Ruyter & Birgelen, 1998; Pritchard, Havitz & Howard, 1999), customer advocacy intentions, and willingness to pay more (Fullerton, 2005).

Corporate Image

Marketing literature identifies corporate image as an important factor in evaluation of the service and the company (Gronross, 1984; Andreassen & Lindestad, 1998). Nguyen (2006) defines corporate image as consumer’s response to total offerings and is related to business name, architecture, variety of products/services, tradition, ideology, and to the impression of quality communicated by each person interacting with the organization.

According to Ngobo (2004), image in service industries is conveyed by the service concept (i.e., benefits offered), delivery system (i.e., personnel and technology), and target markets (i.e., types of clients served). Image has two principal components: functional and emotional. The functional component is related to tangible attributes that can be easily measured, while the emotional component is associated with psychological dimensions that are manifested by feelings and attitudes towards an organization (Nguyen, 2006).

Image as a function of accumulation of purchasing/consumption experience over time, is used by organizations to attract new customers and retain existing customers (Andreassen & Lanseng, 1997). Previous empirical research has shown that corporate image positively influences customer loyalty (Andreassen & Lindestad, 1998; Nguyen & LeBlanc, 2001; Johnson et al., 2001).

Switching Costs

Research increasingly suggests that switching costs are an important factor affecting a customer’s decision to remain with a service provider (Jones, Mothersbaugh & Beatty, 2000). Switching costs are the sacrifices or penalties consumers feel they may incur in moving from one provider to the next (Jones et al., 2007).

Burnham, Frels, & Mahajan (2003) proposed a switching cost typology with three types of switching costs: procedural switching costs, financial switching costs, and relational switching costs. Procedural switching costs represent the consumer perceptions of the time and effort involved in seeking out information about available alternatives and evaluating their viability prior to switching (Jones, Mothersbaugh & Beatty, 2002).

Financial costs consist of benefit-loss costs and monetary-loss costs and involve loss of financial quantifiable resources (Burnham, Frels & Mahajan, 2003). Relational switching costs relate to the potential loss of a personal bond or friendship with a service provider if the customer switches (Jones et al., 2007). Dick & Basu (1994) suggest that switching costs are a common strategy to increase loyalty and prevent customer defection. Switching costs deter customers from switching to a competing firm (Fornell, 1992).
Lam et al. (2004) observe that switching costs in the form of monetary expenses, time, and psychological effort, encourage customers to recommend the provider to other customers. Various studies have examined a positive relationship between switching costs and repurchase intentions (Fornell, 1992; Anderson & Sullivan, 1993; Jones, Mothersbaugh & Beatty, 2000; Burnham, Frels, & Mahajan, 2003).

Figure 1: The Proposed Conceptual Model of Antecedents of Customer Loyalty

**Hypothesis Development**

- **H1:** Switching Cost positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.
- **H2:** Corporate Image positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.
- **H3:** Affective Commitment positively influences a) Corporate Image and b) Switching Cost.
- **H4:** Calculative Commitment positively influences a) Corporate Image and b) Switching Cost.
- **H5:** Customer Satisfaction positively influences a) Corporate Image and b) Switching Cost.
- **H6:** Trust positively influences a) Corporate Image and b) Switching Cost.
- **H7:** Calculative Commitment positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.
- **H8:** Affective Commitment positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.
- **H9:** Customer Satisfaction positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.
- **H10:** Trust positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty.

**RESEARCH METHODOLOGY**

The objective of this study is to understand the relationship of antecedents and customer loyalty. The model is developed by Harsandaleep Kaur and Harmeen Soch. In a seminal paper, they have discussed the framework and developed the measure of variables through factor analysis. The present study analyzes the robustness of the model. This study is conducted among the exclusive retailers of Pepsi Co. in Rayalaseema region in Andhra Pradesh. The study is conducted in districts of Kadapa, Kurnool, Anantapur, and Chittor districts of Rayalaseema region. The study collected the data through self-administered questionnaire. Convenience sampling was used to collect data. The study has collected opinions from 108 exclusive retailers of Pepsi Co. in the region.

The respondents were asked to rate on 5-point Likert scale from “strongly agree” to “strongly disagree”. The questionnaire consists of three sections, in the first section the questions were asked to measure the variables of Calculative Commitment, Switching cost, Customer Satisfaction and Trust. In the second section, the questions related to Corporate Image and Switching Cost was present. In the third section, the questions related Attitudinal Loyalty and Behavioral Loyalty was present.

Correlation analysis was employed to analyze the direction of relationship between the antecedents and Customer Loyalty variables. Regression analysis is employed to understand the magnitude of variance explained by the antecedents in Customer Loyalty i.e. Behavioral Loyalty and Attitudinal Loyalty.

**ANALYSIS AND INTERPRETATION**

In Table: 1 weighted means of variables are been detailed. It can be observed Calculative Commitment have low weighted mean. It reveals, the retailer does not have constraint-based force binding to the company in continuing the relationship. The weighted means of other variables were above the average scale, reveals they have switching cost, satisfaction, trust, corporate image and affective commitment in continuing the relationship with Pepsi Co.
Cronbach’s alpha is concerned with the degree of interrelatedness among the set of items designed to measure a single construct. Table-1 depicts the reliability alphas for various constructs. As can be seen, the coefficient alphas for all the eight subscales are above 0.60, which is an acceptable limit according to the research standards.

### Table-1: Cronbach’s Alpha and Weighted Means

<table>
<thead>
<tr>
<th>S. No</th>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
<th>Weighted Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculative Commitment</td>
<td>2</td>
<td>0.601</td>
<td>2.6</td>
</tr>
<tr>
<td>2</td>
<td>Switching Cost</td>
<td>3</td>
<td>0.772</td>
<td>3.2</td>
</tr>
<tr>
<td>3</td>
<td>Attitudinal Loyalty</td>
<td>3</td>
<td>0.819</td>
<td>3.5</td>
</tr>
<tr>
<td>4</td>
<td>Customer Satisfaction</td>
<td>3</td>
<td>0.665</td>
<td>3.6</td>
</tr>
<tr>
<td>5</td>
<td>Affective Commitment</td>
<td>3</td>
<td>0.708</td>
<td>3.7</td>
</tr>
<tr>
<td>6</td>
<td>Trust</td>
<td>3</td>
<td>0.748</td>
<td>3.7</td>
</tr>
<tr>
<td>7</td>
<td>Behavioural Loyalty</td>
<td>2</td>
<td>0.801</td>
<td>4.2</td>
</tr>
<tr>
<td>8</td>
<td>Corporate Image</td>
<td>2</td>
<td>0.912</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

Table-2 represents correlation and regression analysis. To understand the direction and significance of relationship between the antecedents and Customer Loyalty, Correlation analysis is performed. To understand the magnitude of variance explained by antecedents on Customer loyalty, regression analysis is employed.

### Table-2: Correlation and Regression Analysis

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Correlation Coefficient ( r )</th>
<th>Sig</th>
<th>Regression Coefficient ( R^2 )</th>
<th>Sig</th>
<th>Hypothesis (Supported / Not Supported)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC → BL</td>
<td>.271</td>
<td>.003</td>
<td>.73</td>
<td>.006</td>
<td>( H_1 ) Supported</td>
</tr>
<tr>
<td>SC → AL</td>
<td>.413</td>
<td>.000</td>
<td>.171</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>CI → BL</td>
<td>.488</td>
<td>.000</td>
<td>.238</td>
<td>.000</td>
<td>( H_2 ) Partially supported</td>
</tr>
<tr>
<td>CI → AL</td>
<td>.071</td>
<td>.243</td>
<td>.005</td>
<td>.485</td>
<td></td>
</tr>
<tr>
<td>AC → CI</td>
<td>.153</td>
<td>.064</td>
<td>.023</td>
<td>.128</td>
<td>( H_3 ) Partially supported</td>
</tr>
<tr>
<td>AC → SC</td>
<td>.299</td>
<td>.011</td>
<td>.052</td>
<td>.022</td>
<td></td>
</tr>
<tr>
<td>CC → CI</td>
<td>-.127</td>
<td>.104</td>
<td>.16</td>
<td>.208</td>
<td>( H_4 ) Partially Supported</td>
</tr>
<tr>
<td>CC → SC</td>
<td>.469</td>
<td>.000</td>
<td>.22</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>CS → CI</td>
<td>.248</td>
<td>.000</td>
<td>.61</td>
<td>.013</td>
<td>( H_5 ) Partially Supported</td>
</tr>
<tr>
<td>CS → SC</td>
<td>.103</td>
<td>.155</td>
<td>.011</td>
<td>.310</td>
<td></td>
</tr>
<tr>
<td>T → CI</td>
<td>.101</td>
<td>.158</td>
<td>.10</td>
<td>.316</td>
<td>( H_6 ) Partially Supported</td>
</tr>
<tr>
<td>T → SC</td>
<td>.233</td>
<td>.010</td>
<td>.054</td>
<td>.020</td>
<td></td>
</tr>
<tr>
<td>CC → BL</td>
<td>-.126</td>
<td>.166</td>
<td>.054</td>
<td>.213</td>
<td>( H_7 ) Not Supported</td>
</tr>
<tr>
<td>CC → AL</td>
<td>.148</td>
<td>.071</td>
<td>.022</td>
<td>.143</td>
<td></td>
</tr>
<tr>
<td>AC → BL</td>
<td>.379</td>
<td>.000</td>
<td>.144</td>
<td>.000</td>
<td>( H_8 ) Supported</td>
</tr>
<tr>
<td>AC → AL</td>
<td>.383</td>
<td>.000</td>
<td>.147</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>CS → BL</td>
<td>.396</td>
<td>.000</td>
<td>.157</td>
<td>.000</td>
<td>( H_9 ) Supported</td>
</tr>
<tr>
<td>CS → AL</td>
<td>.387</td>
<td>.000</td>
<td>.150</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>T → BL</td>
<td>.381</td>
<td>.000</td>
<td>.145</td>
<td>.000</td>
<td>( H_{10} ) Supported</td>
</tr>
<tr>
<td>T → AL</td>
<td>.430</td>
<td>.000</td>
<td>.185</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

**H1:** Switching Cost positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. Correlation analysis reveals that switching cost is have a positive relationship with Behavioral loyalty \( r = .271, p < .000 \) and Attitudinal loyalty \( r = .413, p < .000 \). Switching cost is able to explain 73% of variance in Behavioral Loyalty \( R^2 = .73, p < .000 \) and 17.1% in Attitudinal Loyalty \( R^2 = .171, p < .000 \). In this regard, it can be understood that switching cost is good predictor of Customer loyalty.

**H2:** Corporate Image positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. The study reveals, Corporate Image have positive influence on Behavioral loyalty \( r = .488, p < .000 \) and insignificant influence on Attitudinal Loyalty \( r = .071, p > .050 \). Corporate image is able to explain 23.8% of variance in Behavioral Loyalty \( R^2 = .238, p < .000 \) but with negligible explanation in Attitudinal Loyalty \( R^2 = .005, p > .050 \). Hence, Hypothesis 2 is partially supported. Corporate image have positive and significant relationship with Behavioral Loyalty, but insignificant with Attitudinal Loyalty.
H3: Affective Commitment positively influences a) Corporate Image and b) Switching Cost. It is observed from the study, Affective commitment have insignificant relationship with Corporate Image (r =0.153, p>.05) and significant relationship with Switching Cost (r =0.229 p<.050). It is analyzed Affective Component is able to explain 5.2% of variance in Switching cost (r² = .052, p<.050). Hence, H3 is partially supported. Affective Commitment is have significant influence on Switching cost rather than Corporate Image.

H4: Calculative Commitment positively influences a) Corporate Image and b) Switching Cost. Correlation analysis reveals Calculative Commitment has insignificant relationship on Corporate Image (r =-.127, p>.05) and significant relationship with Switching Cost (r =.469, p<.000). Calculative Commitment is able to explain 22% of variance in Switching Cost (r² = .22, p<.000). Hence, H4 is partially supported. Calculative Commitment is having significant influence on Switching Cost. Furthermore, it can be observed Affective and Calculative Commitment have insignificant relationship with Corporate Image and have significant relationship with Switching Cost.

H5: Customer Satisfaction positively influences a) Corporate Image and b) Switching Cost. Customer Satisfaction has insignificant relationship with Corporate Image (r =.248, p<.000) and significant positive relationship with Switching Cost (r =.103, p>.050). Customer Satisfaction is able to explain Significant variance of 61 % in Corporate Image (r² = .61, p<.05).Hence H5 is partially supported, Customer Satisfaction is able to influence Corporate Image rather Switching cost.

H6: Trust positively influences a) Corporate Image and b) Switching Cost. Trust is having insignificant relationship with Corporate Image (r =.101, p>.05) and significant positive relationship with Switching Cost (r =.233, p<.050). Trust is able to explain 5.4% of variance in Switching Cost (r² = .22, p<.05). Hence, H6 is partially supported. Trust is able to influence switching Cost rather Corporate Image.

H7: Calculative Commitment positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. Calculative Commitment is having insignificant relationship with Behavioral Loyalty (r =-.126, p>.05) and Attitudinal Loyalty (r =.148, p>.05). Hence, H7 is not supported. Calculative Commitment fails to influence Behavioral and Attitudinal Loyalty.

H8: Affective Commitment positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. The study observed significant relationship between Affective Commitment and Behavioral Loyalty(r =.379, p<.000) and Attitudinal Loyalty(r =.383, p<.000). Affective Commitment is able to explain 14.4% of variance in Behavioral Loyalty (r² = .144, p<.000) and 14.7% in Attitudinal Loyalty (r² = .147, p<.000). Hence, H8 is supported; Affective Commitment is able to influence Behavioral and Attitudinal Loyalty.

H9: Customer Satisfaction positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. It can be understood from the analysis that customer satisfaction have significant positive relationship on Behavioral Loyalty(r =.396, p<.000) and Attitudinal Loyalty(r =.387, p<.000). Customer Satisfaction is able to explain 15.7% of variance in Behavioral Loyalty (r² = .147, p<.000) and 15.0% of variance in Attitudinal Loyalty (r² = .150, p<.000). Hence H9 is supported, Customer Satisfaction have significant influence on Behavioral Loyalty and Attitudinal Loyalty.

H10: Trust positively influences a) Behavioral Loyalty and b) Attitudinal Loyalty. Trust is having positive relationship with Behavioral Loyalty(r =.381, p<.000) and Attitudinal Loyalty(r =.430, p<.000). Trust is able to explain 14.5% variance in Behavioral Loyalty (r² = .145, p<.000) and 18.5% in Attitudinal Loyalty (r² = .185, p<.000). Hence, H10 is supported; Trust is good predictor of Behavioral Loyalty and Attitudinal Loyalty.

DISCUSSION

The study has understood, switching cost is able to influence Behavioral and Attitudinal Loyalty of the respondent. It can be interpreted that Switching cost could be a reason the retailers of Pepsi Co. are continuing relationship. The Switching cost of retailer like returning the properties (Refrigerator, bottles, and credit finance) to the company, while discontinuing the business. Hence, to avoid the Switching Cost the retailer could be continuing the relationship with Pepsi Co.

It is understood that Corporate Image is able to explain Behavioral Loyalty rather the Attitudinal Loyalty. Hence, the retailer is continuing the purchase of product due to favorable Corporate Image in the market rather the attachment and positive attitude of the retailer present towards the Pepsi Co. This behavior is short term, could be sensitive and become unfavorable in situations like stock-out, development of unfavorable image, lack of choice, habit, low income, and convenience.

Furthermore, Affective and Calculative Commitment is able to explain Switching Cost rather Corporate Image. It is discussed; Affective Commitment is the extent of retailer liking to continue the relationship with Pepsi Co. based on their attachment and identification with Pepsi Co.. Calculative Commitment represents a constraint-based relationship of the retailer with cognitive evaluation. The retailer feels the presence of Switching Cost because of Affective and Calculative Commitment towards Pepsi Co. The study also observes Affective and Calculative Commitment does not influence to enhance Corporate Image.
Customer Satisfaction and Trust are observed to be good predictors of Corporate Image. The retailer’s satisfaction and trust built by Pepsi Co. made favorable attitudes towards Corporate Image. Furthermore, Customer Satisfaction and Trust lack influence on Switching Cost. It can be interpreted that the antecedents of Switching Cost are Affective and Behavioral Commitment rather Customer Satisfaction and Trust.

It can be observed from the analysis that Calculative Commitment does not influence to build Behavioral and Attitudinal Loyalty. Further, Attitudinal Commitment, Customer Satisfaction and Trust are able to influence in building Customer Loyalty.

CONTRIBUTION OF STUDY

The Present Study contributes both academic and practical implications. In academic point of view, it contributes literature on relationship marketing. The study provides theory based framework to understand the direct effects of satisfaction, trust, commitment, switching cost and corporate image on behavioral loyalty and attitudinal loyalty. Furthermore, by measuring loyalty as a composite measure of behavioral and attitudinal loyalty.

The study provides evidence of multidimensional nature of loyalty of consumers. The managerial implication of the study is loyalty measures developed in this study provides managers with an easy tool to identify attitudinal and behavioral differences among customers. Marketing managers can draw meaningful distinctions between customers who buy out of habit and those who buy because of emotional attachment to the company.

FUTURE STUDIES

The study has analyzed the robustness of the model in tangible product based context in Rayalseema Region of Andhra Pradesh. The future studies have to test the above model in various industries and region for improving the reliability and validity in generalizing the model.

Future Studies could consider the demographical factors influence on the antecedents of customer loyalty, can explore more insights for formulating strategies by marketers. The future studies have to consider the personal factors like price orientation, service recovery play important role in purchase intention.

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GREEN MARKETING: AN IMPACT OF NON-MARKET ENVIRONMENT

Vedava P.40

ABSTRACT

The term Green Marketing is the buzzword used in industry which is used to describe business activities involving greening the value-addition processes, the management systems, and/or the products, which attempt to reduce the negative effect of the products/services offered by the company to make it environmentally friendly. Any definition of the term Green Marketing must ensure that the interests of both the organization and the consumers are protected while minimizing the detrimental impact on the environment.

Green marketing is aimed at both product level and firm level. The sources of influences on green marketing subsume market and nonmarket environments. As the literature points out, the impact of market and nonmarket environments is mutual. Thus, firms need to adopt a coordinated approach to their market and nonmarket strategies. It is more important to have a general acquaintance with the concept of green marketing itself to understand the idea of impact of market and non-market environments on green marketing than have an appreciation of theories related to market and non-market environments. Accordingly, here, based upon the concept of green marketing, an attempt has been made to understand the impact of non-market environment on green marketing.

KEYWORDS

Green Marketing, Non-Market Environment, Subsume Market, Ecological Marketing etc.

INTRODUCTION

For companies to survive in the market they need to focus on promoting products by employing claims about their environmental attributes or about firms that manufacture and/or sell them. The sources of influences on green marketing subsume market and nonmarket environments. As Baron (1995) has argued, the impact of market and nonmarket environments is mutual. Thus, firms need to adopt a coordinated approach to their market and nonmarket strategies. It is more important to have a general acquaintance with the concept of green marketing itself to understand the idea of impact of market and non-market environments on green marketing than have an appreciation of theories related to market and non-market environments. Accordingly, here, based upon the concept of green marketing, an attempt has been made to understand the impact of non-market environment on green marketing.

GREEN MARKETING

The term Green Marketing is the buzzword used in industry which is used to describe business activities involving greening the value-addition processes, the management systems, and/or the products, which attempt to reduce the negative effect of the products/services offered by the company to make it environmentally friendly. In their attempt to define green marketing, researchers and practitioners have employed several terms to address this concept.

For instance, Prakash (2002), pointed out that he used the term ‘green marketing’ in his survey "to refer to the strategies to promote products by employing environmental claims either about their attributes or about the systems, policies and processes of the firms that manufacture or sell them"(p.285). “Green marketing could be viewed as a subset of information disclosure strategies available to both managers and policymakers. Such disclosures can take place at the industry level (industry codes), firm level (annual environmental reports), the facility level ... and/or the product level (labels)” (p.292).

Green marketing represents a broader term. However, the existence of several meanings, which intersect and contradict each other—an example of this will be the existence of varying social, environmental and retail definitions attached to this term—makes the definition a difficult task (Hemantha, 2014). The terminology used in this field includes ‘green marketing’ ‘environmental marketing’ and ‘ecological marketing’.

Green marketing is aimed at both product level and firm level. Firms can ‘green’ themselves in three ways. The first greening strategy pertains to value-addition processes (firm level). A steel firm may install a state-of-the-art furnace (new technology), thereby using less energy to produce steel. The second greening strategy pertains to management systems (firm level). Firms could adopt management systems that create conditions for reducing the environmental impact of value-addition processes. As pointed out by Prakash (2002), “[a] good example is the Responsible Care program of the chemical industry, which establishes systems to promote environmental, health and safety objectives” (p.286). In addition, the third greening strategy, building on Charter (1992), pertains to products involving extending the life of a product through repair, recondition, reusable design; rejuvenating product

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attributes through remanufacture and recycles. In spite of this clear-cut classification of greening ways, these three categories may not be mutually exclusive but mutually inclusive as far as the implementation of these strategies is concerned. Thus, green marketing is the process for formulating and implementing environmentally beneficial marketing activities designed to generate and facilitate voluntary exchanges that satisfy a firm's economic and social performance objectives.

**NON-MARKET ENVIRONMENT AND GREEN MARKETING**

Firms may choose to green their systems, policies and products due to economic and noneconomic pressures from their nonmarket environment (regulators, citizen groups and other stakeholders) (Prakash, 2002). For example, according to Prakash (2002), in adopting green marketing policies, firms may encounter many challenges such as a disconnect between consumers’ attitudes (opinion) of willingness to pay premiums for green products and actual behaviour of their unwillingness to pay premiums for green products, which may be partly due to their skepticism of environmental claims. “Thus regulatory and policy issues on environmental claims (such as labeling or advertising) that arise in the nonmarket arenas may have bearing on firms’ market strategies” (p.287).

Neoclassical economists, including environmental economists, view maximizing shareholders’ wealth as the social objective of firms (Friedman, 1970). In contrast, institutional theory focuses on the impacts of nonmarket institutions on firms’ policies (Hoffman, 1997). It suggests, according to Prakash (2002), that firms are not always profit maximizes; their policies often reflect external pressures for legitimacy. To win the trust of external institutions, firms could have a compelling rationale to green their products/policies and to provide adequate and verifiable information to consumers on these subjects. The literatures on corporate social performance (CSP), responsibility (CSR1) and responsiveness (CSR2) also argue that firms have societal responsibilities that may or may not emphasize the profit objective (Wood and Jones, 1995).

Firms green their products/policies because they wish to be socially responsible – these are the ‘right or ethical things to do’. Such policies may or may not generate quantifiable economic payoffs in the short run. However, in the long run, socially responsible policies could have profits (Hart and Ahuja, 1997). The concept of social responsibility is now accepted as the business response to nonmarket effects of a business activity (e.g., pollution)/ externalities (Sethi, 1979 cited in Menon and Menon, 1997).

The social performance literature generally recognizes three alternate perspectives or viewpoints guiding corporate social involvement: social obligation, social responsiveness, and social responsibility (cf. Sethi 1979; Wartick and Cochran 1985; Wood 1991 cited in Menon and Menon, 1997). Social obligation norms guide corporate behaviour to do the moral minimum to satisfy market forces or legal constraints (cf. Sethi 1979 cited in Menon and Menon, 1997). Consequently, corporate environmental behaviour is a function of customer and marketplace perceptions. It is driven by individual managerial discretion (Wood 1991 cited in Menon and Menon, 1997), instead of being a function of a comprehensive or scientific framework at the organizational level (Sethi 1979; Wood 1991 cited in Menon and Menon, 1997).

However, this recognition is subjugated to economic norms and expectations. Social responsiveness-related market activities are driven by a need to bring corporate behaviour into congruence with prevailing norms and expectations of critical stakeholders. The critical social performance objective driving this mode is the amelioration of any negative impact of business practice (Sethi 1979 cited in Menon and Menon, 1997). In contrast, social responsibility adopts a more ethnically based and moral agency perspective about the long-term obligations and responsibilities of the firm to all current and future stakeholders (Sethi 1979; Swanson 1995; Wartick and Cochran 1985 cited in Menon and Menon, 1997). As Sethi (1979 cited in Menon and Menon, 1997) points out, social responsibility is driven by an objective to promote positive change and outcomes outside traditionally defined business environmental boundaries.

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion (social responsibility). This translates into firms that believe they must achieve both environmental and profit related objectives. This results in environmental issues being integrated into the firm’s corporate culture (Polonsky, 1994b). Similarly, the stakeholder theory, defended most prominently by Freeman (1998), says that corporations should be managed in the interests of its stakeholders: its customers, suppliers, owners, employees and local communities. Thus, firms will green their products/policies/processes and disclose adequate and credible information, if ‘key’ stakeholders, internal or external, demand it.

In this context, Menon and Menon (1997) suggest that firms could adopt enviroprenuerial marketing strategies: the processes for emphasizing the need for an entrepreneurial approach in melding ecological concerns and marketing strategy objectives. Creation of revenue by providing exchanges that satisfy firm’s economic and social objectives is the main goal of the enviroprenuerial marketing. As pointed out by other scholars, managers need to adopt an entrepreneurial approach that relies on noneconomic criteria as well as highlighting stakeholder and institutional pressures. This is because; incorporating environmental concerns into mainstream strategy may not be possible if decisions are based solely on economic criteria (Vardarajan, 1992; Drumwright, 1994).
Scholars claim that green firms can adopt a strategic approach to pre-empt command-and-control regulations that often hurt their profits (Fri, 1992), and to enable them shape future regulations, thereby reaping first-mover advantages (Porter and van der Linde, 1995). Championing stringent product and process standards will be attractive to technologically advanced firms could claim to be virtuous, and at the same time, raise rivals’ cost of entry – the assumption being that higher standards will lead to stringent regulations – by championing stringent product and process standards (Barrett, 1991; Salop and Scheffman, 1983). Toward this end, firms could rally support from key stakeholders that are often anti-business, the alliance between ‘Baptists and the Bootleggers’, as Vogel (1995) puts it. Thus, firms pursuing economic objectives could strategically employ institutional, stakeholder and/or CSP arguments for adopting green marketing (Prakash, 2002).

Firms can deal with the collective action dilemmas (market-related problems that are the divergence between individual and collectively rational behaviour leading to sub-optimal outcomes for both the individual actors and the collectivity) and gain first-mover advantages by seeking formal regulations (initiatives in the nonmarket environment) that impose similar costs on their competitors. Most analyses of the environmental regulatory environment point to the continuance and even the expansion of environmentally based laws (Noah 1995). Based on new theoretical insights and empirical evidence, an emerging view within the business, academic, and regulatory communities contends that environmental regulations enhance rather than hurt competitiveness and firm performance (Cohen, Fenn, and Naimon 1995; Jaffe et al. 1995; Porter 1991; Porter and van der Linde 1995).

Instead of individual-level sacrifices or direct costs (paying a premium for green products or altering life styles to lessen the burden on the environment), from which consumers can opt out, some social marketers favor collective sacrifices or indirect costs, from which individuals cannot opt out (Weiner, 1993). According to Prakash (2002), it is assumed that by providing new institutional contexts, such indirect costs will persuade consumers to alter their behaviour. If the objective is to reduce emissions of greenhouse gases, indirect costs could be manifest as higher taxes (energy tax), stringent standards (residential building codes, automobile fuel efficiency standards) or some other collective restrictions that impose costs on or potentially alter the behaviour of many people.

Derksen and Gartrell (1993) argue that social context show significant association with recycling behaviour; people having access to recycling programs exhibit higher levels of recycling than those not having such access. If public policies reflect (at least, partially) people’s preferences, then citizens have some degree of influence over policies such as recycling programs. Thus, structures (public policies) are not entirely exogenous to consumers/citizens (Prakash, 2002). However, the public policy literature suggests, individuals signal their preferences for a policy through ‘exit, voice, and loyalty’ (Hirschman, 1970). If they cannot ‘exit’ due to the imposition of collective sacrifices, consumers may seek to voice their preferences in the nonmarket arenas. They could, for example, undertake political activity to shift the burden of sacrifices to firms. In some cases, they may even oppose the imposition of collective sacrifices (Vogel, 1996).

Clear, comprehensible and credible information provision about greenness with low-cost accessibility is a key component of green marketing. Although consumers may not have access to such information or understand its implications (Menell, 1995), the media and the various external stakeholders often widely disseminate information and interpret its implications, thereby putting pressure on firms to reduce pollution and to adopt green policies. Governmental policies and stakeholder initiatives can be important in reducing consumers’ search, information or transaction costs. Regulators and/or stakeholders can publish it, disseminate it to the media by press releases and post it on the Internet. One of the more recent publicized environmental regulations undertaken by governments has been the establishment of guidelines designed to “control” green marketing claims (Polonsky 1994a). These regulations are all designed to ensure consumers have the appropriate information, which would enable them to evaluate firm’s environmental claims. As with all marketing related activities, governments establish regulations designed to ‘protect’ consumers and society; this protection has significant green marketing implications (Polonsky, 1994b). These regulations relating to environmental marketing, according to Polonsky (1994b), are designed to protect consumers in several ways, 1) reduce production of harmful goods or by-products; 2) modify consumer and industry’s use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. In some cases, governments try to ‘induce’ final consumers to become more responsible.

CONCLUSION

The term Green Marketing is the buzzword used in industry, which is used to describe business activities involving greening the value-addition processes, the management Systems, and/or the products, which attempt to reduce the negative effect of the products/services offered by the company to make it environmentally friendly. Any definition of the term Green Marketing must ensure that the interests of both the organization and the consumers are protected while minimizing the detrimental impact on the environment.

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or may not emphasize the profit objective (Wood and Jones, 1995). Firms green their products/policies because they wish to be socially responsible – these are the ‘right or ethical things to do’. Such policies may or may not generate quantifiable economic payoffs in the short run. However, in the long run, socially responsible policies could have profits (Hart and Ahuja, 1997). The concept of social responsibility is now accepted as the business response to nonmarket effects of a business activity (e.g., pollution)/externalities (Sethi 1979 cited in Menon and Menon, 1997).

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GEOTOURISM: A PERSPECTIVE OF GEOLOGICAL MONUMENTS OF KARNATAKA

Shekar Naik

ABSTRACT

India is a country with diverse physical attributes, rich cultural heritage and eventful ancient history. Travel and tourism plays increasingly significant part in portraying extremely majestic heritage of India to the rest of the world. In recent years, there have been major proposals in promoting tourism in all most all parts of the country. In the present paper, the author have attempted to showcase the geological monuments of Karnataka as an important alternative tourism product.

KEYWORDS

Geo Tourism, Geology, Geoheritage, Monuments, Geoparks etc.

INTRODUCTION

Tourism today is a growing industry in India. The major initiatives taken in the recent years started yielding benefits in different sectors of the economy and the people of the country are becoming more and more aware of the multiple opportunities that travel and tourism sector has to offer. Today tourism is not just an economic activity and considered to be a key industry and the promotion of the industry is the key to development, prosperity and wellbeing. Indian subcontinent exhibits imprints of varied geological processes through ages and is a storehouse of interesting geological features (GSI).

Geological Survey of India has already enlisted some of those locales as National Geological Monuments. It is imperative that the Tourist Map of India would be greatly enriched by the inclusion of these geological monuments and alike, so that the visitors from the country and abroad can have an insight in the real past - the formation of the subcontinent, the orogeny, the palaeoenvironment and the exotic collection of paleo-flora and fauna.

The new tourists are very selective and more demanding and always look for great new experiences, which will ultimately deliver tourist delight. Geo-tourism is one such emerging sector within the tourism, which can deliver the demands of allocentrics tourist. This sector offers huge potential for tourism development considering the great wealth of geological monuments, which are spread across the country.

MEANING AND SCOPE OF GEOTOURISM

Geo tourism is emerging as new global phenomenon and it is essentially geological tourism. The geological elements focuses on geology and landscapes and includes both ‘forms’, such as landforms, rocky outcrops, rock types, sediments, soils and crystals and ‘process’ such as volcanism, erosion, glaciations etc. the tourism elements of geo tourism includes tourists visiting, learning, appreciating and engaging in geosites. Geo-tourism adds to eco tourism’s principle focus on plants and animals by adding a third dimension of the abiotic environment.

An early definition of Geotourism was made by National Geographic in the year 1997 and it defines geotourism as tourism that sustains or enhances the geographical character of a place – its environment, culture, aesthetics, heritage, and the well-being of its residents. It encompasses the entire combination of natural and human attributes that makes a place worth visiting.

The most recent definition on geotourism states, “Geotourism is a form of natural area tourism that specifically focuses on geology and landscapes. It promotes tourism to geosites and conservation of geo diversity and an understanding of earth sciences through appreciation and learning. This is achieved through independent visits to geological features, use of geo-trails and viewpoints, guided tours, geo activities and patronage of geosite visitor centres (Newsome and Dowling 2010).

The nature of the geo tourism is such that it is geologically based and can occur in a range of environments from naturals to build; it fosters geoheritage conservation through appropriate sustainability measures. It advances sound geological understanding through interpretation and education and finally it generates tourists or visitor satisfaction.

The important aspect of the geotourism that it involves all of the wider aspects of tourism activities as transportation, access, accommodation, amenities, human resource, planning and management and reiterates that stakeholders in geotourism can include investors, government planners, environmental groups and universities (Dowling 2009).

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Geoparks

Allied to the development of geotourism is the evolution of geoparks. A geopark is an area with a geological heritage of significance, with a coherent and strong management structure and where a sustainable economic development strategy is in place (UNESCO, 2006).

Benefits of Geotourism

Synergistic

All the elements of geographical character work together to create a tourist experience. It means great trips. Enthusiastic visitors bring home new knowledge. Their stories encourage friends and relatives to experience the same thing, which brings continuing business for the destination.

Sustainability

Geotourism fosters economic viability, community enhancement and geo conservation. However, care should be taken that the type, location and level of geotourism use does not cause harm to geological features or their surrounding areas particularly in natural settings.

Education

Geotourism attracts people who wish to interact with the earth environment in order to develop their knowledge, awareness and appreciation of it. This will result in conservation of geosites.

Local Community

Local businesses and civic groups join to provide a distinctive, authentic visitor experience. The involvement of local communities not only benefits the community and the environment but also improves the quality of the tourist experience. Geotourism can also generate income for resource conservation management in addition to social and cultural benefits.

Grants Typology of Geotourists

Grant (2010) has classified Geotourists into different groups depending upon the purpose and level of knowledge about the geosite that a tourist possesses. The following are the classifications:

a. **Geo-experts**: This category of tourists are highly informed and interested in specific site or features.

b. **Geo-specialists**: These tourists will have a degree in geology or similar and they make a visit to geosite out of technical interest.

c. **Geo-amateur**: They are amateur, but visit is mostly driven by interest in subject.

d. **Interested visitor**: These types of tourists are ones who does not have specific interest in the subject but likes to find out about the things.

e. **Aware visitor**: This category of tourist arrives at the site with some prior knowledge of the site and they are the ones who mainly interested in visual aspects and they will indulge in some specific predetermined activities.

f. **Unaware visitor**: Those who arrives at the site with no prior knowledge or expectations.

**GEOTOURISM POTENTIAL OF KARNATAKA**

Geological Survey of India has undertaken the responsibility of protection and promotion of such features and has declared 26 such sites, located in different parts of the country as National Geological Monuments. Of which four geological monuments are located in Karnataka, which are:

- Pillow Lava, Maradihalli, Chitradurga District, Karnataka.
- Columnar Basaltic Lava, Coconut Island (St. Mary’s Islands), Udupi District, Karnataka.
- Peninsular Gneiss National Monument at Lalbagh, Bangalore, Karnataka.
- Pyroclastic Rocks in Peddapalli, Kolar district, Karnataka.
Pillow Lava, Chitradurga

Maradihalli is 16 km southeast of Chitradurga town and 4 km north of Ayamangala village, on the NH-4 (Bangalore –Pune). The area is approachable by metaled road via Ayamangala, which is about 180 km from Bangalore. These Rocks are one of the best of its kind in the world. They are formed when hot molten lava erupts under water and solidifies in the form of roughly spherical or rounded pillow-shape. The lava gets chilled so suddenly that part of the flow separates into discrete rounded bodies a few feet or less in size. This pillow lava has been dated 2500 million years. This geosite is a National Monument under GSI.

Figure-1: Images for Pillow Lava, Chitradurga, Karnataka

Sources: Authors Compilation

Columnar Basaltic Lava, Coconut Island, Udupi

St. Mary’s Island are a tiny group of four picturesque islands situated off the west coast of India near Malpe, a small hamlet about 6 km west of Udupi, the district headquarters. The site displays majestic array of multi-faced columns developed in the basalts of Deccan Trap. These marvellous structures, called Columnar Joints in geological parlance are nature’s exquisite handiwork. The geometrical form of the rock mosaic resembles the work of an expert sculptor.

Figure-2: Images for Columnar Basaltic Lava, St. Mary’s Island, Udupi, Karnataka

Sources: Authors Compilation

Peninsular Gneiss National Monument Lalbagh, Bangalore

Lalbagh is one of the most celebrated botanical gardens in the city of Bangalore. One of the four Towers to restrict the city limits was erected by Magadi Kempgowada on Lalbag hills. The monument is located in the southern part of Bangalore. Gneisses and related granitoids constitute one of the most abundant rock types exposed on earth.

The Lalbagh hill is composed of dark biotite gneiss of granite to granodioritic composition containing streaks of biotite. Vestiges of older rocks are seen in the form of enclaves within the gneiss. Peninsular Gneiss of the region is dated 2500 to 3400 million years that accreted in three major episodes, i.e. 3.4 Ga, 3.3-3.2 Ga and 3.0-2.9 Ga. The quarries of Lalbagh are of great importance for researches on earth sciences towards evolution of the terrain.
Figure-3: Images for Peninsular Gneiss, Bangalore

Sources: Authors Compilation

Pyroclastic Rocks in Peddapalli, Kolar district, Karnataka

The Peddapalli village is about 700 m. east of the road connecting Kolar Gold Field with the Bangarpet – Betmangala road. The term 'pyroclastic' literally means broken by fire. The particles ejected from a volcano during explosive activity vary considerably in size and composition. All these ejected material consolidate to form pyroclastic rocks.

Pyroclastic Rocks in Peddapalli is a welded agglomerate of large fragments of granite, granite gneiss, basalt and banded ferruginous quartzite set in a matrix of ignimbrite. While many rock fragments are angular, some of them appear to be well rounded. Some rock fragments of granite gneiss measure up to 80 cm in diameter.

Figure-4: Images for Pyroclastic Rocks in Peddapalli, Kolar

Sources: Authors Compilation

THE MAJOR ISSUES

- No proper protection in all four geological monuments. GSI should take proper measures to preserve and protect the areas with adequate fencing.
- Rocks have been continuously transported for construction and beautification purposes from Pillow Lava, Chitradurga.
- Awareness should be created among the locals to understand the value and significance of the monuments and protect the area along with Government.
- These sites are neglected from the tourism point of view and these should be developed as geo tourism site with necessary infrastructures.
- Beaches and its vicinity in Columnar Basaltic Lava, Coconut Island, Udupi are found to be lacking in infrastructural sanitary facilities. It is an open field for abuse by the locals and tourists at their own convenience as no monitoring authority in place at the site.
- All these geosites need to be projected as the tourism site for special interest group of tourists.
- Local community should be the part of the development process.
CONCLUSION

The growth of tourism in the country spells valuable opportunities for India’s travel and tourism industry. With travel and tourism in India set to increase on both the leisure and business fronts, there will be more travellers, flights, jobs, revenue, and consumer needs – all creating new opportunities for those in the industry. The future of tourism will gradually shaped by alternative forms of tourism especially geotourism, which may be viewed as the ‘new’ ecotourism. This provides the opportunity for many geological monuments spread across India to promote an identity that is unique to that place. It can create new and exciting tourism experiences, promote excellence in tourism, present and protect geoheritage, benefit local communities, and encourage commercially successful and environmentally sound tourism practices.

Geotourism is on the rise the world over. Governments, tourism businesses, geological organizations, community groups, conservationists, NGOs, and individuals are seeking a future for the protection of our geological heritage and community advancement through sustainable tourism development (Dowling, R. K. 2010). Many of the countries from advanced economies are getting involved and lifting the knowledge on geology and landscape, through interpretation and education. The future is exciting for geotourism as evidenced by the increased interest in geological awareness, the phenomenal rise of the Geopark Movement, and the rising interest in geotourism as a tool for conservation of our geoheritage. With meticulous planning and implementation of geotourism in sustainable manner, certainly flourish in Karnataka in harmony with the natural and cultural environments on which it depends. The future of the geotourism is very promising in Karnataka considering the great wealth of unique national geological monuments under GSI.

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ADDRESSING HEALTH AND EDUCATION IN A BLOCK OF ODISHA: A GIS STUDY

Dr. Champak Kumar Sahu42 Debabrata Nandi43

ABSTRACT

Health and education two major development indexes of united nation. The tribal of Mayurbhanj are section of our population who has not been appropriately integrated into our mainstream system of interaction and health and educational development, due to their location in geographically isolated area and this spatial contract is not been given due to attention while formulating plan for them. The common feature of the tribes are listed in the constitution were that having tribal origin, primitive way of life, dwelling in remote and less easily accessible area and generally educating backward and health condition is degraded. To address the education and health condition, GIS helps in identification of problem and implementation of health and educational plan and program. It has also important timely in flow of information to Serve, and help planner to understand the ground station during planning, which they need. On this background, this paper demonstrates application of GIS in tribal problem especially in health and education in a hypothetical spatial unit.

KEYWORDS

Geographical Information Systems (GIS), Tribal, Health, Education etc.

INTRODUCTION

Mayurbhanj is located at Northern region of Odisha in India. The district of Mayurbhanja lying between the parallels Latitude 21°01’ to 22°03’ North and Longitudes 84°04’ and 87°01’ east has a gross geographical area of 10,412 sq. kms. The district is largely represented by crystalline formations and is featured in Survey of India Topo sheet No.73 / K, J, F, G and O. The district is bounded by the state of Jharkhand in the North and the state of West Bengal in the East. The district has a good network of communications. National Highway No-5 passes through the district in the South-East & North-East directions. National Highway No-6 passes through the district in the North-West & North-East direction. All the Block Headquaters are approachable by roads. According to 2011 census, the district covers an area of 10418 sq. mms, which constitutes 6.69 percent of the state territory. The total population was 25.13 lakhs that constitutes 6.28 percent of the state’s total population. Density of population in the district is 242 per sq. km. of area as against 316 at the state level.

It is rural based district where the rural population 23.21 lakh. Mayurbhanj is said to be a land of tribal’s. Out of 62 tribal communities of Odisha, 45 communities are found in Mayurbhanj alone. Among the major tribes Santal, Ho, Bhumija, Bhuviyan, Bathudi, Kolho, Munda, Gond, Kharia and Lodha are important.

Samakhunta block is one of the tribal dominated blocks, which is situated in the middle of the Mayurbhanj District. The block has an area of 192.29 Sqr KM. and 70889 populations as per census 2011.

The Samakhunta block has 70889 populations, which accounts for 3.19% of the district population. The density of the population of the block is 370 per square KM. as against 241 people per square KM. of the district.

The block has 119 villages covering 14 gram-panchayats, total no. of revenue villages are 121, ST population is 75.82 %, SC population is 2.72%, and others is 21.74%.

Methodology

Collection of data

Geo-referencing

Registration

Location of Health centre in a region

Location of School in a region

Accessibility of Health centre in a region

Accessibility of School in a region

Conclusion

Sources: Authors Compilation

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HEALTH CARE AND GIS

The GIS study on health aim to acquaint you with the health status of Samakhunta block and health service that exist in this block. Here we focus on enumerate the present health care service and discuss the impact of Health Care service. There are 4 numbers of primary health centers in Samakhunta block, Rangamati PHC is the head among them. Other three primary health centers are Bhluki, Ambasikida and Baunsabila. There are 21 sub Centers in this block under Rangamati PHC. There is no other private hospital in this block. To provide health service in this block each primary health centers has a doctor but in Rangamati PHC has two doctors engaged in health service. There is one Homeopathic dispensary with one doctor and one assistant doctor provides the health service. There are also two Ayurveda dispensaries with two numbers of doctors engaged in health service in this block. Rangamati PHC is the 6 bedded PHC, where patients treated. The patient and doctor ratio is 1:14178.

The GIS explain the availability and accessibility aspect of health care infrastructure in this study region. This map provides the information regarding the estimated travelled time to reach the nearest primary health care center in minute. Based on the distance five zone have been demarked in this map. The brown colour region is the maximum distance from the health care centre and pink colour region is the minimum distance from the health care centre.

The contribution of Health to development has been a subject of study. The basic goal of development is to improve the quality of life of the people. An important indicator helps to increase the productivity of the work force. The better-of section of society is in a position to avail the benefit of modern medical science and technology, while the majority of the disadvantaged, especially people living in Samakhunta block, are poorly served and at based relieve only rudimentary health care. In this block, poor health causes law productivity and reduced income. The lake of income brings inadequate nutritional and deteriorating environment that farther perpetuates poor health.

The health status in Samakhunta block is much worse as compared to the Sadar block of the district. The infant mortality rate in 2011 is 70, which is very high. Law birth weight has been identified as a major cause’s infant mortality.

The Status of woman particularly mothers is also a matter concern with high maternal mortality rate (MMR). The MMR is 237 in 2011, which is very high in Samakhunta block.

An evidence of this is the different in male and female mortality rate between 15 and 35 years, the neglect of the girl child and the poor health and nutritional status of woman result in high female morality rate.

The problem regarding health care is given below:

- It comprises providing primitive, preventive curative service, which includes educations concerning prevailing health problems.
- Promotion of food supply and proper nutrition.
- Adequate supply of safe drinking water and sanitation.
- Mother and child health care and family planning.
- Immunization against the major infectious disease.
- Appropriate treatment of common disease and injuries.

EDUCATION AND GIS

Education is an important parameter which indicates social progress, “With reference to tribal; education is probably the most effective instrument for ensuring equal opportunity the tribal people are lagging far behind their more fortunate fellow countrymen due to lack of education”. Tribal society has its own way and means of fulfilling the need. GIS can effectively apply in understanding ground situation and point out the educational institution in the GIS map of Samakhunta block.

According to 2001 census, the literacy rate of the district covers 51.91 against 47.96% of the Samakhunta block. The male literacy was 62% and female literacy was 33.59%. There are 73 Nos of primary schools, 34 numbers of middle schools and 13 numbers of higher secondary schools in this block during 2011 to impact education in this block there are 81 numbers of secondary school male teachers and 16 numbers of female teachers in this block. There were 1953 numbers of students reading in this block in higher secondary schools, out of that 116 numbers are scheduled castes and 971 were the scheduled tribes students in the year 2009, which comprise 9.53% were SC students and 49.7% were ST students. The teacher student ratio was 1: 20 in Samakhunta block.

In this map the distance to the nearest school can be observed and facilitate planning operation. The Developmental agencies can use GIS to forecast service and mapping for various social problem related to tribal. Based on the distance to nearest school transport network that is footpath, three zones have been demarked. Students belongs to yellow region have least assess to nearest secondary school from this GIS one can understand that the yellow colour region which is South-West is a part of the Simililpal biosphere. Therefore, the habitant of this area is very low and educational institution also low.
One can observed that the children from South-West region are far behind the education, because of the distance and geographical isolated region. After completion of middle school, if somebody wants to continue to study, she/he has to move out of the region. Children belongs to Green region have moderate to low access and pink region have moderate access to the available secondary school facilities.

**CONCLUSION**

This paper was an attempt to understand tribal health and educational problem with help of GIS perspective for spatial analysis. In this paper discus about the health and educational problem and analyzed the capability of GIS and effective tool.

Need of the ours is to understand the need base requirement of communities and spatial science like geography and foster child of technology like GIS can help to lot in this direction. However, its potential is not been utilized properly as O Looney states, “human services have to kept pace with emerging information technology and have traditionally been immune to change in technical capabilities”.

**ACKNOWLEDGEMENTS**

We express our deep sense of gratitude to all the Samakhunta block villagers, teaching staff of the study villages and the health worker of different PHC especially to Rangamatia P.H.C at last we like to thank Ramhari Singh of the village Dhalsul.

**REFERENCES**


**APPENDIX**

**Figure-1: Location of Study Area of Mayurbhanj District**

Sources: Authors Compilation
Figure-2: Health Centres of Samakhunta Block

Sources: Authors Compilation

Figure-3: Location of Education Point

Sources: Authors Compilation

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ABSTRACT

A very little research has been conducted on industrial workers procrastination and existing research focuses almost exclusively on procrastination among the college students. More and more review of literature suggests that no effort has been made to develop a theoretical model for the prediction of procrastination at work. Therefore, the present study presents detailed information about industrial workers procrastination. A modest begin has been made to understand or to explore the concrete reasons of procrastination. All the reasons that come across has been grouped properly either as economic or social or management and personal.

KEYWORDS

Procrastination, Put Off Doing Required Things, Anxiety, Intense Fear, Self Esteem, Economic Conditions, Thief of Time etc.

INTRODUCTION

A variety of articles and books on procrastination have appeared recently in the popular press, which suggests that there is need for knowledge on this topic. Procrastination in any organization may have adverse affects both on the individual and system existing in any organization. However, unfortunately there exists no scientific study on procrastination in industrial side. There exists a strong reason to justify that tasks are not completed in time only on account of procrastination. Since tasks are not completed in time or as per schedule promptly, it may reduce personal and organizational performance. Procrastination is the practice of carrying out less urgent tasks in preference to more urgent ones or doing more pleasurable things in place of less pleasurable ones and postponing in execution of work “till the last minute” before the deadline.

Pychl (2012) viewed that the principle of pleasure may be responsible to procrastination and one may prefer to avoid negative emotions, and to delay stressful tasks. The belief that workers are resorting to postponement of things under pressure also should be taken note of (Fiore, Neil A., 2006).

Steel (2007) is of the opinion that procrastination is a voluntary delay on intended course of action despite expecting to be worse off for the delay. Solomon and Rotublum (1994) defined procrastination as the tendency to delay, irritation or completion of important tasks to the point of discomfort. Akerlof, G. (1991) defined procrastination as irrational delay of behaviour which reveals the dictionary meaning, “defer action, especially without good reason”.

OBJECTIVES OF STUDY

The main objective of the present study is understand socio, economic, management and personal factors and drives the respondent to procrastination.

HYPOTHESES OF STUDY

- Economic factors do not influence procrastination.
- Social factors do not influence procrastination.
- Personal factors do not influence procrastination.
- Management factors do not influence procrastination.

LIMITATIONS OF STUDY

The study is confined to only to Peenya Industrial Area Stage-I of Bengaluru North. Out of the available innumerable small medium industries, workers are selected and data was collected. Any generalization needs further research.

RESEARCH METHODOLOGY

A well-drafted questionnaire was administered taking a sample of 300 respondents. Convenient sampling technique was applied in selecting the appropriate respondents. Respondents were drawn from different functional areas, workers fitters, turners, machine

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cutters, helpers, storekeeping assistants were covered and department of computers, accounting of managers were not covered since they were paid higher than the others. The data collection started June 20 2014 and ended on July 19, 2014. Respondents were interviewed and questionnaires were administered as schedule and even respondents were interviewed in the nearby canteen to collect valuable data. The collected data was processed and presented in the form of tasks and quantitative techniques like chi-square, ANOVA and 5 point Likert scale technique were applied to give a scientific touch to the data.

**REVIEW OF LITERATURE**

The available literature about procrastination refers to the current period. According to Knavs (2000)\(^7\), prior to 1979, “procrastination received limited attention in US”. Ferrari (2005)\(^8\) wrote, “no systematic study has examined global prevalence of chronic procrastination purposefully in starting or completing tasks.”

Some scholars referred that procrastination as a problem extends beyond academic industrial settings, then admitted that procrastination chronically affects 15-20% of adults (Hariotts & Ferrari) 1996\(^9\), steel 2007\(^10\). In addition, it predicts decreased work Robb 1998 as cites in Knaus (2000)\(^11\), Bandura (1997)\(^12\), have said independent fear of failure, self-efficacy and self-esteem are directly linked to procrastination and performance.

Guindon (2010)\(^13\) suggested that what individuals choose to do and they may they do it depend on their self-esteem. Roben burg (1965)\(^14\) reported that self esteem as the antecedent of performance, while others view it as consequent component.

**SURVEY FINDINGS**

**Economic Factors and Procrastination**

Economic factors play a dominant role in the either development society or individual person. Economic factors and sociological factors are moulded each other and sociological factors are severely influenced by economic factor. Table-1 reveals how economic factors influence procrastination. These economic factors are varying from insufficient income to savings created by the respondents. Many of the respondents revealed that their existing poor standard of living is direct outcome of their poverty. Some of the respondents also revealed that education, health, housing, travel are severely conditioned by economic factors. 202 respondents viewed and strongly agreed that the economic factors influence procrastination. 80 respondents have agreed about the factors stated in the table are responsible for procrastination. The chi-square analysis of data also reveals that economic factors do influence procrastination and there by rejects the null hypotheses. Therefore, we may favorably conclude that economic factors do influence procrastination.

**Social Factors and Procrastination**

Table-2 provides valuable information about social drivers of procrastination. Social factors play a dominant role in the life of respondents. Sociological factors conditions the life of a person. Society neighbors, environment, relationship, age of income factors influences all the drivers of sociological factors. These sociological factors are listed in the table and vary from outward showiness, egoism, class comparison, caste influences, and social image. Out of 300 respondents who were interviewed through a questionnaire 140 respondents have strongly agreed for the social factors mentioned in the table as influences of procrastination 90 respondents have agreed about the social factors acting as catalysts of procrastination. The ANOVA analysis reveals that the null hypotheses are rejected and alternative hypotheses is accepted. Therefore, we may conclude that social factors do influence procrastination.

Table-3 highlights personal factors that influence procrastination. These personal factors are mentioned in the table and varies from irregular source of income, to quarrelosome nature of respondent. In order to maintain work life balance certain prominent issues must be studied separately. If there is no happy work life balance the respondents are put to severe inconvenience. Out of 300 respondents 149 strongly agreed that the stated factors in the table strongly influence Procrastination. 100 respondents have agreed over this view and 51 respondents might have stood as neutral, disagree and strongly disagree. The ANOVA analysis also supports this tendency by rejecting the null hypotheses and accepting the alternative. Therefore, one may say personal factors influence very much Procrastination.

**Management and Procrastination**

Management play an important role in the shaping the life of workers. It is well said that “as is the management so is the workers”. Workers if encouraged properly they contribute their might to the growth of the organization. Table-4 reveals management factor influencing procrastination. These management factors vary from long hours of work to no appreciation of sincere employee. If a sincere employee is ignored the management will suffers a lot in the long run. Out of 300 respondents 150 i.e. exactly 50% of the respondents have strongly agreed that management factors strongly influences procrastination. 80 respondents have agreed that management factors stated in the table influences procrastination. 70 respondents stood either as neutral, disagree and strongly disagree. ANOVA analysis also rejects the null hypotheses and accepts the alternative. The alternative may be that management factors stated in the table influences procrastination.
CONCLUSION

The study started with an intention of understanding different factors like social, economic, management and personal factors influencing procrastination. The study confirms all the factors stated in each factor influencing procrastination. Though there exists variety of books, research articles about procrastination, there is a greater need than before to study systematically what factors influences procrastination.

Procrastination along with presenteeism may cause more doses to the management. Proper training orientation, employee promotion and counseling may help the management to reduce the ill effects of procrastination. Since man is a social being sociological influencing factors assumes to be important. Workers image, relationship, status, friendliness, etc. assumes most important. Since the study confined only to a limited area any generalizations needs further in depth research.

REFERENCES

17. http://en.wikipedia.org/wiki/Procrastinators
ANNEXURE

Table-1: Economic Factors and Procrastination

<table>
<thead>
<tr>
<th>Economic Factors</th>
<th>To a great Extent</th>
<th>To a Some-what extent</th>
<th>To Negligible Extent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient income and unable to meet growing expenditure of the family</td>
<td>52</td>
<td>18</td>
<td>4</td>
<td>74</td>
</tr>
<tr>
<td>Decrease in purchasing power</td>
<td>48</td>
<td>19</td>
<td>5</td>
<td>72</td>
</tr>
<tr>
<td>No enhancement of salary</td>
<td>54</td>
<td>24</td>
<td>4</td>
<td>82</td>
</tr>
<tr>
<td>No savings to meet any contingent expenditure</td>
<td>48</td>
<td>19</td>
<td>5</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
<td>80</td>
<td>18</td>
<td>300</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Hypotheses

H₀: Economic factors do not influence procrastination
H₁: Economic factors do influence procrastination

Chi-square Table

Calculated value 264.3817 sig. level 5%
d.f. = (r-1)(c-1) = (4-1)(3-1) = 3 x 2 = 6, TV = 12.594

Chi-square Analysis

The calculated value being 264.3817 is greater than the TV - 12.592 @ 5% level of significance with d.f. =6 rejects the null hypotheses. Therefore, we may conclude that economic factors influences procrastination.

Table-2: Social Factors and Procrastination

<table>
<thead>
<tr>
<th>Social Factors</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SDA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outwardness drivers</td>
<td>20</td>
<td>16</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>49</td>
</tr>
<tr>
<td>Egoism</td>
<td>29</td>
<td>18</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>56</td>
</tr>
<tr>
<td>Class comparison</td>
<td>26</td>
<td>21</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>63</td>
</tr>
<tr>
<td>Caste influences</td>
<td>29</td>
<td>14</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>56</td>
</tr>
<tr>
<td>Social Image</td>
<td>36</td>
<td>21</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>76</td>
</tr>
<tr>
<td>Total</td>
<td>140</td>
<td>90</td>
<td>20</td>
<td>20</td>
<td>30</td>
<td>300</td>
</tr>
</tbody>
</table>

Sources: Primary Data

Note: SA - Strongly Agree, A - Agree, N – Neutral, DA - Disagree, SDA - Strongly Disagree, T - Total

Hypotheses

H₀: Social factors do not influence procrastination
H₁: Social factors do influence procrastination

ANOVA Table

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>d.f.</th>
<th>MS</th>
<th>F-ratio</th>
<th>5% F-limit (from the F-table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between sample</td>
<td>2280</td>
<td>(5-1)=4</td>
<td>2280/4 =270</td>
<td>570/13.7333 =41.5048 =2.87</td>
<td></td>
</tr>
<tr>
<td>Within Sample</td>
<td>206</td>
<td>(25-5)=20</td>
<td>206/15 =13.7333</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2486</td>
<td>25-1 = 24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table reveals that the calculated value being = 41.5048 greater than TV = 2.87 @ 5% level of significance with d.f. V₁ = 4, V₂ = 20 rejects the null hypotheses and accepts the alternative. Therefore, we may conclude that economic factors influences procrastination.
Table-3: Personal factors Procrastination

<table>
<thead>
<tr>
<th>Personal factors Driving Procrastination</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SDA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irregular income &amp; therefore procrastination</td>
<td>30</td>
<td>16</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>54</td>
</tr>
<tr>
<td>No fund &amp; therefore procrastination</td>
<td>28</td>
<td>22</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>60</td>
</tr>
<tr>
<td>No shelter &amp; therefore procrastination</td>
<td>27</td>
<td>14</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>51</td>
</tr>
<tr>
<td>Ill health &amp; therefore procrastination</td>
<td>34</td>
<td>21</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>66</td>
</tr>
<tr>
<td>Talking in a super flourish manner</td>
<td>30</td>
<td>27</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>69</td>
</tr>
<tr>
<td>Quarrelsome nature</td>
<td>149</td>
<td>100</td>
<td>17</td>
<td>13</td>
<td>21</td>
<td>300</td>
</tr>
</tbody>
</table>

**Sources:** Primary Data

**Note:** SA - Strongly Agree, A - Agree, N – Neutral, DA - Disagree, SDA - Strongly Disagree, T - Total

**Hypotheses**

H₀: Personal factors do not influence procrastination  
H₁: Personal factors do influence procrastination

**ANOVA Table**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>d.f.</th>
<th>MS</th>
<th>F-ratio</th>
<th>5% F-limit (from the F-table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between sample</td>
<td>1459.2</td>
<td>(5-1)=4</td>
<td>364.8/7.21</td>
<td>F(4,20)</td>
<td></td>
</tr>
<tr>
<td>Within Sample</td>
<td>144.2</td>
<td>(25-5)=20</td>
<td>7.21</td>
<td>2.87</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16034</td>
<td>(25-1) = 24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table reveals that the calculated value being = 50.596 greater than TV = 2.87 @ 5% level of significance with d.f. V₁ = 4, V₂ = 20 rejects the null hypotheses and accepts the alternative. The alternative may be that personal factors do influence procrastination.

Table-4: Management and Procrastination

<table>
<thead>
<tr>
<th>Management Factors</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SDA</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long hours of work</td>
<td>25</td>
<td>20</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>Harassment</td>
<td>29</td>
<td>16</td>
<td>2</td>
<td>3</td>
<td>10</td>
<td>60</td>
</tr>
<tr>
<td>Lack of welfare facilities</td>
<td>32</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>67</td>
</tr>
<tr>
<td>Lack of training &amp; promotional policies</td>
<td>24</td>
<td>14</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>56</td>
</tr>
<tr>
<td>No appreciation for the sincere employee</td>
<td>40</td>
<td>08</td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>62</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>80</td>
<td>12</td>
<td>18</td>
<td>40</td>
<td>300</td>
</tr>
</tbody>
</table>

**Sources:** Primary Data

**Note:** SA - Strongly Agree, A - Agree, N – Neutral, DA - Disagree, SDA - Strongly Disagree, T - Total

**Hypotheses**

H₀: Management factors do not influence procrastination  
H₁: Management factors do influence procrastination

**ANOVA Table**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>d.f.</th>
<th>MS</th>
<th>F-ratio</th>
<th>5% F-limit (from the F-table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between sample</td>
<td>2593.0</td>
<td>(5-1)=4</td>
<td>648.4/127.7</td>
<td>F(4,20)</td>
<td></td>
</tr>
<tr>
<td>Within Sample</td>
<td>255.4</td>
<td>(25-5)=20</td>
<td>12.77</td>
<td>2.87</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16034</td>
<td>(25-1) = 24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table reveals that the calculated value being = 50.7752 greater than TV = 2.87 @ 5% level of significance with d.f. V₁ = 4, V₂ = 20 rejects the null hypotheses and accepts the alternative. Therefore, we may conclude that management factors stated in the table influences procrastination.

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BUYING BEHAVIOR OF TEENAGERS IN BANGALORE:
A SPECIAL EMPHASIS ON APPARELS

Dinesh Nilkant

ABSTRACT

Teenagers have a strong desire for clothing and a whole host of studies has examined their purchasing power. For instance, Mediamark Research (2003) reported that teenagers not only spend a significant amount on buying goods and services, but also influence their parents’ decision-making and spending pattern. Due to the changes in the family structure, many teenagers are taking more responsibility for families such as day to day shopping and routine purchase decisions. Therefore, they exert huge influence on purchase decisions of their parents. Shopping is among the top leisure activities engaged in by teenagers. Clothing purchases are the biggest expenditure in their budget (Neuborne & Kerwin, 1999). Clearly, firms targeting teens will have to tune in and think like teens do. Marketers view teens as “consumers-in-training” because brand loyalty often develops during adolescence and a teenager who is committed to a brand may continue to purchase it for many years to come (Solomon, 2006).

Overall, teenagers spend a significant amount of money on apparels. Every day, teens are presented with myriad opportunities to purchase and consume, both, to satisfy their physical needs and to express their identities and values. Teens may purchase clothing as a way to portray their identities and express their values (Beaudoin, Lachance, and Robitaille, 2003). Apparel manufacturers and retailers in Bangalore need to understand buying behavior of teenagers as they form a significant segment of apparel shoppers. It is important for apparel marketers operating in Bangalore to understand likes and dislikes of the teenage segments while they shop for apparels.

KEYWORDS
Teenagers, Fashion Apparels, Sales Promotions, Reference Groups, Malls etc.

INTRODUCTION

A teenager, or teen, is a young person whose age falls within the range from thirteen through nineteen (13–19). Teens are persons in the age group of 13 to 19. Of late, they are being targeted by many multinational marketers for selling their products. Marketers are adopting new strategies to attract these teenagers and thereby harvesting huge revenues from this segment. They are called teenagers because their age number ends in "teen". Someone aged 18 or 19 is also considered a young adult. Teenagers are an important segment because of their discretionary spending power and their influence on parents’ buying decisions.

Teenagers not only like ownership they demand it. They want media and product that they can call their own. This characteristic, which is uniquely teenager, dictates the strategies and tactics needed to communicate with the teenagers. However, there is a fine line between what works and what does not in marketing to teenagers. If teenagers regard marketing message as blatantly teen-like are trying too hard to be cool. They can quickly reject not only the message but also the messenger. Infact, Teens spend more time with their friends from schools or colleges, than with their parents. Because of the increasing usage of mobile phones whatsapp and Facebook, teens can easily make friends and can reach them readily. Socialization has also been on the increase, which exposes teens to each other. Teens are also influenced by their friends’ decisions. In addition, information can easily spread among them, such as any new advertisements, or attractive discounts and offers from leading brands.

India being second largest populated nation of the world attracts large number of multinationals and transnational for marketing their products here. With the increase in the standard of living of its people, the spending habits of Indians have grown significantly. Indians have lot of attachment for their children. Major portion of their income is year-marked for their children’s overall growth and desire. Thus, the knowledge of teenagers buying behavior is important for marketers in the Indian market. However, research on teenagers’ buying behavior in the Indian context is limited. This research paper attempts to study buying behavior of teenagers in Bangalore.

Following are the observations from a Euro RSCG study, “Connected and Connectivity – The Power of Teens Online”:

- Teens are by far the most informed group and media aware.
- The current generation teens have more choices than the previous generation.
- They dare to express their thoughts about different products and companies (both positive and negative).

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They can be reached electronically, since their central communication window to the outside world is the computer. The earning potential of teens has increased substantially, thanks to employment in MNCs. They have money at their disposal and are fond of shopping; the result is that we have shopping malls sprouting in every locality in our major cities.

**Points to Consider when Marketing to Teens:**

- Teens are attracted by bright colors, animation and stylish graphics.
- “Spread the word.” Teenagers communicate with their peers quite quickly.
- Design interactive web pages, so that teenagers’ participation can be increased, which they would love to do.
- Social Media – Powerful medium to reach teens.

**Strategies for Marketing to Teens:**

- Study the Market,
- Find Teens where they are,
- Tune into Social Networks,
- Promotions,
- Be Genuine,
- Address Them like Adults,
- Connect With the Parent,
- Catch them Young,
- Understand power of advertisements special focus on live advertisement,
- Brand Conscious.

**REVIEW OF LITERATURE**

The study by Grant and Stephen, (2005), examines younger teenage girls purchasing decisions for fashion clothing and the impact of brands on their behavior. This group is highly fashion sensitive. The study utilizes purely qualitative methods to explore the role of branding and purchasing influences from the perspective of these young people in order to gain a richer and deeper understanding of their behavior. The findings, based on four focus groups, show that the key decision factors when buying are parental and peer group approval, together with the fact that purchasing of fashion items is strongly influenced by the brand name and its associations. Further, the findings revealed that the respondents were prepared to pay a premium for a branded product and placed a high emphasis on the product being deemed ‘cool’.

A study by Gotschi, Vogel and Lindenthal (2007), examines High school students’ attitudes and behavior towards organic products. The researchers have surveyed high school students (between 14 and 20 years) in Vienna. Key findings of this study include:

- The importance of primary socialization over secondary socialization in forming social norms and shaping behavior,
- The absence of a significant relation between knowledge on organic products and actual behavior (shopping organic products), and
- Cultural orientations being good predictors for attitudes as well as for behaviour towards organic products.

A recent study by Bhagat (2012), focused on the Consumer Behavior of Teenagers with Reference to Fast Moving Consumer Goods (FMCG) in the Mumbai Region. The study concluded that the consumer behavior of college going teenagers in specific with regards to Fast Moving Consumer Goods depends on external influence rather than the rational purchases; where rational purchases would mean quality, durability and cost. The said hypothesis is validated from the study. The teenagers as consumers cannot be having the same pattern of consumer behavior as that of non-teenager customers. They have not departed from the dependently of parents & elders of the family at the same time aspires to take the decisions as knowledgeable adults. The teenagers are the passing phase and it was observed in the study that they were more influenced by the external factors in their purchase behavior than the rational thinking of deciding the purchase of product and services.

**DISCUSSION**

With an estimated population of 8.5 million in 2011, Bangalore is the third most populous city in India and the 18th most populous city in the world. Bangalore was the fastest-growing Indian metropolis after New Delhi between 1991 and 2001, with a growth rate of 38% during the decade. Teenagers constitute a significant proportion of the population in Bangalore. Teenagers in Bangalore have higher purchasing power as compared to teenagers in rural areas and smaller towns in Karnataka. The teenagers in Bangalore are exposed to mall culture due to presence of large number of malls in Bangalore. The table below gives an idea about major malls in Bangalore.
Table 1: Size and Location of Major Malls in Bangalore

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Mall</th>
<th>Size in Sq. Ft</th>
<th>Location</th>
<th>Zone</th>
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<tbody>
<tr>
<td>1</td>
<td>The Forum</td>
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<td>Adugodi</td>
<td>Central</td>
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<tr>
<td>2</td>
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<td>4</td>
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<td>South</td>
</tr>
<tr>
<td>5</td>
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<td>Outer Ring Road</td>
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<td>Sampige Road, Malleswaram</td>
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<td>Malleswaram-Rajainagar</td>
<td>West</td>
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<td>8</td>
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<td>Whitefield</td>
<td>East</td>
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<td>9</td>
<td>Royal Meenakshi Mall</td>
<td>600,000</td>
<td>Bannerghatta Road</td>
<td>South</td>
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<td>10</td>
<td>Park Square Mall</td>
<td>400,000</td>
<td>Whitefield</td>
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<td>11</td>
<td>Total Mall</td>
<td>225,000</td>
<td>Madivala</td>
<td>South</td>
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<td>12</td>
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<td>The Collection</td>
<td>130,000</td>
<td>UB City</td>
<td>Central</td>
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<td>Gopalan Arch Mall</td>
<td>163,000</td>
<td>Raja Rajeshwari Nagar</td>
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<td>17</td>
<td>Gopalan Signature Mall</td>
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<td>Old Madras Road</td>
<td>East</td>
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<tr>
<td>18</td>
<td>Gopalan Mall</td>
<td>280,000</td>
<td>Mysore Road</td>
<td>West</td>
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</table>

Sources: Authors Compilation

Shopping trends in Bangalore

An analysis of shopping trends reveals that apparel remains the hottest-selling commodity lapped up by consumers today. According to a break-up from analysts: Average of 54% of shops on Bangalore’s high streets sells footwear and apparel. The number of malls, which are likely to double, is all set to increase the commanding share enjoyed by apparel stores.

Furthermore, speaking about the concentration of footwear and apparel stores on high streets the study points out that Commercial Street has the maximum concentration of footwear stores constituting 74% compared to Brigade Road (53%), Lavelle Road, Vital Mallya Road (33%) and Indiranagar 100-ft Road (37%).

In stark contrast, bookstores and stationery shops seem to be one of the least preferred businesses, constituting an average of only 4%. The food and beverages sector occupies 16% of space on high streets, followed by electronics and white goods (9%), personal care/watches and jewellery stores (7%), automobile showrooms (3%) and others (7%).

Apparel Retail Industry in India Overview

The apparel retail industry consists of the sale of all menswear, women’s wear and children’s wear. The menswear market includes men’s active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear. The women’s wear market includes women’s active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear. The children’s wear market includes baby clothing, boys active wear, boys casual wear, boys essentials, boys formalwear, boys formalwear-occasion, boys outerwear, girls active wear, girls casual wear, girls essentials, girls formalwear-occasion, girls outerwear and toddler clothing.

The apparel retail industry in India has grown rapidly in recent years and although the growth rates are forecast to decelerate, will remain very strong. The Indian apparel retail industry had total revenue of $28,102.6 million in 2009, representing a compound annual growth rate (CAGR) of 9.9% for the period spanning 2005-2009. Sales of menswear proved the most lucrative for the Indian apparel retail industry in 2009, with total revenues of $11,864.4 million, equivalent to 42.2% of the market’s overall value.

In comparison, sales of women’s wear generated revenues of $10,202.4 million in 2009, equating to 36.3% of the industry’s aggregate revenues. However, Apparel market in India was estimated at US$ 35 Billion in 2011 and is expected to grow to US$ 50 Billion by 2016, at CAGR of 7.5%. The organized Apparel retail market in India was estimated at US$ 5.5 Billion in 2011 and is expected to grow to US$ 8 Billion by 2016, at CAGR of 8.5%.

Market Segmentation

Menswear is the largest segment of the apparel retail industry in India, accounting for 42.2% of the industry's total value. The women’s wear and Children’s wear segments accounts for 36.3% and 21.5% of the industry respectively.
Table-2: Indian Apparel Retail Industry Segmentation

<table>
<thead>
<tr>
<th>Category</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Menswear</td>
<td>42.20%</td>
</tr>
<tr>
<td>Women’s wear</td>
<td>36.30%</td>
</tr>
<tr>
<td>Children’s wear</td>
<td>21.50%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: Datamonitor, 2012

Types Teenage Apparel Buyers and Managerial Implications

Teenage apparel buyers can be classified into the following groups:

Fashion Apparel Buyers: This segment of teenage buyers is fashion conscious and tends to purchase trendy branded apparels. This segment has the maximum discretionary income as compared to other types of teenage apparel shoppers. Retailers can attract fashion apparel buyers using multiple retail channels like e-commerce sites, catalogues and kiosks in addition to regular Brick and Mortar apparel stores. Managers of fashion stores must understand that buying behavior of teenagers is influenced by various factors such as credit incentives, referrals, and shopping motivations. Celebrities have significant influence on fashion cycles of apparels. Teenagers are influenced by celebrities in their choice stylish fashionable apparels. Hence, it is a good idea to have young celebrities as brand ambassadors for fashion apparels targeted towards teenagers.

Price and Promotion Conscious Buyers: This segment of teenage buyers is price conscious and is attracted to sales promotions. Retailers should creatively use sales promotions to attract the promotion conscious teenage buyers. Overall direct price discounts is most popular with teenage shoppers as compared to other sales promotion schemes. Buy one get one is the next most preferred by the teenage segment. Apparel stores targeting teenage shoppers can have discount sales in order to boost sales in addition to clearance sales. This is because clearance sales mostly have out of fashion apparels or slow moving apparels on sale and these apparels may not be attractive to teenage segment, which relatively more fashion conscious than the adult segment.

Reference Group Buyers: This segment of teenage buyers is more influenced by the primary reference groups like friends and family. Majority of this type of teenage shoppers are either early adopters or late adopters. Apparel retailers should create a buzz among teenagers to attract these shoppers. It is a good idea to appoint teenage brand ambassadors to attract this group. National brands and Private label brands can create an aspirational reference group to attract this segment of teenage shoppers. Apparel marketers can influence the parents and older siblings through advertisements so that they can influence the teenager’s apparel choice. Exclusive and Specialty apparel retailers have to design their store in such a way that it is convenient for parents to accompany the teenagers. Department stores and Hypermarkets should have separate section for teenagers rather than clubbing teenagers with Kid’s or Adult’s categories.

Importance of Teenage Market

For marketers, teenagers are an ever-growing power base of influencers and spenders because they tend to:

- Adopt and establish new fashion and lifestyle trends.
- Influence their parent is spending on high value trendy items for them e.g. ipod, ipad, gaming consoles / games, notebooks, phones, fashion etc.
- Allow marketers to look into the future and visualize what society will become.

CONCLUSION

Teenager segment for long was long considered by marketers as a rebellious segment. Marketers believed that teenagers are self-centered and not fully rational while making purchases. However, some of the recent studies have shown that teenagers are not completely rebellious, rather they depend upon parents and families while making purchase decisions. The influence of reference groups like friends and family is quite high on teenager’s apparel purchase decisions.

Lifestyle of teenagers in Bangalore is similar to teenagers in other metropolitan cities in India. It is a mix of traditional mindset combined with modern outlook. The influence of mass media and internet is high on teenagers as they have an impressionable mind. Research has shown that teenagers spend considerable time on the internet and most of them use basic social media like Facebook, however majority of teenagers are not heavy users of focused social media such as LinkedIn, Twitter etc. Teenagers indulge in online shopping while shopping for various products including apparels. Since the current generation of teens is tech savvy, it is better to have online campaigns targeting teenagers. Apparel marketers can have attractive online promotion offers, which the teenagers can avail from their smart phones while shopping for apparels.
Overall teenagers comprise an important segment for apparel marketers. In the past apparel retailers in Bangalore have not given special attention to this segment. Apparel stores generally combined this segment with other categories; however, it is time for the apparel marketers in Bangalore to take this segment seriously and have special promotions and sales strategies for this segment of shoppers.

REFERENCES


MEASUREMENT OF SERVICE QUALITY IN INDIAN PRIVATE SECTOR BANKS: A CASE STUDY IN ANDHRA PRADESH

Dr. N. Prasanna Kumar46 N. Ashok Babu47

ABSTRACT

The liberalization of Indian economy has paved way for the tremendous growth of service sector in the country during last two decades. The banking sector has also felt the vibrations of the changes with the new entrants and changing critical success factors in the industry. The increase in the competition has made it mandatory for the service providers to develop competencies in the areas as per the customer’s requirement. This calls for continuous monitoring and measurement of customer’s perceived and expected service levels. Due to its highly intangible nature the measurement of customers’ expected and perceived quality becomes a difficult tasks.

The present paper focuses on Indian private sector Banks and attempts to measure the gap in the service quality perception of both the service providers and customers. A literature review suggests that where the quality perception has great impact on satisfaction level of customers. The paper highlights the various quality parameters’ and tests their relative significance in the customers’ and service providers’ quality perception. The paper also summarizes the managerial implications of the findings.

KEYWORDS

Quality, Banking Services, Perceptual Difference, SERVQUAL, Service, Private Sector Banks etc.

INTRODUCTION

The service industry has witnessed rapid growth in the past few decades in both developed as well as developing economies. The service industry, which accounted for 35% of contribution to the Indian economy in the 1980’s after agriculture (42.8% of the GDP), has grown substantially, and today its contribution is over 49%. India today employs around 18% of the workforce in the service industry, which is likely to increase to over 30% in the next decade. The sector, which accounts for 58% of the worldwide GNP, has fuelled worldwide economic growth and this phenomenal growth has had direct impact on every aspect of life.

The Banking sector has also witnessed the multidimensional changes. The beginning of the 90s brought a significant change in the concept of bank marketing. The advent of electronic fund transfer system made the ways for the induction of ATMs and many technology-based services. With the globalization and liberalization of the economy, the competition has increased in the banking sector too.

Therefore, the banking companies have now shifted towards the quality management as one of the basis for the source of competitive advantage in the rapid changing scenario. It has been observed that the banking sector companies have also changed their approach to manage their customers. The increasing benefits to the customers in terms of flexibility, access, customized solutions through innovative banking product-mix, are few of the examples how the banking companies are geared towards the change.

But all these steps can be effective only if the perpetual gap of quality is carefully assessed on regular basis and then used as a basis for planning and delivering the services to the end customers. To effectively enhance banking service quality, bankers are the first required to understand the attributes customers use to judge service quality.

Like manufacturing companies, service sector organizations are increasingly employ the quality management tools to enhance the level of customer satisfaction. The fast growth in the services has led to the rising concern for service quality management during last two decades. Organizations realize the strategic benefits of the quality (Phillips, Chang and Buzzell,1933). In many service industries, companies have created programmes, which incorporate a survey that elicits customers’ assessments of service quality, plus a feedback loop through which service changes are implemented and then evaluated with subsequent survey data (Bolton and Drew, 1991). World-class market performance in delivering high quality and cost competitive service is essential for survival in today’s business environment. Therefore, most business organizations turn to their customers for quality assessment either directly or indirectly via measuring customer satisfaction. Many research publications, including the 2001 Malcom Baldrige National Quality Award (MBNQA) guidelines (http://www.quality.nist.gov/), also emphasize the customer-based nature of quality management.

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There has been extensive literature linking the service quality with the customer satisfaction that leads to the decisions of future purchases (Donovan and Samler, 1994; Heisgett, Jones, Loveman, Sasser and Schlesinger, 1997). What is important here is service quality as it decomposes over a period of elapsed time since the performance of a service. An individual’s time-elapsed perception of service quality is related to the level of cognitive dissonance experienced over the same time frame (Neil and Palmer, 2001). This calls for continuous monitoring and measurement of the perceptual gap in service quality as it helps the service providers to tune their offerings with the fast changing customers’ expectations in highly vibrant industry requirements.

In the process of ensuring the quality and customers’ satisfaction, the service provider is required to assess the customers’ perception of the expected level of service quality, which in turn largely depends upon the service provider’s perception. Therefore, the primary task of any TQM application requires the correct measurement of the perceptual gap between the service provider and the customer. The measurement of service quality requires a great degree of perception and accuracy due to intangible nature of the services (Ennew, Geoffrey and Martin, 1993). The parasuraman et al, identified and published in the different types of gaps in service quality (Parasuraman, Zeithaml and Berry, 1985). The author(s) suggested that there could be five different gaps. Gap 1 is defined as a difference between consumer expectation and managerial perception of consumer expectations.

The factors responsible for this gap are: marketing research orientation of the organization; upward communication; and the number of levels of management in the organization. Gap 2 refers to the difference between management perceptions of consumer expectations and Service Quality specifications. This gap may be due to management’s commitment to service quality; goal setting; task standardization and perception of feasibility. Gap 3 is a difference between Service Quality specifications and the service actually delivered. The factors like teamwork, Employee-job fit, Technology-job fit, perceived control, supervisory control systems, Role conflict and Role ambiguity may affect this gap. Gap 4 is a difference between service delivery and what is communicated about service to consumers.

Horizontal communication and the propensity to over promise can affect this gap. Gap 5 is the difference between consumer expectation and perception. In order to measure the service quality, one has to first assess the comparison between the desired service with perceived service. Perceived Service Quality is viewed as the degree and direction of discrepancy between perceptions and desires (Zeithaml et al., 1993).

The customer is the most important in designing, providing and evaluating the level of quality particularly in service industries and very sensitive to its fluctuations too. Sought quality is the level of quality customers explicitly or implicitly demand and expect on service providers. The Sought quality (customer expectation) is created due to several factors – primarily the expectations are formed during a previous personal experience of a customer with a service, the customer is influenced by the experiences of the users and by the image of an organization. Perceived quality means the overall impression a customer has and experiences about the level of quality after service realization. The potential between the south and perceived quality give the service provider the opportunity to measuring customer satisfaction based on formulating the precise and actual criteria according which the customers are assessing the services.

The SERVQUAL is one of the most extensively used and accepted generic frameworks for measuring the perceptual gap in service quality. The model was initially developed by Parasuraman, Zeithaml and Berry and subsequently modified from time to time (Parasuraman, Zeithaml and Berry, 1988, 1990, 1991, 1993, 1994 and 1996; Hauser and Clausing, 1988; Berry and Parasuraman, 1997; Teas, 1993). The framework presented by the authors is their unique contribution to service quality measurement, which calls for measuring both the perceived performance (p) and customers’ expectations (E). The one way to increase the service quality is to increase the gap in P-E, i.e., exceeding customers expectations (Grapentine, 1998).

The traditional services quality conceptualizations were created to capture the interpersonal nature of service encounters, and the studies address the key quality dimensions in the traditional banking environment. Currently the research on service quality in electronic environments represents a significant part of management and information sciences research activities, however, not giving a unique formulation of customer’s quality expectations and perceptions of e-commerce. The on research papers focuses on assessing the quality perception of customers and service providers in private sector banks in India.

**RESEARCH METHODOLOGY**

The present research is descriptive in nature, which aims at describing the responses of the customers and banking executives of the private sector banks on the basis of a scheduled questionnaire. A sample of 3 private sector banks has been selected. Out of the banks selected, overall 10 responses each of the customers and executives for each bank have been collected. Thus the sample comprises of responses of 30 customers and 30 executives of private sector banks.

In an attempt to record the responses of only those customers who have long and consistent relationship with banks, only the customers who have availing the services for more than a year were covered in the survey, which was followed by detailed interview. Due to this reason, the sample size of customers had to be restricted to 30. The questionnaire was administrated to the customers who were present at the banks counters and similarly the responses of the executives (at least of manager level) were collected from the same banks. The sample was evenly spread to two major cities Guntur and Vijayawada. The selections of the
banks were made by random selection from the list of all the private sector banks in the country. The branches of the selected banks have been surveyed on the basis of convenience, irrespective of the region and location of the banks.

**Survey Measures**

The questions were based on the SERVQUAL method with slight modifications done to make it more suitable and relevant to the banking parlance. The quality dimensions as prescribed by the SERVQUAL method are reliability, responsiveness, accessibility, competence and empathy, security, courtesy were used to assess the perception of the customers and the banking executives. The questionnaire titled “A study on the quality of the banking services” was divided into two sections. The first section focused primarily on the quality dimensions stated above. It was asked by the respondent to rate the quality of their bank against those dimensions on a seven point likert scale. The second section comprises of questions on a seven point likert scale aimed to assess the respondents’ view of the services of an ideal bank on the basis of few statements which were eventually related with the original dimensions (reliability, responsiveness, accessibility, competence and empathy, security, courtesy). This helped to analyses the gap between the customers and executives view of what ought to be the services of an ideal bank. Finally the demographic questions focuses upon the factors like occupation, sex, income and age.

**DATA ANALYSIS AND FINDINGS**

The data obtained was used to calculate the mean values for both the customers and executive’s response of the private sector banks. The mean values were used to calculate the kolmogorov-Sminrov two sample test values at 0.05 level of significance. The table value of K-S two sample test (30 sample each) at 0.05 level of significance is 0.35.

**Table-1: Testing the Rating on Reliability**

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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency(D) = 0.30 is against the rating 5. This calculated value of (D) is compared with the table value at a significance level α = 0.05. Table value is D table = 0.35. Since the calculated value 0.30 is less than the table value of D, hence the Null hypothesis is accepted. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on Reliability parameter is accepted. It implies that the rating given by the executives and customers of the Private Banks on Reliability does not differ.

**Table-2: Testing the Rating on Responsiveness**

<table>
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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D)=0.40 is against the rating 5. This calculated value of (D) is compared with the table value at a significance level α = 0.05. Table value is D table=0.35. Since the calculated value 0.40 is greater than the table value of D, hence the Null hypothesis is rejected. Therefore the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on Responsiveness parameter is rejected. It implies that the rating given by the executives and customers of the Private Banks on Responsiveness differ.
Table 3: Testing the Rating on Competence

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
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<th>Cum. Frequency</th>
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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) = 0.40 is against the rating 5. This calculated value of (D) is compared with the table value at the significance level α = 0.05. Table value is D table = 0.35. Since the calculated value 0.40 is greater than the table value of D, hence the Null hypothesis is rejected. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on competence parameter is rejected. It implies that the rating given by the executives and customers of the Private Banks on competence differ.

Table 4: Testing the Rating on Accessibility

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Frequency</th>
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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) = 0.10 is against the rating 3, 4, 5. This calculated value of (D) is compared with the table value at a significance level α = 0.05. Table value is D table = 0.35. Since the calculated value 0.10 is less than the table value of D, hence the Null hypothesis is accepted. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on Accessibility parameter is accepted. It implies that the rating given by the executives and customers of the Private Banks on Accessibility do not differ.

Table 5: Testing the Rating on Courtesy

<table>
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<th>Absolute Difference between Com. Frequency</th>
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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) = 0.20 is against the rating 4, 5. This calculated value of (D) is compared with the table value at a significance level α = 0.05. Table value is D table = 0.35. Since the calculated value 0.20 is less than the table value of D, hence the Null hypothesis is accepted. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on Courtesy parameter is accepted. It implies that the rating given by the executives and customers of the Private Banks on Courtesy do not differ.
Table-6: Testing the Rating on Product Range

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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) =0.40 is against the rating 6. This calculated value of (D) is compared with the table value at a significance level α =0.05. Table value is D table = 0.35. Since the calculated value 0.40 is greater than the table value of D, hence the Null hypothesis is rejected. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on product range parameter is rejected. It implies that the rating given by the executives and customers of the Private Banks on product range differ.

Table-7: Testing the Rating on Security

<table>
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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) =0.40 is against the rating 6. This calculated value of (D) is compared with the table value at a significance level α =0.05. Table value is D table = 0.35. Since the calculated value 0.40 is greater than the table value of D, hence the Null hypothesis is rejected. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on security parameter is rejected. It implies that the rating given by the executives and customers of the Private Banks on security differ.

Table-8: Testing the Rating on Tangibles

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Sources: Authors Compilation

The largest difference between any two cumulative relative frequency (D) =0.20 is against the rating 6. This calculated value of (D) is compared with the table value at a significance level α =0.05. Table value is D table = 0.35. Since the calculated value 0.20 is less than the table value of D, hence the Null hypothesis is accepted. Therefore, the Null hypothesis that there is no difference between the ratings of executives and customers of Private Bank on Tangibles parameter is accepted. It implies that the rating given by the executives and customers of the Private Banks on tangibles do not differ.
Table-9: A Summary of Perpetual Gap of Customers and Executes on Various Quality Parameters

<table>
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<tr>
<th>Quality Dimensions</th>
<th>Customers Mean</th>
<th>Executives Mean</th>
<th>Significance (0.05 level)</th>
<th>Comments</th>
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<tr>
<td>Reliability</td>
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<td>6.3</td>
<td>0.30</td>
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<td>Responsiveness</td>
<td>5.7</td>
<td>6.3</td>
<td>0.40*</td>
<td>Difference in rating</td>
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<tr>
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<td>6</td>
<td>5.6</td>
<td>0.40*</td>
<td>Difference in rating</td>
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<td>Accessibility</td>
<td>6.3</td>
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<td>Courtesy</td>
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<td>Product range</td>
<td>5.8</td>
<td>6.6</td>
<td>0.40*</td>
<td>Difference in rating</td>
</tr>
<tr>
<td>Security</td>
<td>5.8</td>
<td>6.5</td>
<td>0.40*</td>
<td>Difference in rating</td>
</tr>
<tr>
<td>Tangibles</td>
<td>5.9</td>
<td>6.1</td>
<td>0.20</td>
<td>No difference</td>
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</table>

Sources: Authors Compilation

It shows that the rating of executives and customers of the private bank differs with each other on dimensions like Responsiveness, Competence, Product range and Security, and agree on dimension like Reliability, Accessibility, Courtesy and Tangibles.

MANAGERIAL IMPLICATIONS

As the analysis reveals that the difference between the customers expectation and management perception of customers expectations, i.e., the Gap 1 as defined by Parasuraman et al, in their model of perceptual Gap, exists on quality parameters like Responsiveness, Competence, Product range and Security.

As there seems no visible difference on quality parameters like Reliability, Accessibility, Courtesy and Tangibles, it would be desirable for the banking service providers to further enhance their performance on these parameters that would help them to attain the competitive advantage by increasing the difference between consumers perception and expectation i.e., exceeding the customers’ expectations.

Regarding Responsiveness, there seems to be a significant difference between the customers’ perception and executives perception. Executives exceeds the customers in perceiving the responsiveness of their of their respective banks as is quite evident from the executives mean score 6.3 as compared to the customers mean score 5.7. Therefore service providers need to redefine the determinant of responsiveness in the view of customers’ expectations. It is also desirable to explore the causes of existing gap which may be due to imbalance in the marketing mix elements.

As far as competence is concerned customers exceed their favourable perception from executives as is quite evident from the mean score of 6 and 5.6 respectively. This indicates the overestimation of customer’s expectations by the service providers and at the same time it adds to the competitive advantage of the banks as they will keep on further strengthening their competencies. Another factor where the significant gap is found is product range where the customers and executives respective mean score of 5.8 and 6.6 show that there is a great need for private sector to increase the length and width of their product mix. This will call for expansion of product range and will further require the adjustments in the order marketing mix elements during the implementation.

Finally the security which is also a parameter in the area of e-commerce and internet banking is a factor where the gap exists. The significance difference in the customers and executives respective mean score 5.7 and 6.5 gives a clear reflection that Private sector banks needs to enhance their security features and at the same time they need to put further effort on assuring customers regarding this particular feature. The study provides an insight into the perceptual pattern of customers and executives of Private sector banks and may be further extended to determine the causes of these existing gaps with larger sample size.

REFERENCES


*****
AN EMPIRICAL CROSS VALIDATION ANALYSIS OF
CONSUMER CONFUSION PRONENESS MODEL IN INDIA

Dr. Bhavesh Vanparia48

ABSTRACT

Objectives: The purpose of this paper is to assess the reliability and validity Consumer Confusion Scale in Indian context and study the impact of various dimensions of consumer confusion on brand loyalty and decision postponement.

Methodology: Researcher used the three components conceptual model of confusion is developed, operationalized and validated using a sample of 250 consumers. Data has been collected through structured questionnaire.

Findings: Using structural equation modeling, the results support the three dimensions of similarity, overload and ambiguity, which have a significant impact on decision postponement and loyalty behaviour.

Originality: This research will helpful in designing all marketing strategy related to Price, Product, Place and particularly Promotion.

KEYWORDS

CCPM, Reliability, Validity, SEM etc.

INTRODUCTION

At the beginning of the third millennium, in a competitive environment characterized by; a plethora of choice, a surge of marketing communications, decreasing inter-brand differences, increasing complexity of information and its sources, which increase search costs, it is no wonder that some consumers find information processing for some tasks confusing.

Consumer confusion is a state of mind that leads to consumers making imperfect purchasing decisions or lacking confidence in the correctness of their purchasing decisions. Confusion occurs when a consumer fails to correctly understand or interpret products and services. This, in turn, leads to them making imperfect purchasing decisions. This concept is important to marketers because consumer confusion may result in reduced sales, reduced satisfaction with products and difficulty communicating effectively with the consumer. It is a widely studied and broad subject, which is a part of Consumer behavior and Decision-making.

As consumers are provided with ever-increasing amounts of information from more products sold through more channels and promoted in more ways, the notion of marketplace confusion is becoming increasingly important. We can say that there are three types of confusion resulting from brand similarity, information load, and misleading or ambiguous information.

Snider contends that confusion pervades almost every decision that consumers make and incidences of consumer confusion have been reported in many different countries and in a host of product markets (Clancy and Trout 2002) such as; watches, telecommunications, health and travel insurance and own-label brands.

Despite its importance, no consistent approach has been taken to defining and measuring consumers’ proneness to confusion. Although situation specific confusion has been linked to information overload and ambiguous and misleading information, most situation specific studies on consumer confusion have focused on stimulus similarity.

Dimensions of Confusion

• We define Brand Similarity Confusion as: ‘a lack of understanding and potential alteration of a consumer’s choice or an incorrect brand evaluation caused by the perceived physical similarity of products or services’.

• We define overload confusion as ‘a lack of understanding caused by the consumer being confronted with an overly information rich environment that cannot be processed in the time available to fully understand, and be confident in, the purchase environment’.

• We define Ambiguity Confusions being: ‘a lack of understanding during which consumers are forced to re-evaluate and revise current beliefs or assumptions about products or the purchasing environment’.

Assistant Professor, Tolani Institute of Management Studies, Gujarat, India, bhavindh@gmail.com
PROBLEM OF STUDY

- With ever-increasing amounts of marketplace information, confusion is becoming a problem for consumers and marketers, yet the topic remains under researched. This research work explores the dimensions of consumers’ general tendency to become confused and its relevance for marketing practitioners.

- Awareness and knowledge of consumer confusion is relevant to successful marketing because confused consumers are less likely to make rational buying decisions and to choose products offering the best quality or best value for money.

- The importance of consumer confusion to companies is ultimately assessed based on its consequences and their economic relevance.

- Consequences such as, dissatisfaction, negative word-of-mouth, cognitive dissonance, decision postponement, have been mentioned and all can negatively affect company profits. Although research has identified some confusion antecedents, our understanding of the relationships between the dimensions of consumer confusion and potential outcomes is limited.

- With regard to decision postponement and in the context of overload confusion information overload such that a customer feels overwhelmed and dissatisfied, or chooses not to make a choice at all”

- Moreover, conventional managerial wisdom holds that reducing customer attrition rates and attending to customer loyalty makes good business sense because customer retention is less costly than acquisition.

RESEARCH MODEL

Chart-1

OBJECTIVES OF RESEARCH

- To assess the reliability and validity Consumer Confusion Scale in Indian context.
- To evaluate the validity consumer confusion process model.
- To study the impact of Brand similarity on Consumer confusion.
- To study the impact of Overload of information on consumer confusion.
- To study the impact of Ambiguity on consumer confusion.
- To analyze the relationship between Consumer confusion and postponement.
- To analyze the relationship between Consumer confusion and Brand loyalty.

HYPOTHESIS OF RESEARCH

- Brand similarity has impact on Consumer confusion
Overload of information have impact on consumer confusion.
- Ambiguity has impact on consumer confusion.
- Consumer confusion has positively related with decision postponement.
- Consumer confusion has negative relation with Brand loyalty.

**LITERATURE REVIEW**

<table>
<thead>
<tr>
<th>Author</th>
<th>Title of Paper</th>
<th>Finding / Conclusion</th>
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<tbody>
<tr>
<td>Vincent-Wayne Mitchell, and Alan Giles</td>
<td>Counteracting consumer confusion.</td>
<td>Companies should do a confusion audit to find out which consumers are most confused in order to rectify it.</td>
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<tr>
<td>Lee Ann Runy, and Jennifer Towne</td>
<td>Consumer confusion.</td>
<td>They talks about consumer confusion at health centers.</td>
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<td>Woodward Sand Hill Econometrics</td>
<td>Consumer confusion in the mortgage market.</td>
<td>Borrower confusion is strongly related to the level of interest Rates.</td>
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<tr>
<td>Susan E. Woodward, and Robert E. Hall</td>
<td>Consumer confusion in the mortgage market: evidence of less than a perfectly transparent and competitive market.</td>
<td>Confusion related to interest rate the higher the rate more borrowers try to pay points to reduce their rate, and the more mistakes they make, to the broker’s benefit.</td>
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<tr>
<td>Ioana Chioveanu, and Jidong Zhou</td>
<td>Price competition with consumer confusion.</td>
<td>A model of competition in both prices and price frames where price framing can obstruct consumers price comparisons.</td>
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<tr>
<td>Paurav Shukla</td>
<td>Consequences of Consumer Confusion.</td>
<td>The significant impact of information confusion on information satisfaction.</td>
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<tr>
<td>V. W. Mitchell &amp; Walsh, G.</td>
<td>The effect of consumer confusion proneness on word of mouth, trust, and customer satisfaction.</td>
<td>The three dimensions of similarity, overload, and ambiguity have a differential impact on word of mouth behavior, trust, and customer satisfaction.</td>
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<tr>
<td>Paurav Shukla</td>
<td>Antecedents to Consumer Confusion in Financial Services Industry.</td>
<td>The hypothesized antecedents namely; expectations, attribute confusion and information confusion significantly affect overall confusion.</td>
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<tr>
<td>Vincent-Wayne Mitchell, Gianfranco Walsh, Mo Yamin</td>
<td>Towards a conceptual model of consumer confusion.</td>
<td>Consumers who experience confusion regularly across different products categories are likely to become more frustrated with and tired of shopping.</td>
</tr>
<tr>
<td>George Chryssochoidis</td>
<td>Repercussions of consumer confusion for late introduced differentiated products.</td>
<td>Differentiated products are at a disadvantage compared to existing products in the marketplace as they suffer from consumer confusion regarding such differentiation.</td>
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<tr>
<td>Turnbull, Peter W., Sheena Leek, and Grace Ying</td>
<td>Customer confusion: the mobile phone market.</td>
<td>Suppliers should build up a strong brand image and be aware of the importance of word of mouth sources.</td>
</tr>
<tr>
<td>T. Devasenathipathi and P.T. Saleendran</td>
<td>A study on consumer’s confusions among male and female students and their adoption of reduction.</td>
<td>Consumer confusion is state of mindset of a consumer due to influence of ever experiencing of purchase related internal and external factors.</td>
</tr>
<tr>
<td>West G. E.; Larue B, Gendron C &amp; Scott S. L</td>
<td>Consumer confusion over the significance of meat attributes the case of veal.</td>
<td>Most consumers will not categorically reject pale veal meat with a grain-fed label.</td>
</tr>
<tr>
<td>Malaika Brengman, Maggie Geuens &amp; Patrick De Pelsmacker</td>
<td>The impact of consumer characteristics and campaign related factors on brand confusion in print advertising.</td>
<td>Consumers with higher levels of product category involvement and higher levels of brand awareness and brand loyalty confuse brands less frequently.</td>
</tr>
<tr>
<td>B.C Poiesz &amp; M. M. Verhallen</td>
<td>Brand confusion in advertising.</td>
<td>Advertising can also be counter effective.</td>
</tr>
<tr>
<td>Pamela Bons</td>
<td>An investigation of consumer decision making styles in a Market characterized by choice overload.</td>
<td>Consumer decision-making styles with the theory on choice overload.</td>
</tr>
<tr>
<td>Best R. J. and Ursic, Michael L.</td>
<td>The Impact of Information Load on Variability and Choice Accuracy.</td>
<td>This research found that the alternative variance and the similarity of the choices has more influence on decision accuracy than numbers of brands or attributes.</td>
</tr>
<tr>
<td>Authors</td>
<td>Title</td>
<td>Relevant to confusion</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sheena leek, Dai kun</td>
<td>Consumer confusion in the Chinese personal computer market.</td>
<td>Technological complexity is the major source of confusion. Word of mouth is the most common source of information used to reduce confusion due to its credibility and reliability.</td>
</tr>
<tr>
<td>Maureen Morrin</td>
<td>The impact of brand extension on parent brand memory structures &amp; retrieval process.</td>
<td>Compared with parent brand advertising, brand extension advertising does not have as a great facilitative effect on parent brand recognition in which the brand appears on the shelf.</td>
</tr>
<tr>
<td>Barbara Loken &amp; Ronald L. Hinkle</td>
<td>Consumer confusion of origin &amp; brand similarity perceptions.</td>
<td>The similarity in physical appearance of two brands of a common business origin between them.</td>
</tr>
<tr>
<td>Jacoby, Jacob, Speller, Donald E., and Kohn, Carol A.</td>
<td>Brand choice behavior as a Function of information load</td>
<td>While consumers do feel more satisfied and less confused they actually make poorer purchases.</td>
</tr>
<tr>
<td>Nicholas H. Lurie</td>
<td>Decision making in information-rich environments: the role of information Structure.</td>
<td>The amount of Information processing mediates the relationship between information structure and Information overload.</td>
</tr>
<tr>
<td>Sheena leek, Dai kun</td>
<td>Consumer confusion in the Chinese personal computer market.</td>
<td>Technological complexity is the major source of confusion. Word of mouth is the most common source of information used to reduce confusion due to its credibility and reliability.</td>
</tr>
<tr>
<td>Maureen Morrin</td>
<td>The impact of brand extension on parent brand memory structures &amp; retrieval process.</td>
<td>Compared with parent brand advertising, brand extension advertising does not have as a great facilitative effect on parent brand recognition in which the brand appears on the shelf.</td>
</tr>
<tr>
<td>Gianfranco Walsh, Vincent Wayne Mitchell</td>
<td>Demographic characteristics of consumers who find it difficult to decide.</td>
<td>ANOVA suggested that high levels of marketplace decision difficulty were characteristic of older, less well-educated female consumers. Subsequent cluster analysis identified four distinct and meaningful consumer types, in terms of “marketplace decision difficulty”.</td>
</tr>
<tr>
<td>Kapferer, Jean-Noel</td>
<td>Stealing brand equity: measuring perceptual confusion between national brands and 'copycat' own-label products (Article).</td>
<td>The power of the brand name towards their own product, causing consumers to become confused about the different between the brand-name product and the own-label product.</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

RESEARCH METHODOLOGY

Data Collection Methods

The purpose of this research is mainly exploratory. In this study, survey methods have been preferred. Researcher adopts well-known consumer confusion measurement. For this study, Consumer confusion proneness instruments for measuring consumer confusion have been used for consumer confusion and its impact on consumer purchase postponed decision and brand loyalty. Researcher preferred to use a probabilistic systematic random sample method of data collection. The instrument was administered by a researcher himself and the investigators trained by the researcher till they were familiar with the instrument. The data was collected from the respondents at outside the store. The data was collected for the period of three months during the evenings and weekends from the customer of store who was willing to respond.

Data were collected by means of a structured questionnaire. The questionnaire consisted of three sections A, B and C. Sections A and B required respondents to evaluate the confusion components at the time of buying at mall/supermarket. Section C contained questions pertaining to respondent profile. The perception statements were measured on a five-point Likert type scale with “1” being “strongly disagree” and “5” being “strongly agree”. In this study, the research instrument was administered through personal interviews conducted outside the store. To minimize bias, prospective respondents were approached and interviewed after to conducting their intended transactions. The method of personal interviews is superior to self-administered questionnaires in perceptual or attitudinal surveys while face-to-face administration maximizes response rates and field researchers’ availability to answer respondents’ questions.

Sample Size

According to guideline provided by Nunnally (1978) that ten times of total number of items, so sample size was 250. However, Hair et al. (1992, 1995) cautioned that, if the sample size exceeds 400, the goodness of fit is poor because almost any difference is detected. Therefore, by considering the constraints of the research setting and theoretical aspect of this study, the targeted sample size was set at 250.
Data Analysis and Tool

For analyzing, the data researcher used various tests like Preliminary Analysis, Correlation coefficient Analysis, Chi-square test, multiple regressions Analysis, Structural Equation Model (SEM), Confirmatory Factor Analysis (CFA) through SPSS 19.0 and AMOS 18.0.

RESULT AND DISCUSSION

Every analysis has some basic assumption for further analysis. Below table shows the some test for fulfillment of advance analysis.

Normality of Data

Kline (1998) suggested that all variables in the analysis for univariate skewness and kurtosis were satisfactory within conventional criteria for normality i.e. -3 to 3 for skewness and -10 to 10 for kurtosis. Multivariate normality (the combination of two or more variables) means that the individual variable is normal in a univariate sense and that their combinations are normal (Hair et al. 2010).

<table>
<thead>
<tr>
<th>Table-1: Descriptive Statistics</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Skewness</td>
<td>Kurtosis</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Statistic</td>
<td>Statistic</td>
<td>Std. Error</td>
<td>Statistic</td>
</tr>
<tr>
<td>250</td>
<td>-.666</td>
<td>.154</td>
<td>-.106</td>
</tr>
<tr>
<td>250</td>
<td>-.333</td>
<td>.154</td>
<td>-.577</td>
</tr>
<tr>
<td>250</td>
<td>-.341</td>
<td>.154</td>
<td>-.394</td>
</tr>
<tr>
<td>250</td>
<td>-.145</td>
<td>.154</td>
<td>-.788</td>
</tr>
<tr>
<td>250</td>
<td>-.420</td>
<td>.154</td>
<td>-.793</td>
</tr>
<tr>
<td>250</td>
<td>-.328</td>
<td>.154</td>
<td>-.605</td>
</tr>
<tr>
<td>250</td>
<td>-.578</td>
<td>.154</td>
<td>-.277</td>
</tr>
<tr>
<td>250</td>
<td>-.361</td>
<td>.154</td>
<td>-.672</td>
</tr>
<tr>
<td>250</td>
<td>-.383</td>
<td>.154</td>
<td>-.637</td>
</tr>
<tr>
<td>250</td>
<td>-.391</td>
<td>.154</td>
<td>-.639</td>
</tr>
<tr>
<td>250</td>
<td>-.443</td>
<td>.154</td>
<td>-.667</td>
</tr>
<tr>
<td>250</td>
<td>-.557</td>
<td>.154</td>
<td>-.471</td>
</tr>
<tr>
<td>250</td>
<td>-.657</td>
<td>.154</td>
<td>-.257</td>
</tr>
<tr>
<td>250</td>
<td>-.352</td>
<td>.154</td>
<td>-.936</td>
</tr>
<tr>
<td>250</td>
<td>-.341</td>
<td>.154</td>
<td>-.822</td>
</tr>
<tr>
<td>250</td>
<td>-.557</td>
<td>.154</td>
<td>-.523</td>
</tr>
<tr>
<td>250</td>
<td>-.332</td>
<td>.154</td>
<td>-.924</td>
</tr>
<tr>
<td>250</td>
<td>-.123</td>
<td>.154</td>
<td>-.943</td>
</tr>
<tr>
<td>250</td>
<td>.043</td>
<td>.154</td>
<td>-.1070</td>
</tr>
</tbody>
</table>

Sources: Authors Compilation

All skewness value is from .043 to -.666 and kurtosis value is from -1.070 to -.106. According to the guideline suggested by Kline (1998), all variables are univariate normal and the individual variable is normal in a univariate sense and that their combinations are normal. Therefore, researcher can conclude that data is multivariate normal and should be used for further multivariate analysis.
Multicollinearity

The correlations between the variables in your model are provided in the table labeled "Correlations." Check that your independent variables show at least some relationship with your dependent variable (above .3 preferably). (Pallant, 2005).

Table 2: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Similarity Confusion</th>
<th>Overload Confusion</th>
<th>Ambiguity Confusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Similarity</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.349**</td>
</tr>
<tr>
<td><strong>Confusion</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.488**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td><strong>Overload</strong></td>
<td>Pearson Correlation</td>
<td>.349**</td>
<td>1</td>
</tr>
<tr>
<td><strong>Confusion</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.283**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td><strong>Ambiguity</strong></td>
<td>Pearson Correlation</td>
<td>.488**</td>
<td>.283**</td>
</tr>
<tr>
<td><strong>Confusion</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

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

Sources: Authors Compilation

In Consume Conflict construct, the correlation between all independent variables are less than 0.9, therefore, as per guideline suggested by Pallant (2005) all variables will be retained. It indicates that data is free from multicollinearity problem and need not to remove any variable form further analysis. All dimensions are correlated with each other and it is statistically significant as p-value is less than 0.01.

Outlier, Normality, Homoscedasticity, Independence of Residual

One of the ways that these assumptions can be checked is by inspecting the residuals scatter plot and the Normal Probability Plot of the regression-standardized residuals that were requested as part of the analysis.

Graph 1

Sources: Authors Compilation

In the Normal Probability Plot, we observed that our points have lie in a reasonably straight diagonal line from bottom left to top right. This would no major deviations from normality.
In the Scatter plot of the standardized residuals, we observed that the residuals were roughly rectangular distributed, with most of the scores concentrated in the center (along the 0 point). Standardized residual (as displayed in the scatter plot) concentrated of more than 3.3 or less than -3.3.

### Table-3: Residuals Statistics

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predicted Value</td>
<td>24.9543</td>
<td>50.6703</td>
<td>40.5040</td>
<td>4.96787</td>
<td>250</td>
</tr>
<tr>
<td>Std. Predicted Value</td>
<td>-3.130</td>
<td>2.046</td>
<td>.000</td>
<td>1.000</td>
<td>250</td>
</tr>
<tr>
<td>Standard Error of Predicted Value</td>
<td>.272</td>
<td>.889</td>
<td>.367</td>
<td>106</td>
<td>250</td>
</tr>
<tr>
<td>Adjusted Predicted Value</td>
<td>25.4507</td>
<td>50.7696</td>
<td>40.5044</td>
<td>4.96080</td>
<td>250</td>
</tr>
<tr>
<td>Residual</td>
<td>-11.5048</td>
<td>12.30926</td>
<td>.00000</td>
<td>4.26023</td>
<td>250</td>
</tr>
<tr>
<td>Std. Residual</td>
<td>-2.695</td>
<td>2.884</td>
<td>.000</td>
<td>.998</td>
<td>250</td>
</tr>
<tr>
<td>Stud. Residual</td>
<td>-2.711</td>
<td>2.895</td>
<td>.000</td>
<td>1.003</td>
<td>250</td>
</tr>
<tr>
<td>Deleted Residual</td>
<td>-11.64429</td>
<td>12.40565</td>
<td>-0.0043</td>
<td>4.29950</td>
<td>250</td>
</tr>
<tr>
<td>Stud. Deleted Residual</td>
<td>-2.747</td>
<td>2.939</td>
<td>.000</td>
<td>1.007</td>
<td>250</td>
</tr>
<tr>
<td>Mahal. Distance</td>
<td>.013</td>
<td>9.797</td>
<td>.996</td>
<td>1.345</td>
<td>250</td>
</tr>
<tr>
<td>Cook's Distance</td>
<td>.000</td>
<td>.156</td>
<td>.005</td>
<td>.011</td>
<td>250</td>
</tr>
<tr>
<td>Centered Leverage Value</td>
<td>.000</td>
<td>.039</td>
<td>.004</td>
<td>.005</td>
<td>250</td>
</tr>
</tbody>
</table>

**Note:** a. Dependent Variable: Consumer Confusion

### Sources:
Authors Compilation

According to Tabachnick and Fidell (2001, p. 69), cases with values larger than 1, are a potential problem. In data, the maximum value for Cook’s Distance is .005, suggesting no major problems.

In nutshell, data are not violating of assumption of Normality, Linearity, Multicollinearity, Outlier, Homoscedasticity, and Independence of Residual and fit for multivariate analysis.

**Reliability Analysis**

### Table-4

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.724</td>
<td>12</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation
According to Pavot, Colvin and Sandvik (1991), Consume confusion Scale has good internal consistency with a Cronbach’s alpha coefficient reported of .60. In the current study, the Cronbach’s alpha coefficient was .724

Scale Validation

Graph-3

<table>
<thead>
<tr>
<th>Goodness-of-fit model index</th>
<th>Recommended Value</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square/degree of freedom (CMIN/df)**</td>
<td>\leq 5.00</td>
<td>2.16</td>
</tr>
<tr>
<td>Goodness-of-fit index (GFI)</td>
<td>\geq .90</td>
<td>.90</td>
</tr>
<tr>
<td>Adjusted goodness-of-fit index (AGFI)</td>
<td>\geq .80</td>
<td>.92</td>
</tr>
<tr>
<td>Normalized fit index (NFI)</td>
<td>\geq .90</td>
<td>.91</td>
</tr>
<tr>
<td>Tucker-Lewis index (TLI/NNFI)</td>
<td>\geq .90</td>
<td>.94</td>
</tr>
<tr>
<td>Comparative fit index (CFI/RNI)</td>
<td>\geq .90</td>
<td>.95</td>
</tr>
<tr>
<td>Root mean square error of approximation (RMSEA)</td>
<td>\leq .08</td>
<td>.06</td>
</tr>
<tr>
<td>Standardized root mean square residual (standardized RMR)</td>
<td>\leq .08</td>
<td>.0429</td>
</tr>
</tbody>
</table>

Note: * These criteria’s are according to Hair et al. (1998, 2010) and Arbuckle and Wothke (1995)

** Ullman (1996) recommended chi-square/degree of freedom value of < 5.00.

Sources: Authors Compilation

The score obtained from the analysis suggested an excellent fit between the data and model ($\chi^2=430.51$, df=199, $\chi^2/df=2.16$, TLI=.939, CFI=.947, RMSEA=.06). All the fit indices comply with the values recommended by Haire et.al. (2010) and Arbuckle and Wothke (1995).

Model Validation

Based on the theoretical framework, following model has been developed. The examination of the hypothesized relationships between the three dimensions of the confusion-proneness scale and the two outcome variables can provide evidence for nomological validity when, overall, the measures correlated in a manner predicted by theory. The conceptual model was tested simultaneously with AMOS. The global fit statistics indicated that the model represents the data well.
Researcher estimated the structural model with same sample yielding the following model fit results:

Table-6: Goodness-of-fit Statistics (Structural Model-Servqual)

<table>
<thead>
<tr>
<th>Goodness-of-Fit Model Index</th>
<th>Recommended Value*</th>
<th>Structure Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square/degree of freedom**</td>
<td>≤ 5.00</td>
<td>2.264</td>
</tr>
<tr>
<td>Goodness-of-fit index (GFI)</td>
<td>≥ .90</td>
<td>.867</td>
</tr>
<tr>
<td>Adjusted goodness-of-fit index (AGFI)</td>
<td>≥ .80</td>
<td>.839</td>
</tr>
<tr>
<td>Normalized fit index (NFI)</td>
<td>≥ .90</td>
<td>.891</td>
</tr>
<tr>
<td>Tucker-Lewis index (TLI/NNFI)</td>
<td>≥ .90</td>
<td>.929</td>
</tr>
<tr>
<td>Comparative fit index (CFI/RNI)</td>
<td>≥ .90</td>
<td>.936</td>
</tr>
<tr>
<td>Root mean square error of approximation (RMSEA)</td>
<td>≤ .08</td>
<td>.066</td>
</tr>
<tr>
<td>Standardized root mean square residual (standardized RMR)</td>
<td>≤ .08</td>
<td>.0531</td>
</tr>
</tbody>
</table>

Note: * These criteria’s are according to Hair et al. (1998) and Arbuckle and Wothke (1995)

** Ullman (1996) recommended chi-square/degree of freedom value of < 5.00

Collectively, these fit indices indicate that the structural model is acceptable. That is, the consumer confusion model is robust.

Hypothesis testing:

H: Brand Similarity has Impact on Consumer Confusion

Table-7: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.759*</td>
<td>.576</td>
<td>.575</td>
<td>4.26881</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Similarity of Information

Sources: Authors Compilation
From above table, the value of R-Square is .575, which means that about 58 per cent variation in the dependent variable Consumer confusion is explained by the independent variable Brand similarity.

**Table-8: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>6145.254</td>
<td>1</td>
<td>6145.254</td>
<td>337.230</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>4519.242</td>
<td>248</td>
<td>18.223</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10664.496</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- a. Predictors: (Constant), Similarity of Information
- b. Dependent Variable: Consumer Confusion

**Sources:** Authors Compilation

The F-value is the Mean Square regression dived by the Mean Square Residual, yielding F=337.230. The p-value associated with the F value is very small (.000). These values are used to answer the questions “Do the independent variable reliably explain the variations in the dependent variables?” The p-value is compared to chosen alpha level (0.05) and, if smaller, one can conclude that the independent variable explain variations in the dependent variable. If the p-value was greater than 0.05, then the group of independent variables does not show a statistically significant relationship with the dependent variables nor does it explain the variation in the dependent variables. Here we can say that Brand similarity explain the significant amount of variation in the Consumer confusion.

**Table-9: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>18.525</td>
<td>1.227</td>
<td>15.099</td>
<td>.000</td>
</tr>
<tr>
<td>Similarity of information</td>
<td>6.429</td>
<td>.350</td>
<td>.759</td>
<td>18.364</td>
</tr>
</tbody>
</table>

**Note:**
- a. Dependent Variable: Consumer Confusion

**Sources:** Authors Compilation

From above table, the beta of Brand similarity variable is .759 and it is significant (p<.05), it means Brand similarity have strong impact on Consumer confusion.

**H2:** Overload of information has impact on consumer confusion.

**Table-10 Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.710a</td>
<td>.503</td>
<td>.501</td>
<td>4.62097</td>
</tr>
</tbody>
</table>

**Note:**
- a. Predictors: (Constant), Overload of information

**Sources:** Authors Compilation

From above table, the value of R-Square is .501, which means that about 50 per cent variation in the dependent variable Consumer confusion is explained by the independent variable Overload of information.

**Table-11: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>5368.852</td>
<td>1</td>
<td>5368.852</td>
<td>251.428</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>5295.644</td>
<td>248</td>
<td>21.353</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10664.496</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- a. Predictors: (Constant), Overload of information
- b. Dependent Variable: Consumer Confusion

**Sources:** Authors Compilation

The F-value is the Mean Square regression dived by the Mean Square Residual, yielding F=521.428. The p-value associated with the F value is very small (.000). Here we can say that Overload of information explain the significant amount of variation in the Consumer confusion.
Table-12: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>19.396</td>
<td>1.363</td>
<td>14.231</td>
<td>.000</td>
</tr>
<tr>
<td>Overload of information</td>
<td>6.451</td>
<td>.407</td>
<td>.710</td>
<td>15.856</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Consumer Confusion

Sources: Authors Compilation

From above table, the beta of the Overload of information variable is .710 and it is significant (p<.05), it means Overload of information have strong impact on Consumer confusion.

H3: Ambiguity has impact on consumer confusion.

Table-13: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.813a</td>
<td>.661</td>
<td>.659</td>
<td>3.81885</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Ambiguity of information

Sources: Authors Compilation

From above table, the value of R-Square is .661, which means that about 66 per cent variation in the dependent variable Consumer confusion is explained by the independent variable-Ambiguity.

Table-14: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7047.759</td>
<td>1</td>
<td>7047.759</td>
<td>483.266</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>3616.737</td>
<td>248</td>
<td>14.584</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10664.496</td>
<td>249</td>
<td>4.29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Ambiguity of information

Sources: Authors Compilation

The F-value is the Mean Square regression dived by the Mean Square Residual, yielding F=483.266. The p-value associated with the F value is very small (.000). Here we can say that Ambiguity of information explain the significant amount of variation in the Consumer confusion.

Table-15: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>13.441</td>
<td>1.255</td>
<td>10.714</td>
<td>.000</td>
</tr>
<tr>
<td>Ambiguity of information</td>
<td>7.885</td>
<td>.359</td>
<td>.813</td>
<td>21.983</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Consumer Confusion

Sources: Authors Compilation

From above table, the beta of the Ambiguity of information variable is .710 and it’s significant (p<.05), it means ambiguity have strong impact on Consumer confusion.

H4: Consumer confusion has positively related decision postponement.

Table-16: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Consumer Confusion</th>
<th>Decision Postponement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.322**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

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

Sources: Authors Compilation
The relationship between Consumer Confusion and Decision Postponement was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumption of normality, linearity and homoscedasticity. There was a positive correlation between HRM Practices and Firm Performance.

There is linear positive correlation between Consumer Confusion and Decision Postponement. The correlation coefficient is 0.322 and is statistically significant as the p-value is less than 0.05.

**H5: Consumer confusion has negative relation with Brand loyalty.**

### Table-17: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Consumer Confusion</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.095</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.136</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

There is linear negative correlation between Consumer Confusion and Brand Loyalty. The correlation coefficient is -.095 and is not statistically significant as the p-value is greater than 0.05.

**Summary**

### Table-18

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Hypothesis</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand similarity has impact on Consumer confusion.</td>
<td>Supported</td>
</tr>
<tr>
<td>2</td>
<td>Overload of information have impact on consumer confusion.</td>
<td>Supported</td>
</tr>
<tr>
<td>3</td>
<td>Ambiguity has impact on consumer confusion.</td>
<td>Supported</td>
</tr>
<tr>
<td>4</td>
<td>Consumer confusion has positively related with decision postponement.</td>
<td>Supported</td>
</tr>
<tr>
<td>5</td>
<td>Consumer confusion has negative relation with Brand loyalty.</td>
<td>Supported</td>
</tr>
</tbody>
</table>

**Sources:** Authors Compilation

**CONCLUSION**

Since the word consumer confusion is used frequently as a basic label for phenomena that cannot be explained with existing constructs, it is not shocking that no commonly accepted conceptualisation of consumer confusion proneness is available. Sometime the consumer confusion has been broadly defined by various authors in different context. The objective of this paper was to conceptualise the consumer confusion dilemma.

*Walsh et. al.* has suggested the model of consumer confusion, and this would be required to check the applicability in Indian context. This research contributed to more clear understanding about the applicability of consumer confusion scale in Indian context. Result suggested that consumer confusion scale has multidimensional in mature and have three dimension which; leads to consumer confusion. This research also focused on how consumer confusion effect the decision postponement and brand loyalty of consumer. More confused consumer try to postpone their purchase decision and wait for the otherwise decision with the help of some market stimuli. Reducing the level of confusion will increase the cognitive clarity of consumer and which is very much required in such highly competitive market specially in those sector where completion is very high e.g. Telecommunication and financial service sector.

One implication of overload confusion proneness leading to delayed decision making, which could motivate some consumers to abandon planned purchases altogether, is that manufacturers and retailers need to recognise when this is happening and engage strategies to help the consumer in that situation. For example, this could be as easy as in-store signs saying ‘are you confused by all the cameras we have? If so, speak to Mr./Mrs. X our camera expert’ or as complicated as producing in-store computer or website decision making aids, which takes the consumer through a series of steps to identify their performance preferences and ends with recommending the best alternative.
Loyalty is a primary marketing goal, but can wane quickly if consumers feel confused about the company or its product which they no longer trust. Since loyalty is an important goal of brand management and relationship marketing, avoiding losing consumers to imitators is likely to be important. Brand owners could increase attempts to get trademark protection for as many of their brands as possible so as to make them more difficult, and risky in financial terms, for imitators to copy. At the same time, the results show that similarity confusion proneness has a significant negative impact on loyalty, which may lead to loss of future sales and should be of concern to marketers in highly competitive markets where there is little difference between brands.

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SEGMENTING THE CONSUMERS ON THEIR LIFESTYLE CHARACTERISTICS

Dr. D. Nabirasool

ABSTRACT

The study of Consumer lifestyle has been always of great interest to marketers and to succeed in the dynamic and rapidly evolving environment, marketers are required to know all that they can about the consumers. During the 21st century, one can see many developments and changes taking place, with industries and firms trying to keep pace with the changes to suit the diverse needs of the people. Market segmentation has been considered as one of the most fundamental concept of modern marketing. In order to sharpen the marketing mix companies have been moving from marketing at aggregate level, called mass marketing to mass customization, to the level of 1-to-1 marketing where each customer is treated as a separate segment. Lifestyle is an important concept used in this paper to segment the consumers in to groups (segments).

KEYWORDS

Consumers, Segmentation, Lifestyle, Characteristics, 21st Century, Customization etc.

INTRODUCTION

The study of Consumer lifestyle has been always of great interest to marketers and to succeed in the dynamic and rapidly evolving environment, marketers are required to know all that they can about the consumers. During the 21st century, one can see many developments and changes taking place, with industries and firms trying to keep pace with the changes to suit the diverse needs of the people. This can largely be attributed to the prevailing market situation. Not only has competition become intense but also with the market being flooded with too many products, the challenge before marketer is to understand the diversity of consumer lifestyle and offer goods and services accordingly.

REVIEW OF LITERATURE

According to Batra, Mayers and Aaker, “Life style is a person’s patterns of interest’s opinions and activities combined together. It provides a very rich and meaningful picture of a person. Cooper, (1984)8 conclude that demographics alone do not give a complete picture of the consumer, thus hampering the marketer in describing the market to its full potential.

Reynolds and Wells (1978) found that lifestyle analysis was beneficial to any firm, which sought to invoke the marketing concept. The most common areas of application include the process of market segmentation, the development of product strategy and the development of the most appropriate communication strategy.

The studies of Lazer (1981) and Jones (1982) indicate that lifestyle analysis is important in formulating marketing strategy. Forrest and Blumberg (1981) viewed the life style as a principle, which allowed management to assess accurately the needs of relevant market segment, because demographic descriptions have proved inadequate for this task.

Ahmed and Jackson (1979) also confirmed that lifestyle analysis could be of tremendous value to marketing managers. It facilitated the reduction of a large, heterogeneous population into a few basic groups. Hawkins, Besta, and Cooney (2002) describe lifestyle as a function of inherent individual characteristics that have been shaped and formed through social interaction as one evolves through the life cycle.

OBJECTIVES OF STUDY

The present paper tries to identify the major lifestyle characters of the consumers in the twine city’s (Hyderabad & Secunderabad) and segment them based on their lifestyle patterns. The study aims at analyzing the lifestyles of people in twin cities and identifying the underlying lifestyle dimensions that can be used as a basis for segmenting the consumers.

HYPOTHESIS OF STUDY

H0: (Null Hypotheses): There is no significant difference among the lifestyle characteristics of consumers.

H1: (Alternate Hypotheses): There is significant difference among the lifestyle characteristics of consumers.

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METHODOLOGY OF RESEARCH

The data was collected through a survey of people residing in twin-cities. A structured non-disguised questionnaire was prepared and pre-tested on a sample of 40 respondents. The necessary changes were made in the light of the comments received. After testing its reliability, the revised questionnaire was administered to a total of 900 respondents in twin cities, 450 in the Secunderabad and 450 in Hyderabad. A total of 780 responses have been received. The scrutiny of these led to the rejection of 29 responses because of incomplete responses. Thus, 751 complete responses 400 from Hyderabad and 351 from Secunderabad are used for the present study.

The questionnaire used for the study had two constructs. The first construct was to arrive at the demographic factors of the respondents. The second construct was to identify the lifestyle dimensions of the respondents. It consisted of data pertaining to the activities, interests and opinions relating to purchase behaviour, socialization, brand opinion and the like. These were studied on a five-point scale ranging from ‘1’ strongly disagree to ‘5’ strongly agree. A list of 45 statements is shown in Table-1.

These Statements were selected after a literature survey of various studies. Canonical discriminant analysis was applied to find out the reliability of the cluster classification. The scale has reliability coefficient of 0.76, which was considered sufficient and adequate for the study.

DATA ANALYSIS

Factor Analysis

In order to identify the lifestyle dimensions, the responses were factor analyzed. Principal component analysis with varimax rotation was applied on the response of the lifestyle construct. The resulting factors along with their factor loadings are shown in Table-2. The 45 statements were reduced to 10 factors or variables. The variables selected for the study are Spending of Leisure time, Social orientation, Purchase Behaviour, Innovation Adoption, Family orientation, Information seeking, Brand opinion, Buying decisions, Quality opinion and Perception of life.

Cluster Analysis

The next state in the data analysis is related to clustering of respondents into lifestyle segments. K-Means clustering was applied on the lifestyle dimensions. By trial and error method, a three-cluster solution was arrived. The result of the cluster classifications is shown in Table-3.

Table-3: Number of Cases in each Cluster

<table>
<thead>
<tr>
<th>Cluster No.</th>
<th>Number of Respondents</th>
<th>Percentage (%) to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>235</td>
<td>31.29</td>
</tr>
<tr>
<td>II</td>
<td>416</td>
<td>55.39</td>
</tr>
<tr>
<td>III</td>
<td>100</td>
<td>13.32</td>
</tr>
<tr>
<td>Total</td>
<td>751</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: Computed Data

The reliability of the cluster classification was measured by using canonical discriminant analysis. The results are given in Table-4 & Table-5. The reliability of the variables was tested using analysis of variance. It was given in Table-6.

Defining the Cluster Characteristics

The characteristics of the three clusters identified with respect to ten variables obtained through factor analysis are explained by the group mean. The score of group means is exhibited in Table-7. Table-6 and Table-7 supports the hypothesis Hₐ that surveyed respondents differ in their lifestyle and hence can be grouped into different lifestyle segments. Based on the dominant lifestyle characteristics the segments are named Purchase interested lifestyle segment, Family orientated lifestyle segment and Innovative lifestyle segment.

Cluster Profiles

Cluster-I: Purchase Interested Lifestyle Segment

The members of this segment are characterized by their purchase behaviour, their brand opinion and their buying decisions. The members of this group have a great social orientation. They prefer to be large groups and enjoy parties with music and noise. They are shrewd purchasers and do not keep any durable goods for more than 5 years. They do not hesitate to buy goods on credit and are highly concerned with the price of the product.
They are very choosy in the selection of products or stores for purchase. They feel that foreign brands are better than Indian ones. When it comes to shopping, they prefer only limited stores with the product’s guarantee. They are people who never take a risk of trying new products. They will make a buying decision only when they are sure of the brand. They are not much involved with social and voluntary activities.

**Cluster-II: Family Oriented Lifestyle Segment**

These people are characterized by a strong involvement with their family. They like to stay at home and spend their free time with the family members. They do not hesitate to buy anything their family members want. Unlike lifestyle segment I, they dislike social gatherings, marriages, and parities. They have a very few friends. Being a little conservative, these lifestyle members are not at all interested in social and voluntary activities. As their purchases are of family’s demand, they are not bothered about the price of the goods. They are ready to pay any price for goods, which they think, could bring happiness to the family. They do not prefer to buy goods on credit. They look out for advertisements, and take the advice of friends before making purchases. They are also concerned about the quality of the products and goods purchased. They have a high positive perception towards life.

**Cluster-III: Innovative Lifestyle Segment**

The members of this group are characterized by their high involvement in trying new goods and products. They are the trendsetters. They always want to be one among the first few to try new fashions. They always prefer those activities that make them “stand out”. They are involved in many activities outside their house. They actively participate in voluntary activities and community projects. As they are ones who always want to try new products, they do not search for information regarding the product. They do not prefer a particular brand or store for their purchase. They are not much involved with the family. Quality is not of much importance to them. They are more interested in new fashions and new things in the market. This tendency makes them to buy things even on credit.

**MARKETING IMPLICATIONS**

Lifestyle characteristics influence greatly on the purchasing behavior of the clusters. In a consumption environment, a person chooses a product or brand, which seems to possess a maximum possibility of the definition or elaboration of his lifestyle identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his lifestyle, identify it through the products or brands chosen. It can be assumed that the individual’s consumption behavior can be predicted from an understanding of how he represents his world to himself, if the details of his lifestyle system are known.

The relationship between lifestyle construct and purchasing behavior can thus be seen as an individual’s purchases and use of products and services where these choices constitute part of his lifestyle expression and the reflection of his lifestyle. Products and services are selected, purchased and consumed by the individuals, in order for them to define, actualize or extend their lifestyle identity. Consequently, this notion supports the proposition that there is a causal effect of the individual’s lifestyle on his consumption behavior. They are shrewd purchasers and do not keep any durable goods for more than 5 years. They are people who never take a risk of buy goods on credit and are highly concerned with the price of the product. When it comes to shopping, they prefer only limited stores with the product’s guarantee. This is cluster is a potential segment for the marketers, so marketers in this case can user promotional appeals, discounts, credit periods etc., to motivate the individuals in this segment.

Family oriented cluster are active information seekers. They tend to shop more frequently, visit variety of stores and exhibitions to compare the product, style, quality, price before they make their final choice. Hence, display of stores must match the lifestyle to which the marketer intends to approach. The salesmen should have sound information regarding various brands sold by them, their selling prepositions. They should be well trained to handle consumers who are well informed. Innovative lifestyle cluster people are very interested in trying new products and fashions. They always want to be the trendsetters. This would always lead to make them opinion leaders who in turn would influence the buying patterns of their peers, friends and relatives. Hence, marketers must always try to motivate this segment to spread a favorable word of mouth from for their products and brands to supplement their selling efforts.

**REFERENCES**


**APPENDIX**

**Table 1: Table showing the list of AIO Statements**

<table>
<thead>
<tr>
<th>Statements</th>
<th>SDA</th>
<th>DA</th>
<th>UD</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I enjoy most of my household tasks.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisements present a true picture of the product advertised.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All ISI Certified goods are of better quality.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractive dress boosts self-confidence.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before buying goods, I visit a few shops and compare the prices, models and discounts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branded products are more reliable.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign brands are better than Indian brands.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good grooming is a sign of self-respect.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guaranteed goods are of better quality.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I actively participate in the activities of the voluntary agencies.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I always buy new and different brands.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I always prefer those activities that make me stand out.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am involved in many social activities outside the house.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I buy from stores I can count on the products guarantee.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I consider the feelings of my family before deciding to purchase a product.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do buy branded products that I have never heard of.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I enjoy active participation in voluntary activities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t mind buying goods on the platform after a bargain over the price.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I often seek the advice of friends concerning which brand to buy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A party without liquor is not a party.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I enjoy spending most of the free time with my family.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel comfortable shopping in small stores in my neighborhood than in large departmental stores.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I find myself checking the price in the retail stores even for small items.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I generally prefer buying goods on credit.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a few friends.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like parties where there is a lot of music and talk.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like to work on community projects.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I love shopping with my family members.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I often buy new brands just to see what it is like.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t keep any durable product for more than five years.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I often try new brands before my friends and neighbor’s do.
I pay cash for everything I buy.
I prefer patronizing a few selected shops for my shopping.
In my view, wearing trendy clothes help me to be a part of the social service.
I regularly visit beauty parlor to look attractive.
I usually watch advertisement for announcement of a sale.
If my family members want certain goods, I do not hesitate to by them.
In evenings, I prefer to stay at home.
I prefer to be in small a group of known friends in a social gathering.
In my view, Life is short and one must enjoy it as much as one can.
It is worth paying higher price for a good brand name.
One must simple take events as they come and make best use of them.
There is certainly a difference in the quality of high priced and low priced products.
Unless you have some specific reasons to save, it is better to spend money and enjoy.

Sources: Authors Compilation

Table-2

<table>
<thead>
<tr>
<th>Factors</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: Spending of leisure time</td>
<td></td>
</tr>
<tr>
<td>1. I actively participate in the activities of the voluntary agencies</td>
<td>0.768</td>
</tr>
<tr>
<td>2. I like to work on community projects.</td>
<td>0.692</td>
</tr>
<tr>
<td>3. I am involved in many social activities outside the house.</td>
<td>0.671</td>
</tr>
<tr>
<td>4. I enjoy active participation in voluntary activities</td>
<td>0.590</td>
</tr>
<tr>
<td>5. I always prefer those activities that make me stand out</td>
<td>0.491</td>
</tr>
<tr>
<td>Factor 2: Social orientation</td>
<td></td>
</tr>
<tr>
<td>1. I have a few friends</td>
<td>0.563</td>
</tr>
<tr>
<td>2. I prefer to be in small a group of known friends in a social gathering</td>
<td>0.492</td>
</tr>
<tr>
<td>3. I like parties where there is a lot of music and talk.</td>
<td>0.423</td>
</tr>
<tr>
<td>Factor 3: Purchase Behaviour</td>
<td></td>
</tr>
<tr>
<td>1. I find myself checking the price in the retail stores even for small items.</td>
<td>0.595</td>
</tr>
<tr>
<td>2. I generally prefer buying goods on credit.</td>
<td>0.479</td>
</tr>
<tr>
<td>3. I do not mind buying goods on the platform after a bargain over the price.</td>
<td>0.421</td>
</tr>
<tr>
<td>Factor 4: Innovation adoption</td>
<td></td>
</tr>
<tr>
<td>1. I always buy new and different brands.</td>
<td>0.622</td>
</tr>
<tr>
<td>2. I always prefer being one of the first few to try the latest fashion.</td>
<td>0.620</td>
</tr>
<tr>
<td>3. I often try new brands before my friends and neighbor’s do.</td>
<td>0.614</td>
</tr>
<tr>
<td>4. I often buy new brands just to see what it is like.</td>
<td>0.572</td>
</tr>
<tr>
<td>5. I do buy branded products that I have never heard of.</td>
<td>0.385</td>
</tr>
<tr>
<td>Factor 5: Family orientation</td>
<td></td>
</tr>
<tr>
<td>1. I enjoy spending most of the free time with my family.</td>
<td>0.676</td>
</tr>
<tr>
<td>2. If my family member wants certain goods, I do not hesitate to buy them.</td>
<td>0.582</td>
</tr>
<tr>
<td>3. I love shopping with my family members</td>
<td>0.574</td>
</tr>
<tr>
<td>4. In evenings, I prefer to stay at home.</td>
<td>0.502</td>
</tr>
<tr>
<td>5. I enjoy most of my household tasks.</td>
<td>0.493</td>
</tr>
<tr>
<td>6. I consider the feelings of my family before deciding to purchase a product</td>
<td>0.457</td>
</tr>
<tr>
<td>Factor 6: Information seeking</td>
<td></td>
</tr>
<tr>
<td>1. I usually watch advertisement for announcement of a sale.</td>
<td>0.541</td>
</tr>
<tr>
<td>2. I often seek the advice of friends concerning which brand to buy</td>
<td>0.390</td>
</tr>
<tr>
<td>3. Before buying goods, I visit a few shops and compare the prices, models and discounts.</td>
<td>0.350</td>
</tr>
</tbody>
</table>

Factor 7: Brand Opinion
It is worth paying a higher price for a good brand name.
Foreign brands are better than Indian brands.
Branded products are more reliable.

 Sources: Authors Compilation

Table 4: Result of the Canonical Discriminant Analysis

<table>
<thead>
<tr>
<th>Function</th>
<th>Eigen Value</th>
<th>% of Variance</th>
<th>Cumulative %</th>
<th>Canonical Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.371(a)</td>
<td>63.3</td>
<td>63.3</td>
<td>0.760</td>
</tr>
<tr>
<td>2</td>
<td>0.795(a)</td>
<td>36.7</td>
<td>100.0</td>
<td>0.665</td>
</tr>
</tbody>
</table>

Sources: Computed Data
Note: First 2 canonical discriminant functions were used in the analysis.

Wilks’ Lambda

Table 5

<table>
<thead>
<tr>
<th>Test of Function(s)</th>
<th>Wilks’ Lambda</th>
<th>Chi-square</th>
<th>d.f.</th>
<th>Sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 through 2</td>
<td>0.235</td>
<td>1018.763</td>
<td>20</td>
<td>0.000</td>
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<tr>
<td>2</td>
<td>0.557</td>
<td>411.410</td>
<td>9</td>
<td>0.000</td>
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</tbody>
</table>

Sources: Computed Data

Significance of Variables

Table 6

<table>
<thead>
<tr>
<th>Variables</th>
<th>Wilks’ Lambda</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending of Leisure Time</td>
<td>0.710</td>
<td>55.106</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Social Orientation</td>
<td>0.692</td>
<td>124.149</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Purchase Behaviour</td>
<td>0.636</td>
<td>119.807</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Innovation Adoption</td>
<td>0.663</td>
<td>2986.323</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Family Orientation</td>
<td>0.872</td>
<td>1368.545</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Information Seeking</td>
<td>0.632</td>
<td>1307.576</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Brand Opinion</td>
<td>0.788</td>
<td>576.077</td>
<td>1</td>
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<tr>
<td>Quality Opinion</td>
<td>0.642</td>
<td>1370.871</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>0.701</td>
<td>556.389</td>
<td>1</td>
<td>748</td>
<td>.000</td>
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<tr>
<td>Perceptio</td>
<td>0.596</td>
<td>1393.718</td>
<td>1</td>
<td>748</td>
<td>.000</td>
</tr>
</tbody>
</table>

Sources: Computed Data

Group Mean and Cluster Ranks for Characteristics

Table 7

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Variable</th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
</tr>
<tr>
<td>1</td>
<td>Spending of Leisure Time</td>
<td>3.00</td>
<td>2</td>
<td>1.15</td>
</tr>
<tr>
<td>2</td>
<td>Social Orientation</td>
<td>4.91</td>
<td>1</td>
<td>1.33</td>
</tr>
<tr>
<td>3</td>
<td>Purchase Behaviour</td>
<td>4.83</td>
<td>1</td>
<td>1.32</td>
</tr>
<tr>
<td>4</td>
<td>Innovation Adoption</td>
<td>1.38</td>
<td>3</td>
<td>3.00</td>
</tr>
<tr>
<td>5</td>
<td>Family Orientation</td>
<td>3.00</td>
<td>2</td>
<td>4.97</td>
</tr>
<tr>
<td>6</td>
<td>Information</td>
<td>3.00</td>
<td>2</td>
<td>4.69</td>
</tr>
<tr>
<td>7</td>
<td>Brand Opinion</td>
<td>4.82</td>
<td>1</td>
<td>3.00</td>
</tr>
<tr>
<td>8</td>
<td>Quality Opinion</td>
<td>3.00</td>
<td>2</td>
<td>4.71</td>
</tr>
<tr>
<td>9</td>
<td>Buying Decision</td>
<td>4.71</td>
<td>1</td>
<td>3.00</td>
</tr>
<tr>
<td>10</td>
<td>Perception</td>
<td>3.21</td>
<td>2</td>
<td>4.58</td>
</tr>
</tbody>
</table>

Sources: Computed Data

****