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A STUDY ON MICRO FINANCE IN INDIA

Ms. Roslin Swami Dasan

ABSTRACT

Micro-Finance in India is considered as an effective tool for reducing poverty and to improve the economic standard of living of people in India. There are millions of people in India who fall under below the poverty line and they are unable to borrow money at reasonable rates. Economically backward people or Low income individual or groups need many kind of financial help which they don't get from traditional bank as they unable to fulfill the formalities and procedures of Bank. Thus they borrow money from chit funds, money lenders where they have been charged with high interest rates.

Micro Finance is a type of banking service that is provided to unemployed or low-income individuals, or groups who otherwise have no other access to financial services. Micro Finance provide various financial services such as credit, saving and insurance to low income people and below poverty line people with the goal of improving livelihood and creating social value. Hence Micro finance is not just a financing but a tool for social change. Micro Finance through Self Help Groups and NGO's is considered as a tool for promoting and creating awareness among rural people which leads to Economic Development.

The study of Micro Finance help us to know the various types of Micro Finance Institutions in India , benefits , opportunities, future scope and limitation of Micro Finance in India. Further the study of Micro Finance help us to understand how the needy people have been benefited in India. It concludes with recommendations for remedial measures and policy changes that are required to support the urgent need to expand microfinance services in India.

KEY WORDS: Micro Finance, Financial services, Self Help groups.

INTRODUCTION

India has made remarkable progress in several areas like technology, industry, agriculture and infrastructure during the post-independence era. Still, the eradication of poverty remains an unresolved problem. Poverty therefore, continues to pose the greatest development challenge in India.

Micro finance is considered as a powerful tool for poverty eradication. In earlier days, traditional banks and lending institutions do not lend money to low income individuals. The reason being is high transaction cost, lack of collateral guarantee, doubt of the repayment capacity etc. For borrowings poor people usually approach money lenders. NABARD recommended that alternative policies, systems and procedures should be put in use to save the poor from the clutches of moneylenders. Thus microfinance was introduced in banking sector.

Micro Finance is an economic development approach that involves providing financial services through institutions to low income clients. Microfinance is a programme which provide financial services such as deposits, loans, payment services, money transfers, insurance, savings, micro-credit etc. to support the poor people and low income individuals. Mohammed Yunus was awarded the Noble Prize where started and shaped the modern industry of micro financing, with setting up of the Grameen Bank in Bangladesh.

According to the records of World Bank, India falls under low income class. It is second populated country in the world. 70 percent of its population lives in rural area. 60% of people depend on agriculture; as a result, rate of underemployment is high and per capita income is low. As a result poverty, low rate of education, low sex ratio, exploitation etc. Rural people have very low access to institutionalized credit (from commercial bank). Since 1990s, poverty reduction has taken priority at both national and international development levels. Within this framework, various initiatives have been taken by government. Microfinance has caught the attention as an effective tool for poverty reduction and socio-economic development. Hence Microfinance can play a vital role for improving the standard of living of poor.

In India, the beginning of microfinance movement could be traced to Self Help Group (SHG) – Bank Linkage Programme (SBLP) started as a pilot project in 1992 by NABARD. This programme proved to be very successful and has also developed as the most popular model of microfinance in India.

The regulatory framework for microfinance in India is not unified. Microfinance is provided by commercial banks, Regional Rural Banks (RRBs), the SHG's, cooperative societies and institutions (MFIs) that take various forms, including those of NGO's and Non-Bank Financial Institutions (NBFIs).

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Banks and NBFI's are governed by the Reserve Bank of India (RBI), SHGs are regulated by NABARD, and the cooperatives are governed by Registrar of Cooperative Societies (RCS) etc.

OBJECTIVES OF THE STUDY

1. To understand the concept of microfinance, evolution and delivery models of microfinance in India.
2. To examine the role and importance of microfinance in India.
3. To examine the current status and growth of microfinance in India.

RESEARCH METHODOLOGY

This is a descriptive research paper based on secondary data. Data have been collected through books, various websites, magazines, newspapers, and publications of recent research papers available in different websites, Research Articles, Research Journals, E-Journals, RBI Report, and Report of NABARD etc.

Concept of Microfinance

The concept of microfinance was created by Professor Muhammad Yunus founder of Grameen bank in Bangladesh and noble price winner in 2006. Dr. Yunus set up Grameen Bank as a project in one of the village in Bangladesh in 1976 to assist poor families by providing credit to them. Today micro-finance has been widely spread all over the world as an effective tool to poverty eradication. It is found that microfinance has reached about 80 million households and about, 20000 micro-finance Institution are operating in developing countries of Asia, Africa, Europe and Latin America (Pillai, 2011).

A good definition of microfinance as provided by Robinson is, 'Microfinance refers to small-scale financial services for both credits and deposits — that are provided to people who farm or fish or herd; operate small or microenterprises where goods are produced, recycled, repaired, or traded; provide services; work for wages or commissions; gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and local groups in developing countries, in both rural and urban areas'.

The Asian Development Bank (2000) defines microfinance as the provision of broad range of services such as savings, deposits, loans, payment services, money transfers and insurance to poor and low income households and their micro-enterprises. This definition of microfinance is not restricted to the below poverty line people but it includes low income households also.

Evolution of Microfinance in India

The history of micro financing can be traced back as long to the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits from small credits to entrepreneurs and farmers as a way getting the people out of poverty. The current day use of the expression microfinancing has its roots in the 1970s when organizations, such as Grameen Bank of Bangladesh with the microfinance pioneer Mohammad Yunus, were starting and shaping the modern industry of microfinance.

The evolution of Indian Microfinance sector can be broadly divided into four distinct phases:

PHASE 1: THE COOPERATIVE MOVEMENT (1900-1960):

During this phase, credit cooperatives were vehicles to extend subsidized credit to villages under government sponsorship.

PHASE 2: SUBSIDIZED SOCIAL BANKING (1960S - 1990):

With failure of cooperatives, the government focused on measures such as nationalization of Banks, expansion of rural branch networks, establishment of Regional Rural Banks (RRBs) in 1976 and the setting up of apex institutions such as the National Bank for Agriculture and Rural Development (NABARD) in 1982 and the Small Scale Industries Development Bank of India (SIDBI), including initiation of a government sponsored Integrated Rural Development Programme (IRDP). While these steps led to reaching a large population, the period was characterized by large-scale misuse of credit, creating a negative perception about the credibility of micro borrowers among bankers, thus further hindering access to banking services for the low-income people.

PHASE 3: SHG-BANK LINKAGE PROGRAM AND GROWTH OF NGO-MFIS (1990 - 2000):

The failure of subsidized social banking triggered a paradigm shift in delivery of rural credit with NABARD initiating the Self Help Group (SHG) Bank Linkage Programme (SBLP), aiming to link informal women's groups to formal banks. The program helped increase banking system outreach to otherwise unreached people and initiate a change in the bank's outlook towards low-income families from 'beneficiaries' to 'customers'. This period was thus marked by the extension of credit at market rates.

The model generated a lot of interest among newly emerging Microfinance Institutions (MFIs), largely of non-profit origin, to collaborate with NABARD under this program. The macroeconomic crisis in the early 1990s that led to introduction of the Economic Reforms of 1991 resulted in

greater autonomy to the financial sector. This also led to emergence of new generation private sector banks that would become important players in the microfinance sector a decade later.

PHASE 4: COMMERCIALIZATION OF MICROFINANCE: THE FIRST DECADE OF THE NEW MILLENNIUM

Post reforms, rural markets emerged as the new growth drivers for MFIs and banks, the latter taking interest in the sector not only as part of their corporate social responsibility but also as a new business line. On the demand side, NGO-MFIs increasingly began transforming themselves into more regulated legal entities such as Non Banking Finance Companies (NBFCs) to attract commercial investment. The microfinance sector as it exists today essentially consists of two predominant delivery models the SBLP and MFIs. Four out of five microfinance clients in India are women.

Microfinance Delivery Models In India

In India, the beginning of microfinance movement could be traced to Self Help Group (SHG) Bank Linkage Program (SBLP) started as a pilot project in 1992 by NABARD. This programmed proved to be very successful and has also developed as the most popular model of microfinance in India. In India, the institutions which provide microfinance services includes, NABARD Commercial Banks, Regional Rural Banks, Cooperative Banks and NonBanking Financial Companies (NBFCs).

SHG - BANK LINKAGE PROGRAMME (SBLP)

A Self Help Group is a small group of 10 to 20 persons of rural poor who come together to jointly contribute to common fund and meeting their emergency requirements. SHG - Bank Linkage Programme was introduced by NABARD in 1992.

MICRO FINANCE INSTITUTIONS

MFIs include NGOs, trusts, social and economic entrepreneurs; these lend small, sized loans to individuals or SHGs. They also provide other services like capacity building, training, marketing of products etc.

GRAMEEN BANK

The Grameen model emerged from the poor-focused grassroots institution, Grameen Bank, started by Prof. Mohammed Yunus in Bangladesh. The Grameena Bank Model is focused in providing finance to entrepreneurial women who are already into some small jobs. The grouping, which is made up of about five members and financing of this

model is a substitute collateral tool taking care of default and also possible risks. The guarantee is on one on another in the group.

CO-OPERATIVE BANK

Cooperatives Bank individual village banks and also credit unions are established. The individual village banks consist of 30 to 50 members. The village banks returns the principal with interest/profits to the implementing agency at the time when individual loans are repaid on weekly basis. Subsequent loans are considered only when repayment is made in full.

SELF HELP GROUP

The Self Help Group (SHG) is an indigenous model formed out of a small group of members who are homogenous in terms of income. The savings are pooled and lending is done for promoting development. SHGs are also financed and supported by NGOs.

The main objective of SHGs is to provide small loans to poor in order to help them invest in their livelihood. In 1992 with the support of RBK SHG - Bank linkage programme was launched by NABARD.

Among all methodologies, Self Help Groups (SHGs) model is more popular in India. There are three models of SHGs. The salient features are given below:

SHGs-Bank Linkage model: This model involves the SHGs financed directly by the Banks viz. CBs (Public Sector and Private Sector), RRBs, and Cooperative Banks.

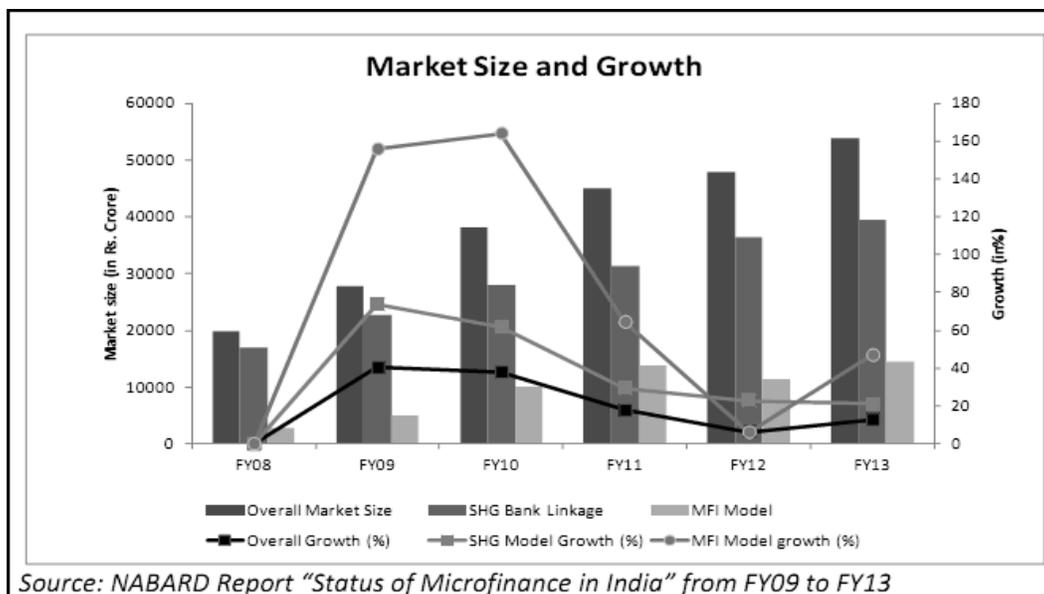
MFI-Bank Linkage model: This model covers financing of micro Finance Institutions (MFIs) by banking agencies for on ward lending to SHGs and other small borrowers.

NGOs-Bank Linkage Model: Under this model NGOs promote the linkage between banks and SHGs for savings and credit.

PRESENT STATUS OF MICROFINANCE IN INDIA

As per the report "Status of Microfinance in India" by National Bank for Agricultural and Rural Development (NABARD), the overall microfinance sector in terms of loan portfolio stood at ₹ 53,801 crore including SHG bank linkage model (₹ 39,375 crore) and MFI model (₹ 14,425 crore) as on March 2013. As per the report overall growth in the microfinance sector including the SHG bank linkage program and MFI model has been growing at good pace till the AP crisis in October 2010 and post that has witnessed moderation in growth.

PRESENT STATUS OF MICROFINANCE IN INDIA



Microfinance sector in India has gone through 3 broad risk phases in the past – high growth (till 2010), high volatility (2010 – 11), consolidation (2011 – 13) and is now entering a IV phase of relative stability.

Recently RBI has given recognition status to self-regulatory organisations which adhere to set of functions and responsibilities prescribed by RBI. The table below shows the timelines and amendments of guidelines by RBI for the microfinance sector:

Dates	Key Developments
October, 2010	Formation of Malegam Committee by RBI to study the issues and concerns in microfinance sector.
January, 2011	RBI released Malegam Committee recommendations for the Microfinance sector.
May, 2011	Acceptance of broad framework of Malegam Committee recommendations in Monetary Policy Statement 2011-12 including : Retention of priority sector lending status for bank loans to MFIs, margin cap at 12% and interest rate cap at 26%
December, 2011	RBI introduced new category of NBFC and termed as 'Non-Banking Financial Company –Micro Finance Institutions' (NBFC-MFIs). Some of the key points include: <ul style="list-style-type: none"> • Minimum Net Owned Fund of ₹ 5 crores for new NBFC MFIs and for existing NBFC MFIs w.e.f. April 1, 2012. • Capital Adequacy Ratio of 15% (relaxation for AP based MFIs and for existing NBFC MFIs with loan portfolio less than Rs100 crore). • Margin cap at 12%, interest rate cap at 26% and processing charges at 1%.
August, 2012	Amendment to NBFC MFI guidelines by RBI which included: <ul style="list-style-type: none"> • Registration compulsory for NBFCs intending to operate as NBFC MFIs by October, 2012 • Relaxation in meeting norm of Minimum Net Owned Fund of ₹ 5 crore for existing NBFC MFIs. It has to be met in tranches with ₹ 3 crores NOF by March, 2013 and ₹ 5 crores by March, 2014. • Removal of interest rate cap and linked to borrowing rate plus fixed margin.
July, 2013	Amendment to NBFC MFI guidelines by RBI which included: <ul style="list-style-type: none"> • Relaxation in margin cap for all NBFC MFIs irrespective of size at 12% till March, 2014. However from April, 2014, margins are capped at 10% for large MFIs and 12% for others.
November, 2013	RBI has allowed recognition of industry association of NBFC MFIs as Self Regulatory Organisation.
February, 2014	Amendment to NBFC MFI guidelines by RBI with respect to pricing of credit: it would be lower of two <ul style="list-style-type: none"> • The cost of funds plus margin. • The average base rate of the five largest commercial banks by assets multiplied by 2.75.

Role and Importance of Microfinance

According to the research done by the World Bank, India is home to almost one third of the world's poor (surviving on an equivalent of one dollar a day). Though many central government and state government poverty alleviation programs are currently active in India, microfinance plays a major contributor to financial inclusion. In the past few decades it has helped out remarkably in eradicating poverty. Reports show that people who have taken microfinance have been able to increase their income and hence the standard of living.

Thus Microfinance plays a major role in upliftment of Indian economy in following ways:

- **Credit to Rural Poor:** Usually rural sector depends on non-institutional agencies for their financial requirements. Micro financing has been successful in taking institutionalized credit to the doorstep of poor and have made them economically and socially sound.
- **Poverty Alleviation:** Due to micro finance poor people get employment. It also helps them to improve their entrepreneurial skills and encourage them to exploit business opportunities. Employment increases income level which in turn reduces poverty.
- **Women Empowerment:** Normally more than 50% of SHGs are formed by women. Now they have greater access to financial and economical resources. It is a step towards greater security for women. Thus microfinance empowers poor women economically and socially.
- **Economic Growth:** Finance plays a key role in stimulating sustainable economic growth. Due to microfinance, production of goods and services increases which increases GDP and contributes to economic growth of the country.
- **Mobilisation of Savings:** Microfinance develops saving habits among people. Now poor people with meagre income can also save and are bankable. The financial resources generated through savings and micro credit obtained from banks are utilised to provide loans and advances to its members. Thus microfinance helps in mobilisation of savings.
- **Development of Skills:** Micro financing has been a boon to potential rural entrepreneurs. SHGs encourage its members to set up business units jointly or individually. They receive training from supporting institutions and learn leadership qualities. Thus micro finance is indirectly responsible for development of skills.
- **Mutual Help and Co-operation:** Microfinance promotes mutual help and co-operation among members. The

collective effort of group promotes economic interest and helps in achieving socioeconomic transition.

- **Social Welfare:** With employment generation the level of income of people increases. They may go for better education, health, family welfare etc. Thus micro finance leads to social welfare or betterment of society.

IMPACT OF MICROFINANCE

A number of field researches have been conducted by various agencies to study the impact of microfinance on socio-economic aspects of the clients. These field studies include study commissioned by NABARD in 2002 with financial assistance from SDC where GTZ which covered 60 SHGs in eastern India. The World Bank Policy Paper details in the findings of Rural Finance Access Survey (RFAS) done by World Bank in association with NCAER. The RFAS covered 736 SHGs in the state of Andhra Pradesh and Uttar Pradesh. These field studies reveal divergent research findings. But the common findings are of the opinion that there is some increase in income levels and household assets in real terms among the clients. These studies also brought out the fact that major occupation of group members was agriculture along with other activities like farm labour and poultry. Being rain fed area, lack of irrigation facility; declining agricultural outputs and fragmentation of land have accentuated their vulnerabilities over a period of time. The group members lack any sort of specific handicraft skills and do not receive any skill development training for undertaking any other non-farm activities.

DISCUSSION AND CONCLUSION

It has been observed that, MFIs are able to reach the poor effectively mainly because they have designed products and channels, which are friendly and suitable to the need of the poor.

The importance of microfinance in the developing countries like India play a vital role for socio-economic upliftment of poor and low income peoples. Since 1990s, poverty reduction has taken priority at both national and international development levels. Within this framework, various initiatives have been taken by government. Microfinance has caught the attention as an effective tool for poverty reduction and socio-economic development. Hence Microfinance can play a vital role for improving the standard of living of poor.

The economic development of any country is severely influenced by the availability of financial services. Microfinance provide wide range of financial services such as deposits, loans, payment services, money transfers, insurance, including savings, micro-credit etc. to the poor and

low income individuals. A well developed financial system promotes investment opportunities in an economy. Therefore it is necessary that govt. of India have to focus on extending financial services to both rural and urban to ensure sustainable and inclusive growth. New branches of micro finance institutions must be opened in the interiors of rural India. The quality of the services provided has to be monitored and supervised.

From the above study it can be viewed that SHG's and MFI's are playing a vital role in delivery of microfinance services which leads development of poor and low income people in India.

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A STUDY ON THE RELATIONSHIPS BETWEEN PAY PREFERENCE OF VARIOUS DEMOGRAPHIC GROUPS AND TRUST IN ONLINE SHOPPING IN PUNE

Vinay Kumar

ABSTRACT

Online shopping is very new to India but is catching very fast. In less than 5 years it reached to around 2 percent of total retail. The growth rate was more than double as compared to the organized retailing India. As per the review of literature one of the main reasons is trust of the shoppers in online retailing. The online vendors were successfully established their brands in the minds of the online shoppers. The question arises does all the demographic groups trust online shopping equally in Pune city? In current paper, the researchers tried to find out the relationships between pay preference by the respondents and various demographic variables and how these demographic variables differ in trust I online shopping. The relationship among pay preferences (Cash on delivery, credit card, debit card and online banking) and demographic variables (age, gender, income, education, marital status and occupation) have been tested through chi square test. Anova (analysis of variance) has been applied to find out the relationship among the groups respondents having various pay preferences and five elements of trust. 205 was the sample size. Some demographic variables age, gender and occupation have been found related with paying preference while there is no relation between paying preference and education, income and marital status. In case of anova result the cash on delivery payment method found to be significantly different from payment through credit card, debit card and internet banking in terms of all the five elements of trust in online shopping.

KEYWORDS: Trust, Online shopping, Pune, Online shoppers, Familiarity, Competency.

Review of literature

Definition of Trust in Online Transaction

The Oxford English Dictionary defines trust as

- Confidence in or reliance on some quality or attribute of a person or things, or the truth of a statement.
- Accepting or giving credit to without investigation or evidence
- Giving credence to , believing (a statement) relying upon the veracity or evidence of (a person, etc)
- Confident expectations of something and
- The quality of being trustworthy, fidelity, reliability, loyalty, trustiness.

Introduction

Trust is a significant predictor of users' willingness to transact with online firms. Since the higher the initial perception of risk, the higher the trust needed to facilitate transactions. . Trust helps overcome online privacy concerns. Trust acts as a lubricant for consumer-firm relationships. The failure to develop the consumer's trust has been identified as a substantial impediment for maintaining long-term e-Commerce success.

Elements of trust

Both trust in an Internet vendor and familiarity with the vendor and its procedures influence two distinct aspects of E-commerce intentions: inquiry and purchase. Contemporary thought in marketing recognizes that trust is a critical factor in relational exchanges between consumers and service providers. Predictability expresses the degree to which a Web site matches expectations of the consumers. Predictability

represents how the Web site conforms to users' prior experiences with Web sites, and whether or not the website presents logos, consumer quality seals, and other elements in the places and manners users expect them. It is a multidimensional construct whose underlying dimensions include reliability/credibility, emotional comfort, quality and benevolence.

Determinants of Trust

The determinants of online trust include Web-site characteristics, customer characteristics, and other factors. The consequences include intention to act, stakeholder satisfaction, loyalty, traffic, price, revenues, profitability, and shareholder value. . The perception of control strength is one of the factors affecting customer acceptance of e-commerce. Navigation and presentation, advice, and brand strength are more influential predictors of online trust than are privacy and security in E-mail, telephone, direct mail, and physical

store formats. Privacy and order fulfillment are the most influential determinants of trust for Web sites. Navigation is strongest for information intensive sites, such as sports sites, portals, and community sites. brand strength and advice are the primary determinants of online trust. Integrity and predictability are significant antecedents of purchase intentions in e-Commerce four groups of major potential antecedents: trustworthiness of the Internet merchant, trustworthiness of the Internet shopping medium, infrastructural (contextual) factors, and other factors.

Trust and demography

Men and women communicate and understand communication differently, each sex applying and seeking different social messages through communication. women are more affected by trust than men, while men value their ability to post more than women, women value the responsiveness of others more. university students generally have a good knowledge about new technology, and therefore should already be well aware of the risks involved in e-shopping. Although marketers may be able to build trust towards a brand, shop or a payment method, the perceived risk is a somewhat personal trait for every individual customer.

How to increase trust regarding online shopping in potential customers

The importance of trust as a motivating belief for accepting e-commerce. Requirements like site and user authentication, confidentiality, and data integrity. Inform the customers of the safety of their e-commerce sites. Obtain trust seals such as Trust-e and WebTrust and specify this fact on their e-commerce sites. Trust-e and WebTrust address privacy concerns.

Websites should concentrate on information design, communication, privacy and security, as a marketing tool by which trust towards the website can be created and subsequently enhance purchase intention. the Indian customers give the most importance to **security and privacy** to generate trust. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information. Indian customers also give importance to **information design** to generate trust. The information should also be well organised so that the customer is able to compare across alternatives and get the most up-to-date information. The Indian customers also want more **communication** from the online store. So, online stores should stress more on better communication with the customers by providing more web-enabled communication like online salesperson, message

boards, email etc. by sending personalized messages to customers and responding to customer queries faster.

Nearly forty percent Chinese Internet users did not have online purchasing experience, these respondents had a relatively low e-trust level. If the potential customers could be attracted or promoted to do their first online purchasing rather than just surfing the Internet, they would tend to have a higher e-trust level. With a higher e-trust level, these customers will be more willing to purchase and spend more money online . Those who have higher income tend to have a higher e-trust level.

Internet business managers should pay particular attention to following factors- consumers' perceptions of privacy and security protection, information quality, third party seals, and reputation are strong predictors of trust and/or risk in order to increase transaction volume.

Endorsements of satisfied customers who are similar to potential clients to build trust and promote buying behaviors. Conventional sales promotion strategies, such as attractive discounts or incentive programs, could be used to entice a group of potential shoppers and then convert them into buyers. Satisfied customer endorsements and portal affiliation are two practical strategies commonly used by online stores to increase consumers' trust.

Trust building, is a multi-factor and complicated process. build a good first impression ñ to make the clients interested in an offer, and to make them sure that they deals with a reliable partner; deliver to the client full information needed to make decision over a purchase.

Author has indicated six areas of trust building available to shops:

1. **Communication with clients:** There is also necessary to accurately build the Web-site and assure permanent contact with the client with different channels of communication. Shops should use modern forms of communication, like electronic shop assistant, electronic gift assistant, electronic wardrobe etc., to help clients in proper choice and make shopping more convenient and attractive
2. Convenient payment process.
3. Timely and safely shipment of goods.
4. Quality post-sale service.
5. Maintaining privacy of clients.
6. **External trust transfer:** Transfer of the external trust in shops, occurs mainly by use of simple, natural methods of connection, like transfer of brand, information about famous stakeholders or relations with traditional shops.

The web-site's links with other web sites might also impact a consumer's trust. That is, tie-ins and endorsements by well-known sites might engender trust. Free trial periods and small gifts from the merchant to a consumer might encourage customer interaction and these interactions might increase consumer trust. Consumers are likely to rely heavily on their past experiences with merchants to infer trust. Trust might be transferred from third parties such as friends or family who have had experience with the particular web merchants.

Trust can be increased not only through extensive interactions with other people, but also through familiarity.

Navigation and layout of the physical store are analogous to site navigation and presentation. Navigation is strongest for information-intensive sites, such as sports sites, portals, and community sites. Advice is the most powerful determinant for search good categories with high financial risk, such as computer sites. Advice can be given by sales personnel or telemarketing operators. Brand strength is critical for categories with high involvement, such as automobile and financial services sites. Privacy and order fulfillment are the most influential determinants of trust for Web sites for which both information risk and involvement are high.

Customer endorsements had a significant impact on building trust in an online store. Portal affiliation was not as effective in enhancing trusting beliefs. People trust those who share common characteristics with themselves more than those who do not. The institutionalization of trust can be a primary means of building effective online marketplaces, especially in the absence of familiarity, similarity, and well-established legal recourse.

To build trust towards a brand, shop or a payment method, the perceived risk is a somewhat personal trait for every individual customer.

From the above studies it is found that the trust plays a very important role while shopping online.

Types of trust found

- Integrity
- Benevolence (intention/ willingness)
- Familiarity
- Predictability
- Competency

Research methodology

Samples were collected through structured questionnaire as data collection tool. In the questionnaire the questions were asked on a 7 point Likert scale. Following questions were the part of the questionnaire to assess the five types of trust- 'Q 1. I am confident that the e-retailers will be completely transparent in the transaction.' (Integrity), 'Q 2. I rely on the information provided on the site/s by the e-retailer.' (Benevolence), 'Q 3. I believe that the online retailer will keep me updated about new offers.' (Predictability), 'Q 4. I prefer to buy from familiar websites.' (Familiarity), 'Q 5. I only shop from the website which is convenient to browse.' (Competency).

Age, education, gender, income, marital status, occupation are the demographic variables in current study. Sample size was 205. Sampling technique used was convenient or non-probability sampling. The samples were collected between the age group of 18- 35 years as per the definition of youth by the youth and sports ministry, government of India. Two hypotheses have been taken- first: to find out the relationship between pay preference and demographic variables and second: to find out the difference in trust among the group of respondents of various paying preferences. Chi square test for hypothesis-1 and ANOVA for hypothesis- 2 were used as testing tools.

Table 1: Demographic profile of the respondents

Frequency of Respondents' Gender		
	Frequency	Percent
Female	68	33.2
Male	137	66.8
Total	205	100
Frequency of Respondents' Age Group		
18- 25 years	109	53.2
26 -30 years	58	28.3
31- 35 years	38	18.5
Total	205	100

Frequency of Respondents' Marital Status		
Married	72	35.1
Single/Never Married	133	64.9
Total	205	100
Frequency of Respondents' Education		
Above Postgraduate Degree	13	6.3
Bachelor Degree	30	14.6
Postgraduate Degree	139	67.8
Professional Degree	23	11.2
Total	205	100
Frequency of Respondents' Occupation		
Company Employee	45	22
Self-employed	15	7.3
Service	81	39.5
Student	64	31.2
Total	205	100
Frequency of Respondents' Monthly Income		
0- 10000	61	29.8
10000-30000	67	32.7
30000-50000	56	27.3
50001 & above	21	10.2
Total	205	100

Objectives:

- To find out the relationship between pay preference and demographic variables.
- To find out the difference in trust in online shopping among the groups of respondents of various paying preferences.

Hypotheses:

- H₀: There is no relation between paying preference and age.
H₁: Otherwise
- H₀: There is no relation between paying preference and education.
H₁: Otherwise

- H₀: There is no relation between paying preference and gender.

H₁: Otherwise

- H₀: There is no relation between paying preference and income.

H₁: Otherwise

- H₀: There is no relation between paying preference and marital status.

H₁: Otherwise

- H₀: There is no relation between paying preference and occupation.

H₁: Otherwise**Table 2: Result summary of Hypothesis 1**

Hypotheses 1	Pearson Chi-Square Value	df	Asymp. Sig. (2-sided)	Sig/ N. Sig	Result
Hypothesis 1 (a)	15.442 ^a	6	0.017	Significant	Rejected
Hypothesis 1 (b)	3.967 ^a	9	0.914	Not Significant	Not rejected
Hypothesis 1 (c)	10.165 ^a	3	0.017	Significant	Rejected
Hypothesis 1 (d)	16.238 ^a	9	0.062	Not Significant	Not rejected
Hypothesis 1 (e)	1.381 ^a	3	0.71	Not Significant	Not rejected
Hypothesis 1 (f)	22.294 ^a	9	0.008	Significant	Rejected

There is a relationship exists between paying preference and age. There is no relation between paying preference and edu. There a relationship exists between paying preference and gender

There is no relation between paying preference and income. There is no relation between paying preference and ms. There a relationship exists between paying preference and occupation.

- (a) H₀: There is no difference in integrity among various paying preference groups.

H₁: Otherwise

- 2. (b) H₀: There is no difference in benevolence among various paying preference groups.

H₁: Otherwise

- 2. (c) H₀: There is no difference in familiarity among various paying preference groups.

H₁: Otherwise

- 2. (d) H₀: There is no difference in predictability among various paying preference groups.

H₁: Otherwise

- 2. (e) H₀: There is no difference in competency among various paying preference groups.

H₁: Otherwise

Table 3: Descriptives

Q2								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
cod	19	1.53	.513	.118	1.28	1.77	1	2
credit	140	3.76	1.798	.152	3.46	4.06	1	7
debit	17	3.29	2.054	.498	2.24	4.35	1	7
internet	29	3.48	1.703	.316	2.83	4.13	1	6
Total	205	3.48	1.835	.128	3.23	3.73	1	7

Table 4: Test of Homogeneity of Variances

Q2			
Levene Statistic	df1	df2	Sig.
9.049	3	201	.000

Table 4: ANOVA

Q2					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	84.422	3	28.141	9.384	.000
Within Groups	602.729	201	2.999		
Total	687.151	204			

Table 5: Multiple Comparisons

Dependent Variable: Tukey HSD

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
cod	credit	-2.238*	.423	.000	-3.33	-1.14
	debit	-1.768*	.578	.013	-3.27	-.27
	internet	-1.956*	.511	.001	-3.28	-.63
credit	cod	2.238*	.423	.000	1.14	3.33
	debit	.470	.445	.716	-.68	1.62
	internet	.282	.353	.856	-.63	1.20
debit	cod	1.768*	.578	.013	.27	3.27
	credit	-.470	.445	.716	-1.62	.68
	internet	-.189	.529	.984	-1.56	1.18
internet	cod	1.956*	.511	.001	.63	3.28
	credit	-.282	.353	.856	-1.20	.63
	debit	.189	.529	.984	-1.18	1.56

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

A one-way between-groups analysis of variance was conducted to find out the difference of integrity among various groups having different paying preference during online shopping. Participants were divided into three groups according to their paying preferences (cash on deliver, credit card, debit card and internet banking).

There was a statistically significant difference at the $p < .05$ level in perceived risk scores for the four groups having

different paying preference: $F(9.384) = 9.049, p = .000$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Group 1(CoD) ($M = 1.53, SD = .513$) was significantly different from Group 2 ($M = 3.76, SD = 1.798$), group 3 ($M = 3.29, SD = 2.054$) & group 4 ($M = 3.48, SD = 1.703$).

2. (b) H_0 : There is no difference in benevolence among various paying preference groups.

H_1 : Otherwise

Table 6: Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
cod	19	1.11	.315	.072	.95	1.26	1	2
credit	140	3.74	1.769	.150	3.44	4.03	1	7
debit	17	3.41	2.152	.522	2.31	4.52	1	7
internet	29	3.45	1.844	.342	2.75	4.15	1	7
Total	205	3.42	1.881	.131	3.17	3.68	1	7

Table 7: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
16.813	3	201	.000

Table 8: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	115.777	3	38.592	12.794	.000
Within Groups	606.301	201	3.016		
Total	722.078	204			

**Table 9: Multiple Comparisons
Dependent Variable: Q4 Tukey HSD**

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
-2.630*	.425	.000	-3.73	-1.53		
	.580	.001	-3.81	-.80		
	.513	.000	-3.67	-1.02		
2.630*	.425	.000	1.53	3.73		
	.324	.446	.887	-.83	1.48	

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
	internet	.287	.354	.849	-.63	1.21
debit	cod	2.307*	.580	.001	.80	3.81
	credit	-.324	.446	.887	-1.48	.83
	internet	-.037	.531	1.000	-1.41	1.34
internet	cod	2.343*	.513	.000	1.02	3.67
	credit	-.287	.354	.849	-1.21	.63
	debit	.037	.531	1.000	-1.34	1.41

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

A one-way between-groups analysis of variance was conducted to find out the difference of integrity among various groups having different paying preference during online shopping. Participants were divided into three groups according to their paying preferences (cash on deliver, credit card, debit card and internet banking).

There was a statistically significant difference at the $p < .05$ level in perceived risk scores for the four groups having

different paying preference: $F(9.384) = 16.813, p = .000$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Group 1(CoD) ($M = 1.11, SD = .315$) was significantly different from Group 2 ($M = 3.74, SD = 1.769$), group 3 ($M = 3.41, SD = 2.152$) and group 4 ($M = 3.45, SD = 1.881$).

2. (c) H_0 : There is no difference in familiarity among various paying preference groups.

H_1 : Otherwise

Table 10: Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
cod	19	1.89	.315	.072	1.74	2.05	1	2
credit	140	4.46	2.117	.179	4.10	4.81	1	7
debit	17	3.94	2.249	.546	2.78	5.10	1	7
internet	29	3.97	1.955	.363	3.22	4.71	1	7
Total	205	4.11	2.128	.149	3.81	4.40	1	7

Table 11: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
18.151	3	201	.000

Table 11: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	111.200	3	37.067	9.170	.000
Within Groups	812.439	201	4.042		
Total	923.639	204			

Table 12: Multiple Comparisons

Dependent Variable: Tukey HSD

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
cod	credit	-2.562*	.492	.000	-3.84	-1.29
	debit	-2.046*	.671	.014	-3.79	-.31
	internet	-2.071*	.593	.003	-3.61	-.53
credit	cod	2.562*	.492	.000	1.29	3.84
	debit	.516	.516	.750	-.82	1.85
	internet	.492	.410	.628	-.57	1.55
debit	cod	2.046*	.671	.014	.31	3.79
	credit	-.516	.516	.750	-1.85	.82
	internet	-.024	.614	1.000	-1.62	1.57
internet	cod	2.071*	.593	.003	.53	3.61
	credit	-.492	.410	.628	-1.55	.57
	debit	.024	.614	1.000	-1.57	1.62

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

A one-way between-groups analysis of variance was conducted to find out the difference of integrity among various groups having different paying preference during online shopping. Participants were divided into three groups according to their paying preferences (cash on deliver, credit card, debit card and internet banking).

There was a statistically significant difference at the $p < .05$ level in perceived risk scores for the four groups having

different paying preference: $F(9.384) = 18.151, p = .000$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Group 1(CoD) ($M = 1.89, SD = .315$) was significantly different from Group 2 ($M = 4.46, SD = 2.117$), group 3 ($M = 3.94, SD = 2.249$) & group 4 ($M = 3.97, SD = 1.955$).

2. (d) H_0 : There is no difference in predictability among various paying preference groups.

H_1 : Otherwise

Table 13: Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
cod	19	1.11	.315	.072	.95	1.26	1	2
credit	140	4.70	2.221	.188	4.33	5.07	1	7
debit	17	4.06	2.585	.627	2.73	5.39	1	7
internet	29	4.66	2.380	.442	3.75	5.56	1	7
Total	205	4.31	2.399	.168	3.98	4.64	1	7

Table 14: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
24.021	3	201	.000

Table 15: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	220.957	3	73.652	15.539	.000
Within Groups	952.682	201	4.740		
Total	1173.639	204			

Table 16: Multiple Comparisons

Dependent Variable: Tukey HSD

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
cod	credit	-3.595*	.532	.000	-4.97	-2.22
	debit	-2.954*	.727	.000	-4.84	-1.07
	internet	-3.550*	.643	.000	-5.21	-1.89
credit	cod	3.595*	.532	.000	2.22	4.97
	debit	.641	.559	.661	-.81	2.09
	internet	.045	.444	1.000	-1.11	1.20
debit	cod	2.954*	.727	.000	1.07	4.84
	credit	-.641	.559	.661	-2.09	.81
	internet	-.596	.665	.807	-2.32	1.13
internet	cod	3.550*	.643	.000	1.89	5.21
	credit	-.045	.444	1.000	-1.20	1.11
	debit	.596	.665	.807	-1.13	2.32

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

A one-way between-groups analysis of variance was conducted to find out the difference of integrity among various groups having different paying preference during online shopping. Participants were divided into three groups according to their paying preferences (cash on deliver, credit card, debit card and internet banking).

There was a statistically significant difference at the $p < .05$ level in perceived risk scores for the four groups having

different paying preference: $F(9.384) = 24.021, p = .000$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Group 1(CoD) ($M = 1.11, SD = .315$) was significantly different from Group 2 ($M = 4.70, SD = 2.221$), group 3 ($M = 4.06, SD = 2.585$) & group 4 ($M = 4.66, SD = 2.380$).

2. (e) H_0 : There is no difference in competency among various paying preference groups.

H_1 : Otherwise

Table 17: Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
cod	19	1.00	.000	.000	1.00	1.00	1	1
credit	140	4.04	2.329	.197	3.65	4.43	1	7
debit	17	3.41	2.551	.619	2.10	4.72	1	7
internet	29	3.69	2.451	.455	2.76	4.62	1	7
Total	205	3.66	2.407	.168	3.33	3.99	1	7

Table 18: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
26.859	3	201	.000

Table 19: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	156.030	3	52.010	10.188	.000
Within Groups	1026.067	201	5.105		
Total	1182.098	204			

Table 20 : Multiple Comparisons

Dependent Variable: Tukey HSD

(I) pay preference	(J) pay preference	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
cod	credit	-3.043*	.552	.000	-4.47	-1.61
	debit	-2.412*	.754	.009	-4.37	-.46
	internet	-2.690*	.667	.000	-4.42	-.96
credit	cod	3.043*	.552	.000	1.61	4.47
	debit	.631	.580	.698	-.87	2.13
	internet	.353	.461	.870	-.84	1.55
debit	cod	2.412*	.754	.009	.46	4.37
	credit	-.631	.580	.698	-2.13	.87
	internet	-.278	.690	.978	-2.07	1.51
internet	cod	2.690*	.667	.000	.96	4.42
	credit	-.353	.461	.870	-1.55	.84
	debit	.278	.690	.978	-1.51	2.07

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

A one-way between-groups analysis of variance was conducted to find out the difference of integrity among various groups having different paying preference during online shopping. Participants were divided into three groups according to their paying preferences (cash on deliver, credit card, debit card and internet banking).

There was a statistically significant difference at the $p < .05$ level in perceived risk scores for the four groups having

different paying preference: $F(9.384) = 26.859$, $p = .000$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Group 1 (CoD) ($M = 1.00$, $SD = .000$) was significantly different from Group 2 ($M = 4.04$, $SD = 2.329$), group 3 ($M = 3.41$, $SD = 2.551$) & group 4 ($M = 3.69$, $SD = 2.451$).

Table 21: Result summary of Hypothesis 2

Hypothesis 2	Levene Statistic		Result
Hypothesis 2 (a)	F = 9.049	$p = .000$	Rejected
Hypothesis 2 (b)	F = 16.813	$p = .000$	Rejected
Hypothesis 2 (c)	F = 18.151	$p = .000$	Rejected
Hypothesis 2 (d)	F = 24.021	$p = .000$	Rejected
Hypothesis 2 (e)	F = 26.859	$p = .000$	Rejected

Findings, Conclusion, Limitations & Scope of future research

Some demographic variables age, gender and occupation have been found related with paying preference while there is no relation between paying preference and education, income and marital status. In case of anova result the cash on delivery payment method found to be significantly different from other payment preferences through credit card, debit card and internet banking in terms of all the five elements of trust in online shopping.

For current study following elements of trust have been taken- Integrity, Benevolence, Predictability, Familiarity and Competency.

As the mean value of male shoppers and female shoppers of Pune are nearly equal, at the same time all the null hypotheses are 'not rejected' hence we can safely say that the online male shoppers of Pune are equal to online female shopper of Pune in terms of Integrity, Benevolence, Predictability, Familiarity and Competency.

In current study Integrity, Benevolence, Predictability, Familiarity and Competency have been studied. As per the latest review of literature some more elements of trust may be found out by the new researchers, those elements have not been studied in the current study. These trusts can be studied further.

AN ANALYTICAL STUDY OF MARKETING FACTORS INFLUENCING CAR PURCHASE DECISION FOR SMALL AND MID-SIZE CARS OF MARUTI SUZUKI INDIA LIMITED

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ABSTRACT

The existing study examines and evaluates marketing factors influencing car purchase decision for small and mid-size cars of Maruti Suzuki India Limited. A structured questionnaire was developed and circulated among the Mid-Size Maruti Suzuki car owners around Pune City by using convenient sampling technique. The total samples were consisting of 414 respondents. The data was analyzed by using Factor Analysis in SPSS version 17.0. This study provides evidence and detailed insight on various elements used for the analysis and reveals that credibility, innovativeness, brand image, car model, car type, car size, color, type of fuel, consumption, storage capacity, safety features, road clearance, warranty, technology and interior significantly influences purchase car decision for small and mid-size cars of Maruti Suzuki India Limited.

KEYWORDS: Product, Price, Place, Promotion, Small and Mid-size Cars.

Introduction:

The use of automobile in day to day life has become as vital as breathing today. Once upon a time, to own a car was considered to be a prestige and a style symbol in India. With the technological innovations, fierce competition and mass production, the cost cutting strategies could help manufacturers to penetrate their cars in Indian markets even to its niche. People once envied others for possessing cars as it was not within the reach of the common men at large. Today, even in small towns, many of them are found owning at least one small car; thanks to the impact of the liberalization of economy in India since 1991 that left its mark on automobile industry.

India has been considered as one of the low cost production destinations when it comes to manufacturing. India is enjoying this advantage on account of its engineering services. Raw material costs and labor costs are cheaper in India when compared with other countries. As a result of these opportunities, many automobile giants like Maruti Suzuki, Tata Motors, Hyundai Motors, and Volkswagen have established their production houses in India among others. Tata Motors has developed indigenous capabilities in designing and manufacturing small cars such as Indica in 1999 and Nano in 2009. The Auto Policy of 2002 allowed 100 per cent Foreign Direct Investments without any restrictions on

foreign players to collaborate with local players to set up their facilities. Special economic zones set up by the India government have led to the formation of automobile and automotive hubs in and around cities like Chennai, Gurgaon and Pune. Many foreign players are now doing in-house development, manufacture and exports of small cars from India.

Suzuki Corporation of Japan had already joined hands with Indian government to form a company called Maruti Suzuki India Limited with facility at Gurgaon, the nearest destination to Delhi in the year 1982. It launched its first small car "Maruti-800" in 1983. In less than 5 years, it indigenized over 70 per cent to reduce production costs and followed greater indigenization levels of 80 – 85 per cent in its future models of Zen; WagonR etc. It has been leading the Indian small car market since then. The customers have rated Maruti Suzuki Company as 'number one' in customer satisfaction index consecutively for more than 14 times in a row. This indicates the relationship the company has created with their customers over a period of more than three decades. Surprisingly, customers of Maruti are seen placing orders for its new models often before they have learnt of process.

Maruti Suzuki has undergone one of the worst car demand slowdowns in 2012-13. It was characterized by

market distortion between petrol and diesel cars, and continued adverse impact of foreign currency movements. The violence at Manesar Plant was one of the shocking incidences that company has faced over a period of time. Instead of being overwhelmed by the situation, the company looked inwards for internal strength to fight back. The present study is all about marketing factors influencing car purchase decision for small and mid-size cars of Maruti Suzuki India Limited.

Literature Review:

Mohmed Irfan, C. Sumangala, and Lancy D'Souza identified the significance given to physical products in the automobile sector than other marketing mix elements, to know the relative strength of product related Green Marketing Mix Strategies against other Green Marketing Mix Strategies and to determine the comparative strength of other Green marketing Mix Strategies i.e. Price, Promotion and Place. The study found that product related Green marketing Mix Strategies played significant role than other Green marketing Mix Strategies, particularly with regard to place and price related Green marketing Mix Strategies.

Ekta Chakravarty conducted a study to know the different strategic implementation done to increase the sale in automobile company. The study is been scoped to north eastern region of India. The data followed with primary as well as secondary means. The researcher tried for the betterment of sales and also initiated recommendation in view of marketing strategies to help to increase sales. The study found that good dealer networks, after sales services, customer relationship management, branding, and celebrity endorsement were key marketing strategies that organization uses for success in automobile industry.

As stated by Lokhande, Murlidhar A, and Rana Vishal Sunil, today, due to increased competition and revolutionize in customer needs, automobile companies are very much conscious about structuring a different strategy. According to authors companies realized that innovative branding and marketing strategies are keys to capture the market.

Govind Shinde, and Manisha Dube conducted a study on Indian Automobile industry and performance of key players during the years 2005 to 2010. According to study, regardless of economic slowdown, the Indian automobile sector has revealed high growth. However, study suggested that strict quality standards, services and use of latest technology can

provide added competitive edge over competitors in an automobile sector.

Chu Chai Henry Chan presented a new approach that combined customer targeting and customer segmentation for campaign strategies. The study identified customer behavior using a Recency, Frequency and Monetary (RFM) model and then used a customer Life Time Value (LTV) model to evaluate proposed segmented customers. The study results demonstrated that the proposed method is more effectively target valuable customers than random selection.

Koen Pauwels, Jorge Silva-Risso, Shuba Srinivasan and Dominique M. Hanssens investigated the short- and long-term impact of marketing strategies on financial metrics, including top-line, bottom-line, and stock market performance. The authors applied multivariate time-series models to the automobile industry, in which both new product introductions and promotional incentives were considered important performance drivers. The study found that marketing increases increase top-line firm performance; however, long-term effects strongly differ for the bottom line. The study also found that new product introductions increase long-term financial performance and firm value, but promotions fails to increase long-term financial performance and firm value.

Andreas F. Grein, C. Samuel Craig and Hirokazu Takada provided insight into how automobile firms plan strategies that respond to the conflicting pressures for local responsiveness and integration. The authors developed a conceptual structure to test integration-responsiveness in terms of marketing-mix responses and market conditions. The findings indicated that automobile firms are successfully following standardization strategies rather than fully combining integration and responsiveness.

Dae-Ho Byun presented a methodological extension of the analytic hierarchy process which provides a structure on decision-making procedure wherever there are a restricted numbers of choices but each has a number of attributes. The study found that it was important to include elements that offer characteristics that make consumer decision-making easier, comfortable and lead to a car purchase. The study also found that demand for innovation provides better customer service and strategic competition in the business management.

According to Andreas F. Grein formulation of finest marketing mix is quite complex when that mix must be

effectual across multiple international markets. Author examined the marketing mixes of more than thirty automobile companies competing in the five major markets in Western Europe. The study resulted that easily changed marketing mix elements, such as prices and advertising reflect market similarity, interdependence, and product-market conditions. The study revealed that the number of models offered does not appear to reflect any of these types of conditions.

Eric Lapersonne, Gilles Laurent and Jean-Jacques Le Goff argued that building consideration set by consumers; consumers decide to stop if a further search for possible solutions is not perceived to be potentially cost-effective. Authors presented the results of an empirical exploratory study of about 1000 recent buyers of a new car. The study found that, seventeen percent considered the brand of their previous car, and had therefore a consideration set of size one.

Richard A. Colombo and Donald G. Morrison studied and presented a brand switching model with implications for marketing strategies. Authors proposed two-class 'Hard-Core Loyal' and 'Potential Switcher' latent model for the analysis of brand switching data. A simple model was estimated using a standard log-linear modeling approach.

Objectives of the Study:

- To examine strategies adopted by MSIL for marketing of Small and Mid-size car models.
- To understand Marketing Stimuli influencing car purchase decision for Small and Mid-size cars manufactured by MSIL.

Significance of the Study

Maruti Suzuki India, a one-time government-owned company in collaboration with Japanese Automobile giant Suzuki, geared up its operation in the country with not only production and sales of small cars; it also successfully enhanced its dealer-base to penetrate almost all markets in the country. With the setting up of Maruti-Suzuki Workshops network even in remote areas made the company the most-preferred one in the minds of the Indian customers. The company kept their cars moving on the roads all the time by creating maintenance facility in nooks and corners of the nation. This was one of the reasons that Indian customers have put their faith in Maruti's products. The study of the success story of Maruti Suzuki India can be useful in many ways. At the outset, setting and implementing various

strategies can provide other companies diverse view of doing business in Indian perspective. It also could mean that no other company has been able to know Indian customer well than the Maruti Suzuki as far as their passenger car needs are concerned. The study will also help to understand Maruti Suzuki's approach in terms of superior value to the customers through their products, performance and price. The study will also help in revealing the development of marketing strategies and communication that connects the company with the customers.

Research Methodology:

The present research study is of descriptive nature and has used the quantitative research method. The researcher has adopted convenient sampling technique. Size of the universe is finite but unknown. The sample size has been consisting of 414 respondents across the Pune region. The 'structured, un-disguised questionnaire' was developed from standard questions of relevant literature as a research instrument. For collecting data, researcher has conducted schedule interviews with the help of developed questionnaire. The Statistical Package for the Social Sciences Program (SPSS) version 17.0 was used in this study for all the statistical assessments (FACTOR ANALYSIS). The data set was screened and examined for incorrect data entry, missing values, normality and outliers.

Data Analysis

Cronbach's Alpha reliability method was applied to check the reliability of all items in the questionnaire. The reliability coefficient value was highly significant i.e. 0.813 and depict high reliability of the questionnaire.

The breakup of the respondents' demographic characteristics is given in the *Table 1*. Responses were obtained from 414 respondents. Out of 414 respondents, 310 are male followed by 104 are female, representing 75% and 25% of contribution. Out of the total respondents, 178 respondents are from the age group of 20 to 30 years followed by 161 respondents from age group of 31 to 40 years and total of both thus contributes to 81.9%. Remaining 75 respondents are from the age group of 41 years and above, contributing to 18.1% of the total responses.

The data of respondents from various educational-backgrounds is reflected in the provided table. Majority of the respondents are graduates, counting to 191 respondents, followed by 166 respondents from post-graduate or above background. The total of two is counting to 86%. Remaining

57 respondents are of diploma or below educational-background. Table also provides the marital status data of respondents. The data reads that 281 respondents are married; however 133 are single, representing 68% and 32% of the total respectively.

The table also provides the income-wise breakup of the respondents. It can be observed that 38% respondents have annual income more than 12 lacs and above. Though it is

sizable group of the 'high-income' category, majority of the respondents are from 'middle income' category where income ranges from rupees 6 lacs to 12 lacs per year and it counts to 153 respondents. As occupation is concern, 256 respondents are of service class followed by 117 respondents of business class. However, 7.7% respondents are of professional class.

Table 1: Demographic Characteristics of Respondents

Sr. No.	Characteristics	Category	Frequency	Percent	Cumulative Percent
1.	Gender	Male	310	74.88	74.88
		Female	104	25.12	100.00
2.	Age	20 to 30 yrs	178	43.00	43.00
		31 to 40 yrs	161	38.90	81.90
		41 yrs and above	75	18.10	100.00
3.	Educational Qualification	Diploma or below	57	13.8	13.8
		Graduate	191	46.1	59.9
		Post graduate or above	166	40.1	100.0
4.	Marital status	Single	133	32.1	32.1
		Married	281	67.9	100.0
5.	Family Income	Less than ₹ 6 lacs	103	24.9	24.9
		₹ 6 to 12 lacs	153	37.0	61.8
		More than 12 lacs	158	38.2	100.0
6.	Occupation	Service	265	64.0	64.0
		Business	117	28.3	92.3
		Professionals	32	7.7	100.0

The data indicate that (Table 2) out of 414 respondents 90 own Maruti 800 which represents 21.74% of the total response followed by 73 respondents own Alto which accounts for 17.63% of response. WagonR, Swift and Dzire account for 13.77, 11.35 and 11.35% of response respectively. The researcher could able to get response form only 19 and 17 respondents of Omni and Eco owners respectively. Omni and SX4 owners jointly account for 14% of response in total. Looking at the trends of the car sales of Maruti Suzuki India Limited, the present data ideally represents population.

Table 2: Cars Owned by Respondents

Sr. No.	Category	Frequency	Percent	Cumulative Percent
1	Maruti 800	90	21.74	21.74
2	Alto	73	17.63	39.37
3	WagonR	57	13.77	53.14
4	Omni	19	4.59	57.73
5	Ritz	25	6.04	63.77
6	Swift	47	11.35	75.12
7	SX4	39	9.42	84.54
8	Dzire	47	11.35	95.89
9	Eco	17	4.11	100.00

Analysis of Marketing Stimuli Influencing Car Purchase Decision using Exploratory Factor Analysis

Kaiser – Meyer – Olkin Measures of Sampling Adequacy and Bartlett's Test of Sphericity:

The Kaiser – Meyer – Olkin Measures of Sampling Adequacy value was 0.736 indicating that the sample was adequate to consider the data as normally distributed. The Bartlett's Test of Sphericity tests the null hypothesis that the item-to-item correlation matrix was an identity matrix. The hypothesis was tested through Chi-square test; the value of Chi-square was found to be 4259.977, which is significant at 1% level of significance. Therefore, null hypothesis is rejected; indicating that the item-to-item correlation matrix is not an identity matrix and is therefore suitable for factor analysis.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.736
Bartlett's Test of Sphericity	Approx. Chi-Square	4259.977
	df	630
	Sig.	.000

The *Table 4* shows the table of communalities before and after. The communalities in the column labelled *Extraction* reflect the common variance in the data structure. 49.8% of the variance associated with question 1 is common, or shared, variance.

Table 4: Communalities

	Initial	Extraction		Initial	Extraction
Maruti's credibility	1.000	.498	Advertisements	1.000	.231
Innovativeness	1.000	.451	Type of fuel consumption	1.000	.394
Brand image	1.000	.533	Storage capacity	1.000	.505
Quality	1.000	.252	Safety features	1.000	.537
Car model	1.000	.381	Road clearance	1.000	.491
Car class	1.000	.209	Warranty	1.000	.469
Car type	1.000	.313	Engine power	1.000	.148
Previous experience	1.000	.251	Technology	1.000	.296
Car size	1.000	.372	Interior	1.000	.373
Color	1.000	.667	Initial price	1.000	.322
Design	1.000	.113	Cost of spare parts	1.000	.448
Friends	1.000	.184	Price negotiation	1.000	.373
Family members	1.000	.275	Cost of maintenance	1.000	.360
Sales representatives	1.000	.335	Deal's location	1.000	.385
Website	1.000	.259	Waiting time post booking	1.000	.319
Celebrity endorsement	1.000	.308	Facilities with dealer	1.000	.210
Brochures	1.000	.516	Test drive	1.000	.235
Exhibitions	1.000	.407	Point-of-purchase	1.000	.528

Table 5, labeled Total Variance Explained lists the eigenvalues associated with each factor before extraction, after extraction and after rotation. Before extraction, it has identified 36 linear components within the data set. The eigen values associated with each factor represent the variance explained by that particular linear component and the table also displays the eigenvalue in terms of the percentage of variance explained (factor 1 explains 13.38% of total variance). It should be clear that the first few factors explain relatively large amounts of variance (especially component 1) whereas subsequent factors explain only small amount of variance. The table extracts all factors with eigenvalues greater than 1, which leaves us with four components, as directed by researcher, where 35.97 % of cumulative variance is displayed. In the final part of the table, the eigenvalues of the factors after rotation are displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the three factors is equalize. Before rotation, factor 1 accounted for considerably more variance than the remaining three (13.38% compared to 10.02, 7.71 and 4.85 respectively), however after extraction it accounts for only 10.61% of variance (compared to 10.34, 9.88 and 5.12 respectively).

The *Table 6* labeled shows the Component Matrix before rotation. This matrix contains the loading of each variable onto each factor. As calculated that all loading less than 0.4 be suppressed in the output and so there are blank spaces for many of the loadings.

Table 5: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.82	13.38	13.38	4.82	13.38	13.38	3.82	10.61	10.61
2	3.61	10.02	23.41	3.61	10.02	23.41	3.72	10.34	20.96
3	2.77	7.71	31.11	2.77	7.71	31.11	3.56	9.88	30.84
4	1.75	4.85	35.97	1.75	4.85	35.97	1.84	5.12	35.97
5	1.62	4.51	40.47						
6	1.47	4.08	44.55						
7	1.46	4.05	48.59						
8	1.28	3.56	52.15						
9	1.19	3.30	55.45						
10	1.10	3.06	58.51						
11	1.03	2.85	61.37						
12	0.96	2.67	64.04						
13	0.93	2.58	66.62						
14	0.87	2.41	69.02						
15	0.83	2.30	71.32						
16	0.80	2.21	73.53						
17	0.78	2.16	75.69						
18	0.74	2.06	77.75						
19	0.72	2.00	79.75						
20	0.68	1.89	81.64						
21	0.62	1.71	83.35						
22	0.59	1.63	84.98						
23	0.55	1.53	86.52						
24	0.53	1.46	87.97						
25	0.51	1.41	89.38						
26	0.47	1.31	90.69						
27	0.44	1.21	91.90						
28	0.43	1.18	93.09						
29	0.42	1.16	94.24						
30	0.39	1.08	95.32						
31	0.37	1.02	96.34						
32	0.32	0.88	97.22						
33	0.28	0.78	98.00						
34	0.27	0.76	98.76						
35	0.25	0.70	99.46						
36	0.19	0.54	100.00						

Table 6: Component Matrix

	<i>Component</i>			
	1	2	3	4
Maruti's credibility		.425		
Innovativeness		.581		
Brand image		.653		
Quality				
Car model		.465		
Car class	.436			
Car type		.425		
Previous experience	.468			
Car size		.461		
Color	.491	.551		
Design				
Friends				
Family members	.431			
Sales representatives				.436
Website	.417			
Celebrity endorsement				
Brochures	.487		-.513	
Exhibitions	.479			
Point-of-purchase	.426		-.583	
Advertisements				
Type of fuel consumption	.483			
Storage capacity	.450		-.534	
Safety features	.416		-.592	
Road clearance	.421	-.440		
Warranty				-.413
Engine power				
Technology				
Interior	.404	-.420		
Initial price				
Cost of spare parts		-.440		
Price negotiation				
Cost of maintenance				.564
Deal's location				.447
Waiting time post booking	.400			
Facilities available with dealer				
Test drive				

Extraction Method: Principal Component Analysis**4 components extracted.****Table 7: Rotated Component Matrix**

	Component			
	1	2	3	4
Maruti's credibility	.658			
Innovativeness	.661			
Brand image	.705			
Quality				
Car model	.537			
Car class				
Car type	.542			
Previous experience				
Car size	.601			
Color	.782			
Design				
Friends				
Family members				
Sales representatives			.496	
Website				
Celebrity endorsement			.473	
Brochures			.678	
Exhibitions			.605	
Point-of-purchase			.704	
Advertisements			.411	
Type of fuel consumption	.497			
Storage capacity	.709			
Safety features	.730			
Road clearance	.631			
Warranty	.576			
Engine power				
Technology	.527			
Interior	.587			
Initial price		.534		
Cost of spare parts		.668		
Price negotiation		.522		
Cost of maintenance		.592		
Deal's location				.485
Waiting time post booking				.460
Facilities available with dealer				.429
Test drive			.469	

Extraction Method: Principal Component Analysis**Rotation Method: Varimax with Kaiser Normalization**

The *Table 7* labeled Rotated Component Matrix contains the same information as the component matrix is calculated after rotation. Factor loadings less than 0.4 have not been displayed because researcher has asked these loading to be suppressed. Out of 36 variables 7 variables i.e. Quality, Car Class, Previous Experience, Design, Friends, Family Members

and Website are not included in any of the factors extracted. Thus, Principle Component Factor Analysis has resulted into 4 components with 29 variables out of 36 variables.

- **Component 1 (Product):** The rotated matrix has revealed that respondents have perceived these factors to be the most important factors with the highest explained variance of 10.61%. Fourteen out of twenty nine variables load on significantly to this component, which

includes credibility, innovativeness, brand image, car model, car type, car size, color, type of fuel consumption, storage capacity, safety features, road clearance, warranty, technology and interior.

- **Component 2 (Price):** The rotated matrix has revealed that respondents have perceived these factors to be the second most important factors with the highest explained variance of 10.34%. Four out of twenty nine variables load on significantly to this component, which includes initial price, cost of spare parts, price negotiation and cost of maintenance.
- **Component 3 (Promotion):** The rotated matrix has revealed that respondents have perceived these factors to be the third most important factors with the highest explained variance of 9.88%. Six out of twenty nine variables load on significantly to this component, which includes Celebrity Endorsement, Broachers, Exhibitions, Point-of-purchase, Advertisements, Test Drive.
- **Component 4 (Place):** The rotated matrix has revealed that respondents have perceived these factors to be the fourth most important factors with the highest explained variance of 5.12%. Three out of twenty nine variables load on significantly to this component, which includes Dealers' Location, Waiting Time Post Booking and Facilities with Dealer.

Findings of the Study

- A brand is often an organization's most valuable asset because it provides customers with a way of recognizing and specifying a particular product if they want to choose it again or recommend to others. MARUTI SUZUKI INDIA LIMITED has developed its brand over a period of last 25 years so much so that any Indian customer can identify the brand of MARUTI SUZUKI INDIA LIMITED at ease particularly in small and mid-size segment. The customers have expressed their level of commitment for the specific brands of car manufactured by the MARUTI SUZUKI INDIA LIMITED over a period of time.
- The cars manufactured and sold by the MARUTI SUZUKI INDIA LIMITED are better known for their fuel efficiency, less polluting variants, relevant to customers' requirements and easy to service anywhere in the country. The huge network of Maruti Service Stations across all the states of India have added to the wide acceptance of Maruti brand.
- Price is an important component in the marketing mix and MARUTI SUZUKI INDIA LIMITED has devised various strategies for taking advantage of price to pursue its marketing goals. The primary data collected through questionnaire revealed that respondents have perceived initial price factor to be the second most important factors with the highest explained variance of 10.34%.

Conclusion:

It is difficult to make out as to what customer wants from your products. He may not be able to tell what he

wants, but he can surely tell what is wrong. The MSIL has been able to understand the needs and wants of the Indian customer during its 25 years of operation in Indian soil. Company's products are suiting to these needs and want perfectly to create ever-lasting bond leading to consolidate brand loyalty. These are one of the forces of external environment that play its key role in deciding the future of the business unless proper steps are not taken to counter their effects. Willingness to spend and buying power of the customers are greatly affected by these business cycles. Business cycle is basically the pattern of economic fluctuation that covers four scenarios: Prosperity, Recession, Depression and Recovery.

It was the customer who was the central element of the market. The business decisions were more dependent on market driven decisions. The priorities of the customers' wishes were changing and the businesses have to respond to these priorities in the market. There were several challenges in business sector, but industry was ready to accept these challenges to build their empire. MSIL has tapped its market with this tune to become the leader.

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APPLICATION OF MATHEMATICS IN BUSINESS MANAGEMENT AND ECONOMICS - AN OVERVIEW

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ABSTRACT

Mathematics, according to Wikipedia, is the study of topics such as quantity (numbers) structure, space, and change. Because of the place mathematics has found for itself in various fields of science, commerce and arts there are wide range of views about the exact scope and definition of mathematics. Usually, it is described as a science that creates an abstract structure using logical definitions and then investigate that structure using logic for their properties and patterns. In this paper, we present an overview of some of the applications of mathematics in business and economics.

KEYWORDS: Business, Economics, Mathematics.

1. INTRODUCTION

Until 18th century mathematics was considered as “the science of quantity”, but at the start of 19th century the study of mathematics increased and as the abstract topics of mathematics such as group theory and projective geometry started to develop new definitions of mathematics were proposed which emphasize the deductive character and abstractness of mathematics. Today, because of the applications mathematics has found for itself in a vast range of fields there are no consensus amongst the professional on the definition of mathematics not even on whether mathematics is an art or a science. Mathematics has its application in almost all sciences, commerce and arts. It is because of this mathematics is sometimes referred as “science of all sciences and art of all arts”.

Mathematics is an important part of business management. It is used by commercial enterprises in accounting, inventory management, marketing, sales forecasting, financial analysis and managing business operations. Using mathematics many financial formulas are derived for interest calculation, hire rates, salary calculation, tax calculation and many more. These formulas help to complete business tasks efficiently. Operation research, a branch of mathematics, is used extensively to identify, formulate and provides solution to business problems.

Business face challenges on daily basis and these challenges need to be dealt properly so that they do not arise in future. These problem can be solved effectively using

Operation Research. Operation research not only helps to solve these problem but also helps to analyse them and work on them. Using the concepts of operation research these real world problem are converted into mathematical problem, which are then solved for solution using the techniques of mathematics. The solution so obtained is then implemented in real world.

Mathematical tools are also used to make, understand, and analyse economic problems. They are also used to make predictions about variations in specific economic variables and also to find relationship between two or more variables. The application of mathematical techniques to represent theories and analyse problems in economy is called Mathematical economy. In commerce, concepts of elementary arithmetic, elementary algebra, statistics and probability are used extensively. This paper presents an overview of the applications of mathematical techniques in business and economics.

2. OBJECTIVES OF THE STUDY

- To study the application of mathematics in business management.
- To study the application of mathematics in economic theory concepts.

3. METHODOLOGY

We refer the research reports, articles, Books, Journals and Websites to collect secondary data.

4. APPLICATIONS OF MATHEMATICS IN BUSINESS

4.1 MATRIX

It is a two-dimensional arrangement of numbers in rows and columns enclosed by a pair of square or round brackets, in the form shown below (Figure 1).

$$A = \begin{bmatrix} b_{11} & b_{12} & b_{13} & \dots & b_{1n} \\ \vdots & \vdots & \vdots & \ddots & \vdots \\ b_{i1} & b_{i2} & b_{i3} & \dots & b_{in} \\ \vdots & \vdots & \vdots & \ddots & \vdots \\ b_{m1} & b_{m2} & b_{m3} & \dots & b_{mn} \end{bmatrix}$$

n Columns

m Rows

Figure 1: General representation of a matrix

Matrices are used to describe linear equations, to keep track of the coefficients of linear transformations and to record data that depend on multiple parameters. They can be added, multiplied, and decomposed in various ways, which also makes them a key concept in the field of linear algebra.

Techniques of matrices are used in linear programming. Linear programming is a technique for optimizing a linear objective function, which is subjected to some linear equality or linear inequality constraints. Linear programming is a quick and helpful optimisation tool for a decision maker. It deals with problems of profit maximization, cost minimization or ensuring the optimum utility of the available resources. In linear programming, a real world problem is converted into a mathematical problem which is then solved using mathematical techniques to obtain an optimum solution. Simplex method, most popular algorithm to solve linear programming problems uses rules and techniques of matrices.

Linear programming is now used extensively in business, economics and engineering. An example of its use in the field of business and management would be, for solving complex problems of distribution of goods and product mix where the problem is to decide how much each of the variable must be use in order to satisfy a certain criteria such as maximising profits or minimising costs which are subject to certain constraints.

4.2 PROBABILITY AND STATISTICS

The analysis of stochastic processes (i.e., processes with random variables), which relies on results from applied probability and statistical modelling. Most of the real-world problems involve uncertainty, and mathematics has been extremely useful in to identify ways to manage it. Modelling uncertainty is important in risk analysis for complex systems, such as space shuttle flights, large dam operations, or nuclear power generation.

Consider a situation of a single - server queue in which customer arrivals and service times are random. In such situations, techniques of probability theory and stochastic process helps in understanding the queue behaviour and quantifying impacts of decisions. Equations have been derived for the queue length, waiting times, and probability of no delay, and other measures. The results have applications in many types of queues, such as customers at a bank or supermarket checkout, orders waiting for production, ships docking at a harbour, users of the internet, and customers served at a restaurant. The concepts of probability has developed a whole new branch of studies called Queueing theory, the results of which are used in many businesses.

4.3 GRAPH THEORY

A network is a collection of connected objects called nodes or vertices, and the connections between the nodes called edges. The nodes are usually represented as points and edges as line segments between the points. Networks are used to represent all sorts of systems in the real world. For example, the Internet can be represented using a network where the nodes are computers or other devices and the edges are physical (or wireless, even) connections between the devices. Sometimes other information is given in the network, for example the quantity of available merchandise in a vertex and the length or the cost of an edge connecting two vertices. These graphs are called valued graphs.

The concepts of Graph theory has found its application in transportation problems and networking problems in business management. For example, graphs are used in network analysis which is the method of planning and controlling projects by drawing interdependence between variables using graphs. A project is a combination of interrelated activities which has to be executed in a specific order before the entire project is completed. Using graphs gives a pictorial representation of the interrelationship between all the activities of a project. Using the techniques of network analysis and graph theory a proper plan of action can be prepared beforehand, which helps in completing the project in time.

5. APPLICATIONS OF MATHEMATICS IN ECONOMICS

5.1 FUNCTION

In mathematics, a function is a relation between two or more variables or we can say that, a function expresses the dependence of one variable on to some other variable. The dependence of every value of a variable on the value of another variable can be mathematically written as . Here, the

variable is called the dependent variable, the variable is called the independent variable and for each value of variable there is a unique value of variable associated with it.

In economics, demand of a commodity is a function of price and production is a function of factors of production. That is, demand depends on the price and so mathematically we say that demand is a function of price and can be written as. Similarly, supply is also a function of price and can be expressed as. The following graph (Figure 2) shows the relationship between the price, quantity demand and quantity supply of a commodity.

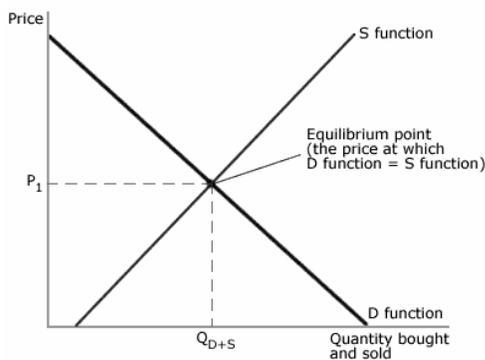


Figure 2: Demand – Supply curve

The point of intersection of the demand - supply curves is called the point of equilibrium. It is the situation in a market when the price is such that the quantity demanded by consumers is correctly balanced by the quantity that firms wish to supply.

Similarly, the relationship of economic variables like cost, utility, profit, loss, savings, etc. with some related variables can be expressed using functions. The concept of functions can be easily generalized to more than two functions. For example, when the values of a variable depend on more than two variables say, then this function is written in general form as.

5.2 DIFFERENTIATION

Differentiation is an operator which is used to find the rate of change of one variable with respect to another variable. It is used in most of the economic decisions such as the concept of margins. The concept of margins is very important in microeconomics because all the decisions are taken at the margin. The use of the derivative to approximate the change in a function produced by a 1-unit change in its variable is called marginal analysis.

For example, suppose a production company wishes to know that should they increase production by another unit or should they just produce at the same level? Here the concept of margins help, if your marginal revenue, (the amount of

revenue earned by producing another unit of output) is higher than your marginal cost, (the cost of producing another unit) then increase production by another level but if the marginal cost is higher than produce at the same level. If the production is more falls and rise, so the profit can be maximized by producing where. is basically the “change in revenue over the change in production” and so we can find it by differentiating total revenue with respect to production. Therefore, if and are the total production cost incurred during production and total revenue derived from sale by a manufacture, for units respectively, then the marginal cost is and the marginal revenue is.

5.3 MAXIMA AND MINIMA

A real-valued function defined on a domain has an absolute maximum point or maxima at if. Similarly, the function has an absolute minimum point or minima at if. The value of the function at a maximum point is called the maximum value of the function in and the value of the function at a minimum point is called the minimum value of the function in.

This mathematical concept of maxima and minima of a function is used in the optimization problems in economics. Optimization means finding the maximum or minimum values of a quantity for example minimize costs or maximize revenue or maximize profit. In optimization problem, the first step is to identify the quantity to be optimized. Once the quantity to be optimized is finalized, the domain for the function of the quantity is determined. The problem then can be solved using the first derivative test for absolute maxima and minima or the second derivative test for absolute maxima and minima.

Suppose we wish to analyse the consumer equilibrium and firm’s equilibrium. When the utility is maximum the consumer is in equilibrium. Using optimization technique we can calculate the maximum utility of the consumer which gives us consumer equilibrium. Similarly, when the profit is maximum the firm is in equilibrium. Using the concept of maxima and minima, we can determine the maximum profit of the firm, and in turn, equilibrium of the Firm.

6. CONCLUSION

Despite the contributions of mathematics in the field of social science, many economist discourage the extensive use of mathematics in economics and debate that mathematical formulation of economic theory is not helpful all the time and it hides simple and clear ideas behind the complicated and hard mathematical techniques. Still, the results obtained

from mathematics are used in economics, business management and it is also used in new research projects.

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CAPACITY BUILDING AS AN INTERVENTION FOR HUMAN RESOURCE CHALLENGES IN HEALTH CARE SECTOR

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ABSTRACT

Providing optimum health service coverage to the population is possible only when the highest standards are attained by the country in the availability, accessibility, acceptability and quality of health systems implemented. Availability of health workers with equitable distribution for covering the entire population is equally important. The population of any country can avail qualitative health services only when the health workers possess required competency. It is essential that the health workers are continuously motivated, supported and empowered at all level levels to deliver qualitative care as per the socio-cultural expectations of the population. A strengthened health system can be built by any country with proper planning in health care education which is the root for future availability of human resources for health. However developing countries face the difficulty at varying levels for building an efficient health system right from education, deployment, retention, and performance of the health workforce. This paper focuses on human resource challenges in India in health care and the concept of capacity building as an intervention in health care education to overcome health workforce shortages.

KEY WORDS: Capacity building, Health Care Sector, Health work force, Human resource Management.

OBJECTIVES OF THE STUDY:

- To present the challenges of health workforce shortages in Indian Health care sector.
- To understand the importance of the concept of capacity building and its relevance in Health care sector
- To analyse the importance of capacity building as an intervention in medical education to address the health workforce shortages.
- To present major issues in capacity building of health workforce.

LIMITATIONS OF THE STUDY:

The Study is based only on the information gathered from Secondary data.

INTRODUCTION:

India's economic growth has not translated into commensurate improvements in its health indicators and the country continues to face difficulties in ensuring the effective health services to its people. One of the main obstacles is India's low health worker density. According to the world health organization (WHO) there are less than seven physicians per 10,000 population. These shortages of health

workers includes physicians, trained nursing and midwifery personnel, paramedics and other allied health personnel who are all important for effective delivery of health services as a team effort. The growing gap between the supply of health care professionals and the demand for their services is a critical issue to build an efficient health. Apart from shortage in the availability of health workforce in numbers the other factors which attribute to imbalance distribution of health workforce are poor human resource practices and unsatisfactory working conditions. The policy makers need to focus attention on implementing a proper human resource management in health care sector with attention to use incentives to motivate health workers and improve other aspects of human resource practices such as recruitment, selection, training and development and overall improvement in work settings. Though India is having a comprehensive public health care system it is facing its own set of challenges in terms of absence or underutilized facilities and poor management of health work force. Therefore addressing the challenge of health workforce availability through capacity building intervention is central to the development of an health system.

LITERATURE REVIEW: Capacity Building (CB) is defined as the process of developing and strengthening the skills, instincts, abilities, processes, and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world. This involves developing skills and systems within health services to order to enable them to increase community's ability to foster good health. It is the process by which individuals, organizations, institutions and societies develop abilities to perform functions, solve problems and set and achieve objectives. It needs to be addressed at three inter-related levels: Individual, institutional and societal. Capacity building in broad sense is concerned with:

- Human resource development of equipping individuals with the understanding, skills, and access to information, knowledge and training that enables them to perform effectively.
- Organizational development through processes and procedure to strengthen management of relationships not only within organizations but also between different organizations and sectors.
- Institutional and legal framework development through changes at all levels (Legal and Regulatory) to enhance their capacities

Capacity as an ability of individuals, organisations or systems to perform appropriate functions effectively, efficiently and sustainable (UNDP: Milen A Leppo K - Paul S, 2001) .The use of capacity building is intended to encompass a variety of strategies that have to do with increasing the efficiency, effectiveness, and responsiveness of government performance. Efficiency relates to time and resources to produce a given outcome, effectiveness to the

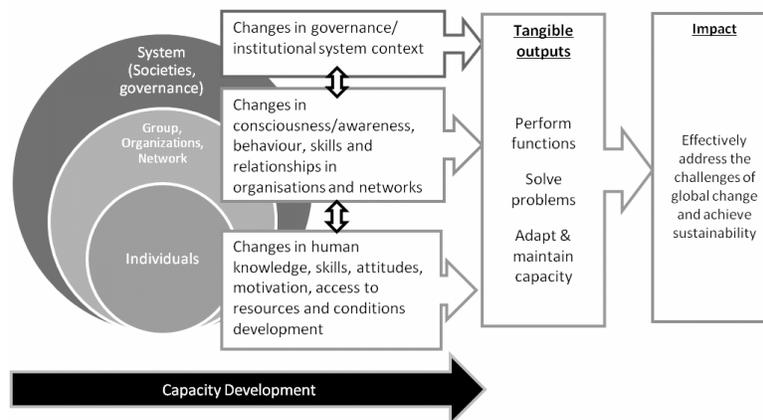
appropriateness of efforts undertaken to the production of given outcomes and responsiveness relates to the link between the communication of needs and the capacity to address them (Hilderbrand and Grindle) .Capacity is the ability to carry out stated objectives. Capacity building is a process or activity that improves the ability of a person or entity to carry out stated objectives (LaFond andBrown Goodman 2001). Capacity is the ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably.

Asia Pacific Network (APN) for Global change research supports capacity development activities that enhance existing capacities of developing countries at three levels:

- Individual-based capacity development.
- Group, organization, network-based capacity development.
- Societies, governance, system level capacity development.

APN defines capacity development as a process whereby individuals, groups, communities, organizations, governing bodies and society in general, collectively enhance their awareness and abilities – including knowledge, skills, attitudes and behavior – in order to respond effectively to the challenges of global change and sustainability by mobilizing and using resources, and empowering existing capacity to effectively perform new/existing functions and solve problems.

For the purpose of this research the conceptual Framework for Capacity building framed by APN has been adopted.



(Source: APN - E-lib : <http://www.apn-gcr.org/programmes-and-activities/capable>)

Based on the above conceptual framework the capacity building is to be initiated at three levels – Systems level which includes societies and governance, group level which includes the network of organizations involved in health care and individual i.e. health workforce.

This paper will present the initiatives of capacity building at systems level of Indian health care sector.

• EVOLUTION OF HEALTH SYSTEMS IN INDIA

The roots of traditional health care practices in India have originated from the Veda's and is known and widely practiced as Ayurvedic medicine. In addition Yoga, Unani, Siddha and Homeopathy are also being practiced since the age old times. Under the colonial rule of British, allopathic

system of health care got introduced into India. During the last century this allopathic system of health care got adapted and became a prominent health care practice of India.

CHRONOLOGICAL DEVELOPMENTS IN THE HEALTH SECTOR (1946 - 2002)

The Indian Government made its move since pre-independence days towards building its modern health care system by setting up various Expert committees and Policies which are as follows:

Table 1: List of Expert committees and Policy proposals

• <i>Bhore committee (1946)</i>	• <i>Alma Ata declaration (1978)</i>
• <i>Mudaliar committee (1959)</i>	• <i>National health policy (1983)</i>
• <i>Chadha committee (1963)</i>	• <i>Bajaj Committee (1987)</i>
• <i>Mukherjee committee (1965)</i>	• <i>National population policy (2000)</i>
• <i>Jain Committee (1966)</i>	• <i>Millennium development goal (2000)</i>
• <i>Kartar Singh Committee (1972)</i>	• <i>National health policy (2002)</i>
• <i>Shrivastava Committee (1974)</i>	

The recommendations made by the various committees, policies and commitments have brought in core policy changes in the Health services structure which can be summarized as follows :

- Establishment of Primary health centres for delivering integrated health care services and encouragement of public participation in health programmes. (*Bhore committee, 1946*).
- Performance evaluation of various disease control programs implemented. Induction of various field workers, assistants, medical social workers, surveillance workers as various categories of health work force apart from medical officers and nurses for effective implementation of each program. (*Bhore committee, 1946/Kartar Singh committee, 1972*).
- At the grass root level AWWs and Multipurpose health workers for each program were designated. To create the first link with the community in the health service chain community health workers were selected from villages and trained. (*Kartar Singh committee, 1972*).
- Medical and health education commission was recommended for maintenance of standards in medical and health education and a separate education policy for the same was formulated. (*Shrivastava committee, 1974*)
- Delinking family planning program from malaria eradication program was taken up so as to effectively implement each program separately. Extension of PHC services for specialist and maternity care was recommended. (*Mukherjee committee, 1965*).
- Establishment of health and manpower development and research cells in all states and UTs and strict

adherence to regulation of MCI was made mandatory. (*National health policy, 1983*).

- Holistic approach to nursing profession for its development and education and training for various categories of allied health professions at district level through developed integrated training modules. (*Bajaj committee, 1987*).
- Commitment of “health for all by 2000 AD” and to achieve universal targets of public health issues on international platforms. (*Alma Ata declaration, 1978*).
- Population stabilization and separate health schemes for vulnerable sections were planned. (*National population policy, 2000*).
- Commitment to achieve universal targets, related to health systems, viz., reducing child mortality, improving maternal health, combat critical diseases, and ensuring environmental sustainability. (*Millennium development goals, 2000*).

The overall basic framework and foundation for the public health care system of India can be attributed to the implementation of the guidelines evolved based on these committees/ policies.

To effectively align the *Millennium development goals* and *National health policy*, Government of India has launched the *National Health Mission* in 2005, with an aim to provide accessible, affordable and quality health care to the rural and urban poor, especially the vulnerable groups.

MAPPING CAPACITY THROUGH MEDICAL EDUCATION IN INDIA

Efforts were made from time to time to address the shortages of human resources for health through policies in

Medical education. India has the largest numbers of medical colleges in world with a figure of 356, and out of these, about 162 are government institutions and 194 colleges are run by private management. The opportunities for medical education have expanded rapidly in India, especially in the last two decades. At the time of independence there were 19 medical colleges in the country, with a total of 1200 doctors graduating each year. Current estimates from the Medical Council of India indicate that there are 270 medical colleges with over 28,000 students graduating each year (Rao et al 2011). The expansion of the private sector is particularly notable in the states of Maharashtra, Andhra Pradesh and Karnataka. In Andhra Pradesh, only 13 of the 36 medical colleges are in the public sector, in Karnataka the proportion is even lower with 10 of the 38 medical colleges being run by the Government (Medical Council of India, 2011). The increase in the share of private medical colleges has serious implications for the supply of doctors to work in rural areas as well as the public sector more generally. Medical graduates, who have often taken large loans to finance their education, have a natural and understandable desire to recover this money through working in the comparatively lucrative private sector. In addition to this there are great imbalances in the distribution of medical colleges around the country. The four southern states of AP, Tamil Nadu, Karnataka and Kerala, along with Maharashtra have 58% of all medical colleges in the country, but account for only 31% of the national population. In these states in particular, political interests have invested deeply in medical education, leading to the creation of an entrenched interest group that is difficult to regulate. On the other hand, the poor states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh which have 36% of the Indian population have only 15% of medical colleges between them.

While medical education has been the subject of much discussion and debate in India, nursing education remains deeply neglected. The lack of autonomy of nurses, compounded by the lower social and educational position they occupy vis-a-vis doctors, the influence of the medical profession in setting the agenda as well as poor financing of nursing education by the government are all cited as reasons for this (Rao et al 2011). Indian Nurses are in high demand abroad, and several corporate hospitals have begun training institutes to cater to the foreign market. Attractive salaries and working conditions abroad when contrasted with the poor salary and lack of autonomy that nurses often

encounter in the Indian scenario, is leading to the departure of a large number of nurses from the country.

MAJOR ISSUES OF CAPACITY BUILDING

For the existing health workforce lack of clear Human resource development policy, inadequate training facilities, lack of induction training are the major challenges of capacity building. Other problems like lack of willingness of doctors to service in rural areas, lack of proper records of registered doctors and attractive opportunities in private sector are additional challenges. Apart from this lack of performance monitoring and inadequate attention to the needs of health workforce for capacity building are additional issues.

CONCLUSION

However good a health worker may possess in theoretical knowledge, which may have been acquired from class-room lectures, one cannot render effective services to the public unless and until the practical aspect is considered. Therefore, training is highly essential. Health workforce will do much better if they are acquainted with the cultures of the people for whom services are meant. stress has to be emphasized on programs capacity building. Some incentives and benefits need to be given for health workforce undergoing additional training programs.

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CHALLENGES and ISSUES FACED BY WOMEN ENTREPRENEUR IN BUSINESS START-UP**DR. SUMATHI GOPAL,**

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ABSTRACT

Entrepreneurship is a herculean task for women in India but if carried successfully can inculcate confidence among them and making them more conscious about their rights. Development of women entrepreneurship is very low in India in comparison to developed countries. There are number of obstacles faced by women entrepreneurs during start-up stage and running up of their enterprise. These obstacles need to be addressed so that women can make a significant contribution in sustained economic development and social progress of our country. It is one of the largest sections for capital accumulation. In fact, economic growth is the result of the efforts taken by the entrepreneurs. Similarly, entrepreneurs can dictate the economic growth by their actions and decisions. Now many have begun to realize that for achieving the goal of economic development, it is necessary to promote entrepreneurship both qualitatively and quantitatively in the country. The present study tries to examine the problems faced by women entrepreneurs during start-up stage and running up of their enterprise.

KEYWORDS: Women Entrepreneurship, Finance, Obstacles, Innovation, Risk Taking, skill.

INTRODUCTION

Entrepreneurship amongst women in India is relatively a recent phenomenon. Various programmes are being conducted to improve the status of women, their access to resources and so on. But peripheral interest has been shown in developing a realistic and well-designed plan and programme for promoting women entrepreneurs. Despite the shared characteristics, gender-based differences have been found to influence both business start-up and performance (e.g. Greene et al., 2003; Loscocco and Leicht1993; Lerner and Almor 2002). Finance is life blood of business. So, it becomes necessary for women entrepreneurs to approach to financial institutions when need arises. Researcher made efforts to know the behavior of financial institutions in granting financial assistance to women entrepreneurs. Today, women have not only safely entered into job situations, but have also immersed as professionals and executives in many fields. They have found acceptance in the family as well as society. However, their entry into fiercely competitive business world has a great challenge. Besides, family and social problems they face problems in raising both working capital finance and long-term finance. Rao. 2002, in his study gave higher rank to financial problems followed by marketing, production and social problems.

REVIEW OF LITERATURE

A number of studies have been conducted in India and aboard focusing on problems faced by women entrepreneurs including financial one. In the following paragraphs, a review of studies relating to problems and challenges of women entrepreneurs has been done.

Yadav (1999), while studying women entrepreneurs of Saurashtra region in 1999 found that 50 % women entrepreneurs were managing their business successfully. None of them utilized 100 % production capacity. It was found that education; religion, age and marital status had significant impact on entrepreneurship. 90% of the women responded that it was very difficult to start and manage the business venture as a woman independently

Soundarpandian, (1999) suggested that for entrepreneurship development in India, there was a greater need to emphasize on research relating to process and enhancement of entrepreneurship. The problems of women entrepreneur are listed as, Stiff competition from male entrepreneurs, High price of raw materials required, Financial constraints, Managerial constraints, Technical difficulties, Low ability to bear risks, Low level of favourable family background, Lack of entrepreneurial initiative.

Vatharkar (2012) examined the problems faced by women entrepreneurs in Pune district at various levels in their journey as entrepreneurs and also found the factors motivating these women to become entrepreneur. The study found that women entrepreneurs face lots of problems at start-up as well as operating stage like, role conflict, lack of motivation, lack of finance, maintaining balance between work and family life, discriminating treatment, understanding government rules and regulations, etc. Further, it is noted that these women entrepreneurs are both "willing" as well as "forced" entrepreneurs. For some of them, factor motivating to start their own enterprise is to support family financially,

while for some of them it is the urge to be economically independent

OBJECTIVES OF THE STUDY

1. To analyze problems faced by women entrepreneurs in the establishment and running their enterprises.
2. The objective of this study to discuss attitude of different financial institutions towards women in providing loan to them.
3. To study on the female entrepreneur assisting the financial and allied support to the family through the business

NEED OF THE STUDY

Women plays a multiple role. Some time she has to play the role of wife, mother daughter. Simultaneously she has to

play a multiple role in community. So, in these multiple task women is submerged in her role. So, the study tries to prove that inspite of all the difficulties how a woman starts her business.

LIMITATIONS OF THE STUDY: The Study is based only on the information gathered from entrepreneur in Mumbai city only

METHODOLOGY

Primary Data: Present study was conducted among 40 women entrepreneurs in Mumbai City.

Secondary Data: Through magazine, Articles, News Paper.

Methods Used: Random sampling and simple percentage methods were used to make the study.

DATA ANALYSIS:

Problems faced by Women Entrepreneurs (No of Respondents)

Sr. No	Questions	Yes	No
1.	Difficulty in Obtaining Start-up capital.	30	10
2.	Reluctance of financial institutions in granting credit facilities.	35	05
3	Lack of awareness of financial schemes and facilities.	25	15
4.	Shortage of Finance.	35	05
5.	Economic incredibility of women.	28	12
6.	Lack of collateral security and margin money to secure the money borrowed Type.	33	07
7.	Lack of Marketing skill.	29	11
8.	Lack of Management Skill.	30	10
9.	Requirement of strong Regulator.	34	06
10.	Access to Technology.	28	12

Analysis of the Survey Conducted

FINDINGS OF THE STUDY:

Barriers faced by in start-up of the business

- **Self-Generating Finance:**

The majority of women business owners have had to rely to a significant extent on self-generated finance during the start-up period of their business. Bank loans and grants have only been used in a minority of cases and have usually been accompanied by some form of self-generated finance. At the same time, with a few exceptions, administrative and regulatory barriers more significant for female owned businesses than for male owned firms of a similar size.

- **Lack of Management and Skill:**

Women entrepreneurs lacked management skills to a greater extent than small businesses in general, perhaps because of

their lower propensity to have had previous business experience.

- **Marketing Skill**

A lack of sales and marketing skills was the most commonly reported problem faced by female Entrepreneurs.

- **Technology:**

The lack of computer knowledge of employees is a major problem as computer skills are a key part of the business.

- **Lack of Financial Institution support**

Majority of the entrepreneur was of the opinion that due to lack of collateral security financial institution are reluctant to provide loans to the start-up business.

- **Economic incredibility of women**

In Indian society, male members of the family held maximum property to their name and women relatively have a very less property and bank balance to their name. So, women face difficulty in getting credit facilities from financial institutions and banks due to absence of tangible security.

- **Short of Finance**

It has been found that banks, financial institutions generally do not come forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failures.

- **Reluctance of Financial Institution Granting Credit**

Respondents are not able to get full benefits of various financial schemes and facilities available to them due to problem of lack of awareness about the various financial schemes and facilities.

- **Lack of Awareness of Scheme:**

Information that various schemes offered by government, public sector banks and other financial institutions are not availed by the deserving women entrepreneurs.

SUGGESTIONS

- Women entrepreneurs also explored their perceptions of the types of support that might be most helpful for them in addressing the issues and problems that they are facing.
- **Financial Aspects:** Special schemes should be implemented whereby women can get bank loans at decent conditions.
- **Childcare:** More childcare facilities should be provided to fit women entrepreneurs' needs. This would entail extended opening hours or flexible opening hours according to the woman entrepreneur's needs. Alternatively, measures should be taken for fathers to be in the position to take parental leave, and men should be encouraged to take the leave.
- **Household:** It should be made easier for women entrepreneurs to get help for their households, and initiatives like the "cheques services" implemented by the Belgian government should be copied. This system would alleviate the work load of the female entrepreneurs and at the same time decrease the number of unemployed persons.
- **Working time:** Self-employed women should be encouraged to employ on a part-time or full-time basis at least one person so that they have more time for their family and can take interest in other occupations, actively participate in decision-making bodies.

- Training, advice or consultancy targeted solely or mainly at women entrepreneurs.
- Start-up programmes for women, particularly those returning to the labour market.
- Special targeting of women in general campaigns to boost levels of entrepreneurship.
- Equal opportunities policies aiming for equal access for women to services.
- Need to have network with other firms to generate business and access informal advice.
- Encouraging and assisting relevant business support initiatives.
- Wild Women Entrepreneurs (Wild WE), the leading networking organization for women entrepreneurs, announced today that the organization has entered into a partnership with Ready Talk to help area women enhance their professional development without restrictions. It is also found that compared to men, women were less concerned with making money and often choose business proprietorship as a result of career dissatisfaction. Secondly, women find entrepreneurship as a tool of meeting their career needs and childcare role.

CONCLUSIONS

In most countries, regions and sectors, the majority of business owner/managers are male (from 65% to 75%). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business. Women are working in this multifaceted world. The organization scenario changes like a kaleidoscope with every responsibility, accountability and multiple pulls and pushes, which women have faced and came out with success. In addition, rates of self-employment among women are increasing in several countries. Although there are no official statistics relating businesses to the gender of their owner/manager, there is a good deal of evidence to suggest a significant increase in female entrepreneurship. One consequence of this is that women are a relatively new group of entrepreneurs compared with men, which means that they are more likely to run younger businesses. This in turn has some implications for the problems they face and their ability to deal with them.

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CSR IN EDUCATION: A CASE STUDY OF TATASTEEL LTD**Co-Authored by:****Mona Goel**

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ABSTRACT

Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stake. The Companies Act has made mandatory for big corporate houses to undertake CSR activities and has specified education as an eligible activity for contribution towards CSR. The companies recognize education as one of the building blocks of any nation and are considering it as a priority area for its CSR activities. Tata Steel Ltd is one of them which are unofficially enrolled in these activities from as back as 1907 but official they adopted it in 2014. They are active in various areas like Jharkhand, Odisha, West Bengal, Chatttigarh. They have implemented various CSR programmes in Educational sector amounting to INR 29.93 Cr. These programmes is not only nurturing young minds and educating them, but also benefiting the communities they are operating in by increasing their literacy levels, and thereby contribute towards the nation's development. A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

KEYWORDS: Corporate Social Responsibility (CSR), education, learning, Tata Steel Ltd, training.

INTRODUCTION

The education sector in India has developed substantially since Independence. With the advent of the Millennium Development Goals (MDGs), significant attention has been given to achieving the goal of Universal Primary Education, at the center of which lies Universal Primary Enrollment. The Sarva Shiksha Abhiyaan (SSA) and the Right to Education Act (RTE) were India's responses to this commitment. While these interventions have encouraged increased enrolment rates, considerable issues concerning the quality of

education, competency, and lack of accountability, irrelevant curriculum and pedagogy have risen, and these challenges have serious consequences on the growth and development potential of our country. Learning outcomes are evidently dispersed between high and low-income schools, leading to massive inequality in the education sector. Annual Status of Education Report (ASER) has shown that learning outcomes in rural India have declined even after the implementation of the Right to Education Act. The magnitude and scale of these challenges, therefore, require intensive efforts and funds

from varied sources, other than the government of India. This gap in the current education system can be scaled down by using support from companies through CSR.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is becoming an increasingly important activity to businesses nationally and internationally. It ensures the success of a business by the inclusion of social and environmental considerations into a company's operations as a positive contribution to society. The success of a company can be made possible only when the interests of all involved stakeholders are met. One of the most important stakeholders in this system is the society in which the company operates. Over the past few decades, there has been an increasing interest and emphasis on the concept of CSR in the society.

In order to promote economic and industrial development in a country, the essential requirement is the capacity to develop skilled manpower of good quality in adequate number. In recent years they understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. Companies have determined that their impact on the economic, social and environmental landscape directly affects their relationships with stakeholders.

Further, with the passage of much awaited Companies Act, India has become one of the few countries in the world to have a statutory provision on Corporate Social Responsibility (CSR). Schedule VII, Clause 135 of the Companies Act, 2013 (CII, 2013 says " The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities". The Act specifies education as an eligible activity for contribution towards CSR. Among the top 100 companies, education and health are the two main focus areas for their CSR activities, with 87 firms implementing interventions in education and 80 firms in health thus illustrating that Indian companies may already be supporting the cause of CSR.

OBJECTIVES OF THE STUDY

1. To highlight the status of Indian education and companies approach to promotion of Indian education.
2. To analyze Corporate Social Responsibility in educational sector.
3. To investigate various educational activities performed by Tata Steel Ltd through their CSR plans.

CSR IN EDUCATIONAL SECTOR

The business organizations recognize education as one of the building blocks of any nation and consider it as a priority area for its CSR activities. Their aim is to nurture young minds and educate them, to benefit the communities they are

operating in by increasing their literacy levels, and thereby contribute towards the nation's development. The various initiatives taken by various corporate houses in India are:

1. Reliance Industries Ltd

Reliance seeks to provide quality education, training and skill enhancement to improve the quality of living and livelihood. The Company focuses on promoting primary and secondary education, enabling higher education through scholarships, promoting higher education through setting up and supporting universities and skill development through vocational training. The company has spent INR 215 Cr on these programmes:

(a) Dhirubhai Ambani Scholarship Programme (DAS)

This programme aims to provide opportunities to the youth and empowering them towards becoming future leaders.

(b) Reliance Dhirubhai Ambani Protsaham Scheme

This Scheme supports financially poor and meritorious students (Class X pass-outs).

(c) Education for Specially-Abled Children

Reliance has set up an Early Intervention and Rehabilitation Centre in Thallarevu, Andhra Pradesh to facilitate and enhance the development process of children with speech and hearing impairment.

Estimated Impact:

687 meritorious students were given scholarships to pursue higher studies (over 12,000 since inception). Quality education was provided to 85,000 students through six 'Education for All' NGOs (70,000 students and 13 Reliance Foundation Schools (15,000 students). Student from marginalized communities got access to better education and skill development.

2. WiproLtd

Wipro has supported and enabled more than 25000 students to graduate from the WASE and WISTA programs with an MS degree in Software Engineering. During 2015-16, the total number of new entrants into the two programs was 1810 while the aggregate strength across four years was 13805. The company has spent INR 108.13 Cr on these initiatives.

(a) Wipro Academy of Software Excellence program (WASE)

This program helps Science graduates to study for a Master's degree in Software Engineering (M. Tech) run in partnership with the Birla Institute of Technology and Science (BITS), Pilani, India.

(b) WISTA

This is a program run in collaboration with Vellore Institute of Technology (VIT) for science graduates without a mathematics background.

(c) Mission10X

Mission10X is a not-for-profit initiative towards enhancing the employability skills of engineering students by building capacity of engineering education infrastructure. The first phase of Mission10X focused on training teachers on pedagogy while the second phase has focused on "SMALLER and DEEPER Engagement" philosophy where a set of selected Engineering colleges have been given a deeper educational interventions.

Estimated Impact:

- Wipro Applying Thought in Schools supported 113 projects so far and associated with 69 organizations at different levels.
- Wipro-earthian (Sustainability programme for school and college) benefited of over 3,000 schools and colleges.
- More than 250 selected teachers go through an intensive 2 year program in building improved teaching competencies as part of Wipro Science Education Fellowship.

3. Bajaj Auto Ltd.

Bajaj auto spent a part of their CSR funds on Up gradation and construction building in educational sector. More than 20 activities were conducted by Bajaj auto in educational sector. The company has spent INR 75.84 Cr on these initiatives in Maharashtra state.

Few of major activities are enlisted here,

- (a) Up gradation of the Mechanical Engineering building (College of Engineering, Pune).
- (b) Expanded the Pune Public School building by 8 classrooms.
- (c) Constructed administrative building for Nagpur University.
- (d) Upgraded the schools in PCMC area (Pune)
- (e) Constructed building for school, research laboratory and Library at Aurangabad Police Public School.

Estimated Impact:

Improved the poor condition and infrastructure of educational institutes.

4. Samsung India Electronics Pvt. Ltd.

Samsung India is at the forefront of empowering India's youth with education through technology. The company has spent INR 50.51 Cr on various projects undertaken by them. These projects are:

(a) Smart Class

Samsung Smart Class present in Navodaya Vidyalaya across rural India. Each Samsung Smart Class consists of the latest audio-visual tools, like Samsung Tablets (41 tabs per class), interactive smart board, printer and other devices.

These latest technology tools help students to learn complicated concepts easily.

(b) Samsung Technical School

Industrial Training Institute at Patna, Jaipur, Cochin.

(c) Digital Academy

Samsung Digital Academy, offers young students a skill development course based on the Tizen OS platform. The location of Samsung digital academies is at IITs at Delhi, Kanpur and Hyderabad.

Estimated Impact:

Samsung smart class reached 398 Jawahar Navodaya Vidyalaya across rural India and more than 2 lakh students has been introduced to modern learning through this initiative.

5. Infosys Ltd

Infosys Foundation is focusing on providing a helping hand to distant schools, Nurturing higher education, and Building better and learned India. The amount spent by the company in this regard is INR 43.6 Cr.

In 2015, Infosys foundation renovated seven schools in Arunachal Pradesh and two schools in Assam. Infosys foundation has partnered with number of academic institution across India to institute chair professorship. For supporting higher education Infosys launched TFI fellowship.

Estimated Impact:

- Renovation of school directly benefited at least 3000 students and staff.
- Under the objective of promote excellence foundation has instituted 11 chairs across eight academic institute
- TFI fellowship programme for higher education benefitted more than 1000 students.

6. Mahindra and Mahindra Ltd.

Mahindra and Mahindra implemented number of CSR projects in education sector spending over INR 33.41 Cr on these projects. Projects are like:

(a) MAHINDRA Scholarships for UWC students

Supporting 28 English medium MCGM schools from KG to 7th Grade and providing Quality education to underprivileged children.

(b) Research projects of the Indian Council on Global Relations**(c) Mahindra Saarthi Abhiyaan:**

Undergraduate engineering students are provided with a platform in the form of a project that allows hands on experience in all aspects of automobile engineering.

Estimated Impact:

- Provided Education To Population From Socially And Economically Disadvantaged Communities.
- Provided A Variety Of Scholarship Programs, Which Range From Providing Opportunities To Low Income Group Families.

7. Tata Steel Ltd.

Various CSR project implemented from elementary school education to the high school level with an aim of equitable and quality education. Tata granted two fellowships viz., the **Jyoti Fellowship and Moodie Fellowship** to over 2,800 meritorious SC/ST Students from economically-challenged families in Jharkhand and Odisha.

The Tata Steel Scholars initiative helped 83 bright SC/ST students from low-income families to realise their academic dreams. Tata's preparatory coaching initiative has helped nearly 5,500 underprivileged school students in classes 8, 9 and 10 to hone their skills in subjects like English, Mathematics and Science. Amount spent by Tata Group in this regard is INR 29.93 Cr.

Estimated Impact:

- 1,960 children brought back to schooling through Bridge Courses, another 4,547 children brought back through direct enrolment (Total 6,507 students were benefited).
- Learning Enrichment Programme (LEP)- LEP set-up in 150 schools, school libraries set-up in 400 schools.
- Training of School Management Committee (SMC) – provided SMC training to 733 SMCs, covering 4,252 SMC members.

8. ITC Ltd.

ITC's Primary Education Programme addressed the lack of quality primary education in rural communities. Aiming to strengthen the government primary schools' vast network by stemming drop-outs, increasing enrolments and improving learning outcomes, the Programme puts in place mutually reinforcing interventions that are coordinated to support a move towards child friendly schools. Primary schools were provided infrastructure support comprising boundary walls, additional classrooms, sanitation units, and furniture. And INR 23.25 Cr amount is spent by the organization in this regard.

Estimated Impact:

The programme covered 45,823 children while 164 government primary schools were provided infrastructure support. This takes the total number of children covered under the programme to date to 4.60 lakhs while a cumulative total of primary schools supported stands at 1,322.

9. Adani Ports and Special Economic Zone

Adani Foundation believes that Education represents the stepping stone to improve the quality of life, especially for

the poor and the vulnerable. The ideology is "To transform Lives through the continuous enhancement of knowledge and empowerment". Amount spent by the company on the various initiatives undertaken is INR 21.94 Cr.

Company provided "Free of Cost" quality education to the deserving young minds coming from the weaker economic backgrounds. DPCL DAV Public School, Dhamra supported by Adani Foundation is providing quality English medium education at a subsidized cost to nearly 300 students from the periphery villages.

Estimated Impact:

- Project Udaan, an inspirational exposure tour has benefitted 7,869 students.
- Company has initiated and implemented several other educational programmes benefitting nearly 9,940 students.
- Total of 7,827 students from 27 schools completed the M-KEN project successfully.
- The career guidance programme, Disha, benefited 2,797 students from 21 government schools of Mundra (Gujarat) and 131 students from three high schools in Tiroda (Maharashtra).

10. Jindal Steel and Power Ltd.

Realising the importance and relevance of education, a number of initiatives have been undertaken in this respect like establishing a global university (**Jindal Global University**), specialised institutes and schools. This all involved spending INR 12.01 Cr approximately.

Estimated Impact:

The company is running co-educational schools at Raigarh, Nalwa and Tamnar in Chhattisgarh, Angul in Odisha and Patratu in Jharkhand, where quality education is being imparted to over 10,000 students.

A CASE STUDY OF TATA STEEL LTD

Tata Group is amongst the top 10 corporate houses volunteering community development programmes in the world. The Tata culture of "giving back" flows from the tradition of nation and community building sowed more than a century back by Jamsetji Tata, the Founder of the group. Tata companies are involved in a wide variety of community development and environment preservation projects. The Tata group's social activities relate to health, primary education, skills training and entrepreneurship, livelihoods, women empowerment and strengthening services for the differently-abled.

CSR has been practiced by Tata Steel Ltd since as early as 1907. But officially the Board of Directors (Board) adopted

the CSR Policy on September 17, 2014 as a mandatory activity under the Companies Act. The Company's CSR policy is in alignment with the Tata Group focus initiatives – Education, Health, Livelihood, Rural and Urban infrastructure. Besides, it also undertakes interventions in the areas of sports, disaster relief, environment and ethnicity all aimed at improving the quality of life of the communities.

The Company has composed a CSR Committee and also set up a CSR Advisory Council. The council comprises 12 members, all of whom are eminent personalities from academia and the development sector. The members of the Advisory Council, with their years of experience and multi-functional expertise, provide macro policy-level inputs to the CSR Committee and guide the Company's approach towards CSR.

TATA STEEL LTD and ITS CSR COLLABORATIVE PARTNERS

The Company undertakes the CSR activities either directly or in collaboration with the following delivery arms:

Tata Steel Rural Development Society (TSRDS), a registered society under Societies Registration Act, 1860. The principal aim and objective of the society is to undertake, promote, sponsor, assist or aid directly any activity/project/programme for the promotion and growth of the rural economy, rural welfare, socio-economic development and upliftment of the people in rural areas.

Tribal Cultural Society (TCS), a registered society under Societies Registration Act, 1860. The main objective of the society is to promote and undertake cultural activities, cultural education and training of the various tribes.

Tata Steel Skill Development Society (TSSDS), a registered society under Societies Registration Act, 1860. The main aim and object of the society is to provide facilities for technical and other skill enhancement trainings within the nation.

Tata Steel Family Initiatives Foundation (TSFIF), a registered trust under Indian Trusts Act, 1882. The objective of the trust is to undertake projects/programmes on reproductive health, prevention of drug or alcohol addiction and empowerment of women through literacy and income generation.

Tata companies work towards empowering people by helping them develop the skills they need to succeed in a global economy, which is now consolidated into a group CSR programme called Tata STRIVE. The group equips communities with information, technology and the capacity to achieve improved health, education and livelihood outcomes. It also works towards enabling other living things on the planet get their fair share of the resources.

CSR INITIATIVES IN EDUCATION ADOPTED BY TATA STEEL LTD.

The various CSR Initiatives adopted by Tata Steel Ltd in Education Sector are:

- Make adults functionally literate.
- Assist meritorious students from SC/ST through scholarships.
- Provide infrastructure and other support to schools.
- Distribution of Mid-Day meals to students in Government Schools.
- Coaching support to students.
- Help improving quality of education for primary school students (1000 school project).
- Support SC/ST students in continuing their education in Ashram School / Boarding school.
- Primary Learning, Spoken English and Soft Skills Development, ICT intervention and Newspaper Reading Programme.
- Residential school for tribals.
- Organizing leadership and motivational camps.

TATA CSR PROGRAMMES IN EDUCATION SECTOR

Some key programmes launched by Tata companies in various parts of the India:

1. Making Adults Literate

Tata Consultancy Services (TCS) came up with in 2000, when they first experimented with the **Computer Based Functional Literacy (CBFL)** programme in Beeramguda village in Medak district of Andhra Pradesh. CBFL is a multimedia-oriented software package, an e-learning system for helping adult illiterates who speak the language to learn the skills of the 3 Rs — reading, writing and arithmetic.

CBFL is currently available in nine languages — Hindi, Marathi, Gujarati, Tamil, Oriya, Kannada, Urdu, Bengali and Telugu. In India the programme has till date helped over 175,000 adult illiterates. While CBFL initially focused on the most basic of the 3 Rs — reading — the second-generation version incorporates all three elements and is available in eight of the nine Indian languages served.

2. Tackling Learning Disabilities

In 2002, **Tata Interactive Systems (TIS)** took up support of the LD community as part of its corporate sustainability programme, supporting various means to ensure that students with LD get their rightful place in the educational system and rediscover the joys of learning.

TIS began this programme in Mumbai, by extending support to the LTMG Hospital at Sion (a Mumbai suburb), the only approved LD certification clinic in Maharashtra, through funding and strengthening of infrastructure. Later, the

company established the annual **Tata Learning Disability Forum (TLDF)**, the first platform in India for creating awareness about LD in children and sharing and learning from reputed international and Indian LD experts.

The TLDF efforts have significantly increased the level of awareness and sensitivity towards students with LD and of the various best practices in detecting LD and remedial education techniques. The company has sponsored and supported research studies of LD-affected students.

3. Excellence In Education

The **Tata Steel Education Excellence Programme (TEEP)** was conceived by B Muthuraman, then MD and currently vice chairman of the company in 2010, with the objective of improving the quality of education, and to create a culture of excellence and nurture the citizens of tomorrow. Forty schools currently benefit from this programme, covering 2,500 teachers and 100,000 students from the ICSE, CBSE and other examination boards.

The programme emphasises growth with equity and encourages schools to promote the concept of quality and performance excellence in all their activities, including teaching and learning methods. Awards are given in several categories to recognise schools which have reached a commendable level of performance on the education excellence framework. This helps schools to enhance their management systems and processes in the areas of leadership, strategy planning, student and stakeholder focus, information and knowledge management, teacher and staff focus, educational processes, etc.

Education Quality Improvement Project (EQUIP) — was introduced in 2010 to focus on the core value of 'Management by Fact'. Team-based EQUIPs involve the participation of teachers and students. Projects are classified into three categories: improvement through problem solving, where the emphasis is on diagnosis of the problem and remedial action; improvement through executing a task, where the solution to the problem is known and the emphasis is on approaches used by the team; and improvement through innovation.

In all, 50 EQUIPs were submitted by 20 schools in the year it was introduced. Within a year, EQUIP has already made an impact: four of its projects were recognised during the TEEP Award Function in February 2011.

CONCLUSION

There is strong desire to change the current state of education in India and the need to restructure the education system at all the levels i.e. elementary, secondary and higher education level. This is possible when the corporates also perform their responsibilities towards society. They are also

the consumers/users of trained/skilled manpower produced by the universities. In order to reap concrete benefits they must help these universities /colleges/schools to produce such skilled and trained manpower by providing funds for research and development, organizing various workshops, training and development programs, cross over exchange programs, infrastructural support and last but not least providing facilities for qualitative education that quantitative.

These programmes are not only nurturing young minds and educating them, but also benefiting the communities they are operating in by increasing their literacy levels, and thereby contribute towards the nation's development. Also a properly implemented CSR concept can bring along a variety of competitive advantages, to the corporates such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes. The role of CSR in education is thus mitigating the skills gap with considerable experimentation, and learning-by-doing along the way. In this process, the affected individuals, companies, and society at large are likely to benefit from this.

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DEMONETIZATION AND ITS IMPACT ON INDIAN ECONOMY WITH REFERENCE TO REAL ESTATE SECTOR

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ABSTRACT

On November 8, India's Prime Minister Narendra Modi announced a dramatic demonetization exercise that rendered all ₹500 and ₹1000 notes void starting November 9, with the objective of curbing black money, corruption, counterfeit notes, and the financing of terrorism – all of which has leveraged these larger currency notes. Indian Housing sector which contributes to 5-6% of country's GDP has always been considered to be the prodigy of black money. The purpose of the demonetization as an exercise was to clean up the system, and that is how it perpetually got connected with real estate.

The Indian real estate sector has been facing significant challenges in the past few years in terms of sales and overall growth. With a lot of measures, the sector was clearly pointing towards a slow and gradual, but sure recovery. Demonetisation brought a lot of confusion and uncertainty when it came to the realty sector. No doubt, everyone was affected by this deep-seated measure, and initially, all possible economic activities slowed down to a large extent and real estate sector is no exception. The present study covers the impact of demonetization (2016) on the real estate sector in the Indian economy.

KEYWORDS: *Demonetization, Impact, Indian Economy, Real Estate Sector.*

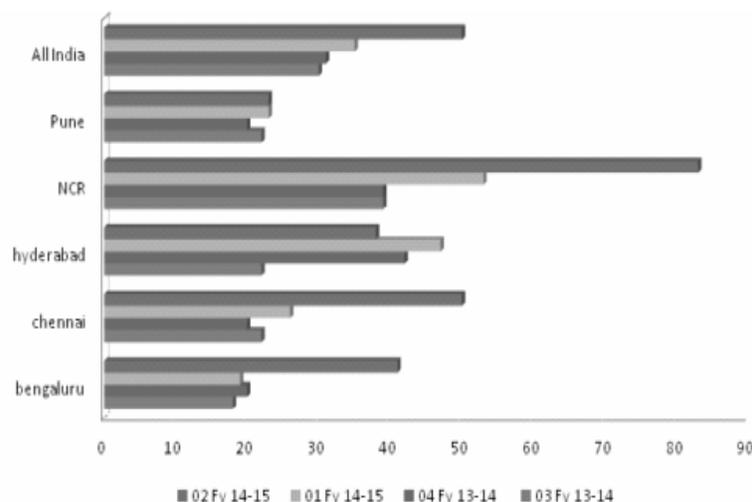
INTRODUCTION:

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third

among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The real estate market has been undergoing changes due to recent policies of the government and other initiatives. The move of demonetisation which involved currency ban was initiated by the current Government. With the introduction of demonetisation, the real estate sector was shaken up due to high involvement of cash transactions. This move would bring down the property prices and assuage distant dream of owning a home for many city inhabitants (Dhonarkar, 2016).

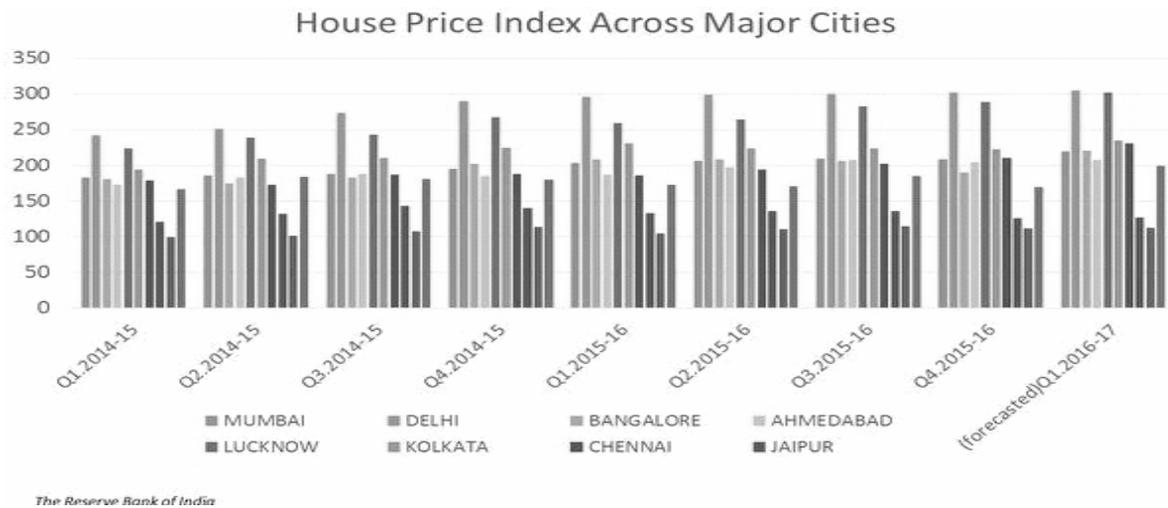
Graph – 1 - Inventory pileup due to demonetisation in the real estate sector of India



Source: Business Today

Real estate, an overall contributor of 9 percent to India's GDP, and one of the most capital-intensive sectors in India, has been the first point of apprehension for investors and consumers across the world, when demonetization was implemented.

Graph – 2 – House Price Index across Major Cities



Source: Reserve Bank of India

An important objective of demonetization was to reduce the circulation and hoarding of black money. This does not seem the problem with mid-range, affordable residential properties in metro cities. Residential properties that deliver value for money, and those that have always conducted integral and accountable financial transactions in sales, would not be affected. Values of high-end (market price of INR 2 crore, and above) residential properties in non-metro cities and towns would be affected because of large cash transactions. Sufficing to say that as long as transactions are done in transparently, property values would not be affected and primary sales of such residential properties will definitely not be upset.

REVIEW OF LITERATURE:

Radhakrishnan, Selvan & Senthil Kumar (2017): The researchers pointed out that the liquidity crunch hit real estate from all sides, even the supply. Construction firms which dealt in cash until then suddenly found themselves unable to meet their operational expenses like wages and raw materials. Wages were until then paid only in cash as most construction workers did not have a bank account. The reform removed cash entirely from the system, therefore constructors also could not meet their expenses. Also they were reluctant to borrow money due to uncertainty in the market. Consequently, most of the under-constructions projects came to a standstill.

Mukherjee et al. (2016): The impact of the government move for demonetization on the credit availability, government finances, spending and levels of various activities have been examined in the study. The researchers stated that in a very short period there would be more serious effect on persons earning income in cash as well as spending in cash while impact will be up to a lesser extent on those earnings in non-cash form but spending in cash. Each sector backing demand by cash along with the real sector especially the unorganized one will much adversely affected in very short run time.

Mohd. (2016): studied about the significance as well as challenges of demonetization of currency notes. The researcher resolved through the study that no doubt this move was going to disturb the routine life of 'Aam Aadmi' (common man of India) influencing largely the unorganized sector including organized sector up to a limited extent but the real consequences of move will have bigger implications on the Indian economy as a whole in the long run.

Sunita (2014): in her research study attempted to get insight about the reasons as well as measures adopted by the government on demonetization that was implemented in Indian context. She concluded that the enhancing trade deficit, 1965's war between India and Pakistan, gulf war, political as well as economic stability, dwindling foreign exchange reserves, withdrawn of FII's (Foreign Institutional Investors) and strengthen of dollar were the key reasons behind the move for demonetization by the government in India.

OBJECTIVES OF THE STUDY:

- To study the onset of demonetization in India.
- To evaluate the impact of demonetization on Indian Economy.
- To analyse the impact of demonetization on real estate sector in India.

SCOPE OF THE STUDY:

The study covers the impact of demonetization on the real estate sector in Indian economy.

METHODOLOGY:

The study is descriptive based on the information collected through the secondary sources such as books, articles, websites etc.

FINDINGS:

- (1) The Onset of Demonetization in India (2016):** The aim behind the government's exercise of demonetization was to combat tax cheating, counterfeiting and corruption. Eliminating large denominations makes it harder to hide large amounts of cash. Modi noted that the move complements the country's swachh bharaat abhiyan (Clean India campaign). However the 'demon' in the demonetization started surfacing. India is a cash economy; almost everyone keeps a few Rs500 notes as a nest egg. Lines began forming in front of ATMs and banks which could exchange old notes for new. A mere exchange — a new ₹ 500 for an old ₹ 500 — was not enough; there was also a limit imposed on how much one could exchange or withdraw from their accounts. In some cases, there were altercations as people waited for hours. Gas pumps and hospitals which were allowed to accept old notes saw a boom in business. People also wanted smaller currency notes to serve their daily needs. India's massive informal economic sector (comprising of domestic help, contract labourers, daily wage workers, farmers, fishermen, micro entrepreneurs, etc.) that runs almost entirely on cash could very well come to a halt if the cash crunch situation is not tackled in the next few days. These groups of people typically do not have a formal bank account or adequate identification documents. Cash is their only means of receiving income and making payments. This overnight mandate creates a huge disruption for their work and daily lives, potentially preventing them from performing any transaction for days on end, and might have severe adverse impacts on their livelihoods and well-being.
- (2) The impact of demonetization on Indian Economy:** The immensely clever move of declaring ₹ 1000 and ₹ 500 denomination currency notes to curb the nuisance of black money, corruption, counterfeit currency and economic terrorism is commendable and far sighted and

bears a host of political and economic benefits in the long run. The immediate effect was an utter chaos. 86% of the economy became non-operational as an immediate outcome post announcement at midnight. The move has caused undulating effects in many sectors leaving them crippled due to unanticipated liquidity crunch. The drive impacted both organised and unorganised sectors as well as the overall economic fabric of the nation. Other sectors likely to feel backlash of demonetisation were infra, construction and real estate. Indian commerce and retailers have a propensity towards transacting in cash. With demonetisation they became cash strapped and consequently revenue, employment, consumption and investment have all taken a hard hit.

(3) Impact of demonetization on real estate sector in India:

The real estate sector will definitely be affected by the demonetization exercise, as it has traditionally seen a very high involvement of black money and cash transactions. However, almost all such incidences have been in the secondary sales market, where cash components have traditionally been a veritable 'must'. In other words, the resale properties segment will take a big hit. However, short-term pain is inevitable when we look for any eventual long-term cure for the disease. The luxury and high-end segments of residential real estate will also see a major impact from this exercise, since it is another area which has seen a lot of payments done in cash.

The legal banking/financing channels have accounted for only a small part of all transactions in this space. The demonetization move is likely to result in luxury property prices dipping by as much as 25-30% as sellers struggle to offload properties to generate liquidity. This means that luxury home buyers will suddenly have much wider bandwidth of options to choose.

With black money suddenly being wiped out of the market, a lot of investors who have been investing in projects with unaccounted-for money - and raising prices to book profits - will be eliminated from the system, thereby aiding a much-needed correction. Demonetization is expected to dampen demand and negatively impact prices in the real estate sector due to the following factors:

- **Lower liquidity likely to impact demand, construction progress and secondary market transactions:**

The construction progress is likely to get hindered as buyers of under-construction properties, who pay in instalments or stage payments to builders as per contractual Builder Buyer Agreements, may now have lower liquidity leading to lower collections by developers. This impact will be greater for small and marginal

developers rather than large developers who have access to multiple financing sources.

- **Expected decline in prices:**

Selling an existing property and using the proceeds of the sale at prevailing prices to buy a new property often supported the property prices. Such transactions had two components- one, the legitimate part where stamp duty was paid and second, the 'cash' component which constitutes 35-40% of the transaction value and does not entail any taxes or stamp duty. The Centre's move to curb black money has restricted liquidity and will thus have two implications- one, the price support from the 'cash' component will no longer be there and prices will drop. Two, since the tax proceeds will now be charged on the entire transaction value, instead of the 60-65% value charged earlier, the post-tax receipt with the seller will be lower. Hence the seller will then offer a lower price for his purchases.

- **Lower land deals in short and medium term:**

There will be fewer land deals in the interim period before all the transactions enter the formal system. Once they do enter the formal system, the developers will bear the transaction costs which will impact their profitability margins as an increase in real estate prices would not be possible. Property prices are headed for a drop by at least 10-15% due to demonetization stated the agency. It expects that the increased liquidity in the banking system will attract genuine buyers to invest in property. In the long term, demonetization along with implementation of Real Estate Regulation Act and single-window clearance system will be positive for the sector leading to higher transparency and investor's confidence.

CONCLUSION:

In the past one year, there have been a few positive and potentially long-lasting changes in the Indian real estate. The passing of RERA (Real Estate Regulation and Development Act 2016), the Benami Transactions Act and now the demonetization move will ensure that going forward; the sector will lose much of its historic taint and become more transparent. Only players who conduct their business with integrity will survive. This promises well for end-users, who will be aware of their rights, have the assurance of not being cheated and will no longer need to contend with constantly rising prices. They will be able to buy properties of their choice at affordable prices, in projects which will assuredly be delivered on time. The demonetization exercise was a very necessary step which was bound to bring with it a tremendous reform wherever black money has played a major role. Over the long term, the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth. As of now, there is no reason for developers and investors who have conducted their dealings transparently and legally to panic. It will essentially be business as usual for them.

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HUMAN RESOURCE MANAGEMENT IN EDUCATION: ISSUES AND CHALLENGES**Research Scholar – Rinkesh Chheda**

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ABSTRACT

The function of human resource management in education includes staff maintenance, staff relations, staff development, procurement of staff and job performance reward. The challenges of human resource management include poor working condition, problem of staffing, funding, incessant transfer of teacher among others. With the change in competitive market environment, the role of HR in organizations is evolving and it plays a strategic role in the success of an organization. Employee commitment, productivity and retention issues are emerging as the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, corporate restructuring efforts and tight competition for key talent. Education should be made attractive by creating a conducive atmosphere for teachers. More government attention is needed for education sector through improved function as education remains the basis for the progress of all other sectors of the society. A united salary structure should be made for all categories of teachers within the education sectors

Human Capital is the greatest asset of any organization and the organization makes an obvious effort in getting people with different background, skills and abilities to work toward the goal or purpose of the organization. Diversity of experiences, cultures, opinions, physical attributes and group identities are highly valued and appreciated as it provides a richness without which the organization could neither be faithful to its values nor successfully achieve its goals.

KEYWORDS: Educational Institutions, Human Resource Management, Motivation, Productivity, Retention.

INTRODUCTION:

Human resource management can be seen as the design of formal systems in an organization to ensure effective and efficient use of human talents to accomplish organizational goals. Griffin (1997), defined human resource management as the set of organizational activities directed at attracting, developing and maintaining an effective workforce. Human resource management concerns the procurement or recruitment, staffing, welfare, maintenance, training and retraining, placement, promotion, motivation relationship, compensation or rewards, transfer and discipline of staff. It lies at the care of the efficiency of the organization. Human resource management is a basic function of management that determines the performance of staff in any organization. This simple implies that when staff in the education systems are adequately recruited, selected and supervised, inducted and adequately rewarded, and provided for, properly developed, appraised and promoted on the job, they will be committed to the job; remain dedicated and productive in the education systems. This can simply be put that it is the co-ordination of the activities and efforts of the workers in educational organization so that educational goals are achieved. Hence, human resource management in education is the process of motivating workers to maximize their

performance in order to obtain maximum output starting from the day they are recruited

The HR professional functions most effectively when he or she is part of the leadership team at all levels, focusing on business priorities, rather than just personal issues. When this is working, the entire enterprise sees the importance of people and the HR professional becomes a contributor at a much higher level and with much greater influence. The recruitment and retention of employees is an expensive, time-consuming task. The importance of top-performer retention is a topic that consistently leads in HR and business surveys alike.

Every educational system at every level depends heavily on the human resources for execution of its programme. Nwakaand Ofojebe (2010) stated that teachers are the critical resources for effective implementation and realization of the educational policies and objectives at the practical level of classroom. It is the teacher who ultimately interprets and implements policy as represented in the school curriculum, which is designed to actualize educational goals (Omojunwa, 2007).

Maintaining and improving educational standards is only possible through teachers. Teachers therefore are the most indispensable entity in the school. They are the greatest aid

to learning. The shortage or poor management of teachers reduces the extent to which the curriculum can be delivered effectively. It should be noted that the major premise of human resources management in education is that the end results of the educative process will be determined by the effectiveness of the teachers who facilitate learning for self-actualization and national development

OBJECTIVES OF THE STUDY:

Business Environment deals with two types of environment: Internal Environment and External Environment. The internal environment includes activities happening within the boundaries of the organization i.e. SWOT and the external environment deal with PESTLE i.e. Political, Economic, Social, Technological, Technological, Legal and Environmental. Employees are the assets of the organization, where in they are the brand ambassador for the company whereby they make a brand or break the brand for the company.

The basic objective of this paper is;

- To continuously train and motivate teachers for the change happening in the internal and external environment of the educational institutions
- To highlight the productivity of teachers by giving them the right platform for functioning for maintaining the balance between the students and them
- To empower and motivate the teachers both monetary and non-monetary benefits so that the employees get retained in the organization.

LITERATURE SURVEY:

Currently, organizations have to keep on changing in order to remain competitive and have competitive advantage as they are operating in an environment that is fast paced and changing continuously (**Biedebacha and Spimlderholma, 2008**). Improvement in employee performance can help boost the production and increase sales of an organization.

Dowling and Welch (2004) postulates that growth in mergers, acquisition and alliances, organizational restructuring, global competition and rapidly changing technology are the accepted forces of change. Organizations that want to go global are likely to seek Human Resource Development (HRD) professionals for support and advice (**Short and Callahan 2005**).

Institutions are metaphorically conceptualized as “the rules of the game” (**North 1990; Scott, 1995/2008**).

Institutions include formal rules (laws, regulations) and informal constraints (customs, norms, cultures). Universities (specifically those are fully public ones) are highly dependent from political power from of economic and political point of view. Political power understand as a whole of external institutions do have competences on HE and research, are in charge to establish general rules of the game in which act universities, formal and informal rules that restrict behaviour and organizational autonomy of universities, limiting its internal management and governance. Indeed, one of the key empirical dimensions of University autonomy is the decision-making capacity over employment and human resources.

Vital role of maximizing organization’s human resource is played by the HR practitioners as it is critical for accomplishing key organizational process through the support of employee behaviour and accordingly proceed to have a successful organization. (**Nel, Werner, Poisat, Sono, Du Plessis, and Nqalo, 2011; Stone 2008; Rennie 2003; Wright and Boswell, 2002**). When the employees are involved they will own the change. HR Practitioners have been assigned many roles such as specialists in service provision, provision of guidance and advice, business partner, a strategist as well as change agent (**Armstrong 2006**).

People will leave if they don’t like their manager—even when they are well paid, receive recognition and have a chance to learn and grow. In fact, disliking or not respecting the “boss” is the primary reason for talent loss. Reasons for employee departures cited in major research studies, are, in descending order

- Employee/manager relationship
- Inability to use core skills
- Not able to impact the organization’s goals, mission
- Frequent reorganizations; lack of control over career
- Inability to “grow and develop”
- Employee/organization values misalignment
- Lack of resources to do the job
- Unclear expectations
- Lack of flexibility; no ‘whole life balance’
- Salary/benefits

RESEARCH METHODOLOGY:

In this paper, an attempt is made to understand the role of a teachers and students towards the educational institutions and vice –versa .The research is also stressed on without adequate, skilled and well-motivated workforce

operating within a sound human resource management programme, development is not possible. This is a descriptive research as it will clarify the relationship between the educational institutions as well as teachers, as to how both the parties are interdependent towards each other for an organization success as well as employees goals achievements by retaining them in the most appropriate manner. The research is restricted to only secondary data such as references from journals, magazines, articles etc. and doesn't considers any primary source.

LIMITATIONS:

The limitations of this study results into the following;

- This research is limited to only one section of an Educational Institutions i.e. Human Resource department.
- Few institutes will consider their staff for development from their objective perspective whereas the staff objectives will not be met due to change in perceptions.
- The productivity of teachers can be different for different teachers which can become difficult to measure by the institutions as no standard format of measurement system is used by the institutions.

FINDINGS AND DISCUSSIONS:

As per the review of existing literature, some interesting findings came into light. There are three factors which are responsible for talent retention, viz., Motivation, Commitment and relationship with boss/ supervisor. Leadership attention and development opportunities have far more impact on employee motivation than financial incentives. We cannot deny that monetary reward can be a powerful incentive in certain situations, notably in highly competitive environments such as sales or investment banking. It also becomes the foremost lever if it has been "overused": when a company depends on financial reward to engage employees, their intrinsic motivation disappears.

Talent Retention = Motivation × Commitment × relationship with supervisor

Human resource management in education essentially is concerned with three major issues namely.

- (i) Assessing the need for staff.
- (ii) Satisfying the need for staff and
- (iii) Maintaining and improving the staff services.

Goals and Role of Human Resource Management in Education. The goals of human resource management in education are to develop the workers and to contribute to

goal achievement. Human resource management has some specific roles to play. These are strategic and operational roles.

Strategic Role: Human resources are critical for effective educational functioning. Human resources were once relegated to second-class status, but its importance has grown dramatically in the last two decade. Again, its new importance stem from adequately recruited, selected and supervised, inducted and adequately rewarded, provided for, properly develop, appraised and promoted on the job. They will be committed to the job, remain dedicated and productive in the education system. It also represents a significant investment of the educational efforts. If managed well, human resources can be a source of competitive strength for the education. Strategically, human resources must be viewed in the same context as the financial, technological and other resources that are managed in any organization (Onah, 2008).

Operational Role: According to Mathis and Jackson (1997). Operational activities are both tactical and administrative in nature. Griffin (1997) sees operational role from the legal perspective because some have regulated various aspects of employee-employer relations. Human resources management is therefore, interested in compliance with equal employment opportunities and observation of labour laws; examples; applicants must be oriented to the organizations, supervisors must be trained, safety problems must be resolved; wages and salaries must be administered. A wide range of activities typically associated with the day-to-day management of people as provided by laws and regulations must be performed efficiently. It is this collection of activities that has often been referred to as the personnel function, and the newer strategic focus of human resources management has not eliminated. In summary, it is difficult to produce one general interpretation of what human resource management means today.

Functions of Human Resources Management in Education

Human resource management in education is a set of practices and methods of integrating and maintaining the teaching staff in the school so that the school can achieve their purpose and as well as meet the goals for which they were established. It is the motivation and co-ordination of the activities and effort of the teachers in school in order to obtain maximum output from them and consequently achieve the goals of education optimally. The functions include the following:

- (i) Staff maintenance
- (ii) Staff relations
- (iii) Staff development
- (iv) Procurement of staff
- (v) Job performance reward

Challenges of Human Resource Management in Education

Human resource management has become notably complex in the sense that as human beings, they are not reliable for doing one thing over and over in exactly the same way. They can be expensive depending on their cadres, qualification and skills. Their productivity is highly dependent on the person's ability to instruct. The same content cannot be delivered every time. A number of factors have contributed in this complexity. They include the following:

- (i) Poor Working Condition.
- (ii) Problems of Staffing.
- (iii) Current Call for the Use of ICT in Education.
- (iv) High rate of students and staff indiscipline.
- (v) Funding issues.
- (vi) Poor recruitment process.
- (vii) Little or no induction of human resources.
- (viii) Poor supervision/appraisal of staff.
- (ix) Poor personnel commitment to work and
- (x) Incessant transfer of teachers.

SUGGESTIONS AND CONCLUSION:

Considering the importance of education in human resource management, the following are recommended.

1. Education should be made attractive by creating a conducive atmosphere for teachers.
2. More government attention is needed for the education sector through improved function as education remains the basis for the progress of all other sectors of society.

3. A united salary structure should be made for all categories of teachers within the education sector.
4. Computer literacy in the spirit of globalization should be brought into the curriculum and the new and the old curricula made coherent for better productivity.

Organizations are able to meet projected goals and objectives a lot faster as there are diverse people working toward them. To what degree an organization both embraces the ethos of equal opportunities and backs it up with an investment in sound policies and practices may be expected to have an impact on both the progress of employees and their experience in the workplace in the organization. Concurrently, HR takes on a high impact role in the organization and is viewed as the driver of the Equal Opportunity culture and has a visible impact on overall capability of the people in the organization.

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IMPACT OF DEMONETIZATION ON INDIAN ECONOMY**Mrs. Alka Sharma**

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ABSTRACT

Demonetization of currency means discontinuity of the said currency from circulation and replacing it with a new currency. In India the currency was demonetized first time in 1946 and second time in 1978. On Nov. 2016 the currency is demonetized third time by the present Modi government. This is the bold step taken by the govt. for the betterment of the economy and country. It has deeply impacted Indian economy in various ways. But it has been widely acclaimed as positive decision taken for the benefit of the citizens. This paper traces the impact of recent demonetization on the Indian system. It has been concluded that no doubt, most of the sector has its impact but all the issue mentioned in paper stand for very short period to short period only and in long term, Indian economy will emerge as one of the strongest economy in the world resulting from our government move of demonetization.

KEYWORDS: Black Money, Corruption, Counterfeit Currency, Demonetization, Economy.

Objectives

The main objective of this paper is to study the impact of demonetization on 8th Nov 2016 by the present government on Indian economy and system which are follow as:

1. To study the short term and long term impacts of demonetization on Indian economy
2. To analyze the impacts of demonetization on various sectors in Indian economy

Introduction

Demonetization is the process of removing currency from general usage or circulation. In India's case On November 8, 2016 the government of India demonetized the high value currency notes – of ₹ 500 and of ₹ 1000 denomination. Such notes, valued at ₹ 15.4 trillion, constituted 86.9 per cent of the value of total currency in circulation (RBI). The government was planning to introduce new notes of 500 and 2000 denomination and eliminating the existing notes in circulation. It was one of the measures taken by the government to reduce corruption, increase the savings and to digitalize the economy. It is third time in the economic history of India that government has demonetized the currency (first in 1946, second in 1978).

Reasons of Demonetization

According to The Reserve Bank of India, the most important reason for the demonetization of 500 and 1000 rupees note was the rise of fake currencies of the same notes, and also the higher occurrence of black money in the economy. Prime Minister of India, Mr Narendra Modi, took the entire country by surprise when he declared demonetization of INR 500/- (USD 7.69) and INR 1,000/- (USD 15.4) currency on 8th November, 2016. As per Modi Government, the agenda of this move was 3 fold:

- To eliminate counterfeit currency.
- To shrink the size of the parallel economy and black money in India and to reduce corruption.
- To create room for further monetary accommodation.
- To positive impacts from bond market perspective.
- To rise in GDP growth potential.

Review of Literature

Mukhrjee et al. (November 2016) studied about the impact of the present government move for demonetization on the credit availability, government finance, spending and levels of various activities. The researchers stated that in a very short period there would be more serious affect on persons earning income in cash as well as spending in cash while impact will be up to a lesser extent on those earnings in non-cash form but spending in cash. Each sector backing demand by cash along with the real sector especially the unorganized one will much adversely effected in very short run time. In case of short term effect having complete replacement, an immense strengthening of informal sector credit market would be seen in the rural market and there would be adverse affect on construction sector. The medium term impact would produce results in terms of enhancements in deposits in the economy.

Mohd. (November 2016) studied about the significance as well as challenges of demonetization of currency notes. Secondary data was used for this study collected from various newspapers as well as websites. The researcher concluded through the study made that no doubt this move was going to disturb the routine life of 'Aam Aadmi' (common man of India) influencing largely the unorganized sector including organized sector up to a limited extent but the real

consequences of move will have bigger implications on the Indian economy as a whole in the long run.

Sunita (September 2014) in her research study attempted to get insight about the reasons as well as measures adopted by the government on demonetization that was implemented in Indian context. It was a conceptual study based on secondary sources. She concluded that the enhancing trade deficit, 1965's war between India and Pakistan, gulf war, political as well as economic stability, dwindling foreign exchange reserves, withdrawn of FII's (Foreign Institutional Investors) and strengthen of dollar were the key reasons behind the move for demonetization by the government in India and the measures adopted by the government included imposition of quantitative restrictions, provision for export subsidies, establishment of dual exchange regime, adoption of floating exchange rate system, increase in FII's limit, enhancement of ceiling up to a limited time frame, use of some proportion of borrowed funds overseas for the domestic expenditure, withdrawn of rebooking of forward contracts post cancellation and reduction of NOOPL (Net Overnight Open Position Limit).

Deodhar in his research study visualized the concept of black money and demonetization including its form as well as the consequences and role of demonetization as a mechanism to get tackle on black money. At global level, the researcher found out that voluntary compliance played significant role than the enforcement.

Research Methodology

Research methodology is the exact way to solve the research problem in a systematic as well as authentic way involving the procedure as well as tools adopted for the research. This paper is based on descriptive design with the involvement of secondary data which has been compiled from various journals, books, magazines newspapers article, reports, research papers and websites as well. As this is a conceptual study so no statistical tools/techniques has been adopted.

Scope and Limitations

The research study was conducted to identify the problems faced by government because of the circulation of high denomination notes beyond the required limit. The study revealed that nearly 87% of the total Indian currency which was in circulation was high denomination notes of ₹ 500 and ₹ 1000. And more over most of fake currency in circulation was also in high denomination currency notes of ₹ 500 and ₹ 1000.

The limitation of the study is it relied only on secondary sources of data for research analysis.

Impact of Demonetization Issues and Challenges

Demonetization technically is a liquidity shock; a sudden stop in terms of currency availability. It creates a situation where lack of currencies jams consumption, investment, production, employment etc. In this context, the exercise may produce following short term/long term/, consumption/ investment, welfare/growth impacts on Indian economy. The intensity of demonetization effects clearly depends upon the duration of the liquidity shocks. Following are the main impacts.

1. Demonetization is not a big disaster like global banking sector crisis of 2007; but at the same time, it will act as a liquidity shock that disturbs economic activities.
2. **Liquidity crunch (short term effect):** liquidity shock means people are not able to get sufficient volume of popular denomination especially ₹ 500. This currency unit is the favorable denomination in daily life. It constituted to nearly 49% of the previous currency supply in terms of value. Higher the time required to resupply ₹ 500 notes, higher will be the duration of the liquidity crunch. Current reports indicate that all security printing press can print only 2000 million units of RS 500 notes by the end of this year. Nearly 16000 mn ₹ 500 notes were in circulation as on end March 2016. Some portion of this were filled by the new ₹ 2000 notes. Towards end of March approximately 10000 mn units will be printed and replaced. All these indicate that currency crunch will be in our economy for the next four months.
3. **Welfare loss for the currency using population:** Most active segments of the population who constitute the "base of the pyramid" uses currency to meet their transactions. The daily wage earners, other laborers, small traders etc. who reside out of the formal economy uses cash frequently. These sections will lose income in the absence of liquid cash. Cash stringency will compel firms to reduce labor cost and thus reduces income to the poor working class.
There will be a trickle up effect of the liquidity chaos to the higher income people with time.
4. **Consumption will be hit:** When liquidity shortage strikes, it is consumption that is going to be adversely affected first.

Consumption ↓ → Production ↓ → Employment ↓ → Growth ↓ → Tax revenue ↓

5. **Loss of Growth momentum:** India risks its position of being the fastest growing largest economy: reduced consumption, income, investment etc. may reduce India's GDP growth as the liquidity impact itself may last three-four months.

- 6. Impact on bank deposits and interest rate:** Deposit in the short term may rise, but in the long term, its effect will come down. The savings with the banks are actually liquid cash people stored. It is difficult to assume that such ready cash once stored in their hands will be put into savings for a long term. They saved this money into banks just to convert the old notes into new notes. These are not voluntary savings aimed to get interest. It will be converted into active liquidity by the savers when full-fledged new currency supply take place. This means that new savings with banks is only transitory or short-term deposit. It may be encashed by the savers at the appropriate time. It is not necessary that demonetization will produce big savings in the banking system in the medium term. Most of the savings are obtained by biggie public sector banks like the SBI. They may reduce interest rate in the short/medium term. But they can't follow it in the long term.
- 7. Impact on black money:** Only a small portion of black money is actually stored in the form of cash. Usually, black income is kept in the form of physical assets like gold, land, buildings etc. Hence the amount of black money countered by demonetization depend upon the amount of black money held in the form of cash and it will be smaller than expected. But more than anything else, demonetization has a big propaganda effect. People are now much convinced about the need to fight black income. such a nationwide awareness and urge will encourage government to come out with even strong measures.
- 8. Impact on counterfeit currency:** The real impact will be on counterfeit/fake currency as its circulation will be checked after this exercise.

Demonetization as a cleaning exercise may produce several good things in the economy. At the same time, it creates unavoidable income and welfare losses to the poor sections of the society who gets income based on their daily work and those who doesn't have the digital transaction culture. Overall economic actives will be dampened in the short term. But the unmeasurable benefits of having more transparency and reduced volume of black money activities can be pointed as long term benefits.

Positive Effects Of Demonetization

In what could be termed as the mother of all reforms, Prime Minister Modi's demonetization move will have far reaching implications. This is not to dispute that the transformative step has brought some hardship for the citizens but those are temporary and will blow over soon. For the larger benefit of the nation, we the citizens can bear such hiccups with a smile. After all, this is how we as citizens can

contribute in policy making and nation building. While bank employees are working overtime to make Modi's ambitious demonetization drive a success, let's discuss its many-fold impacts.

- 1. Black money:** At one stroke the Prime Minister has choked the supply of black money stacked inside the country. Of the ₹ 17 lakh crore of total currency in circulation in the country, black money is estimated at mind-boggling ₹ 3 lakh crore. Black money is nothing but a plunder of the nation. Black money operators run a parallel economy which shakes the very foundation of the Indian economy. With Modi's demonetisation move, all domestic black money will either be deposited into the banks with heavy penalty or be simply destroyed.
- 2. Economy:** Demonetisation will have a huge resultant effect on the Indian economy. The clean-up of illegal cash will help turn around the economy. First, it will bring more borrowings to the exchequer, improve inflation outlook and increase India's gross domestic product (GDP). Second, it will revive investment opportunities and give a fillip to infrastructure and the manufacturing sector. Third, it will help reduce interest rates and lower income tax rate.
- 3. Note bank politics:** In the run up to the crucial assembly elections in Uttar Pradesh, Punjab, Goa and Uttarakhand, Prime Minister Modi's demonetisation announcement has come as a shock and awe for the political parties and politicians for whom black money is a lifeline. The pulling out of the old ₹ 500 and ₹ 1,000 currency notes will help make the election process clean and transparent. But it has brought tough times for the political parties and politicians who believe in the idea of purchasing votes in exchange for notes. That is precisely the reason a rainbow coalition of a galaxy of regional parties and the Congress is building up against Modi, because their political interests are badly hurt.
- 4. Real estate cleansing:** It is said that real estate is an industry built on black money. The extent of black money floating around in the sector is huge. According to an estimate at least 40 per cent of real estate transactions in Delhi-NCR are in black. Modi's demonetisation move will curtail the flow of black money into the real estate sector. This will help in making the much needed correction in the sector. The impact: An unexpected dip in land and property prices.
- 5. Hawala transactions:** Demonetization has crippled the hawala rackets. Hawala is a method of transferring money without any actual money movement. Hawala route is used as a means to facilitate money laundering and terror financing. Hawala rackets run again on black

money. With black money suddenly being wiped out of the market, thanks to demonetization, hawala operations have come to a grinding halt. According to an India Today report, one of the hawala operators in Mumbai has destroyed currency notes worth about ₹ 500 crores.

- 6. Counterfeit currency:** Demonetization has dealt a death blow to the counterfeit Indian currency syndicate operating both inside and outside the country. Counterfeit currency seriously devalues the real worth of Indian currency. A study conducted by Indian Statistical Institute, Kolkata on behalf of the National Investigation Agency (NIA) suggests that fake Indian currency notes (FICN) amounting to ₹ 400 crore are in circulation in the country at any given point of time and around ₹ 70 crore fake notes are pumped into Indian economy every year. The estimation is based on recovery and seizure made by various agencies. But the actual figure could be much larger. A One India report, quoting an Intelligence Bureau dossier, says fake Indian currency worth ₹ 12 lakh crore has pumped into Indian financial system over the years. Needless to say that most of the fake currencies circulated in India are of ₹ 500 and ₹ 1000 denominations. It is also pertinent to mention that the fake currency floating inside the Indian financial system is not counted within the ₹ 17 lakh crore of total currency in circulation in the country.

This is an open secret that Pakistan has been printing fake Indian currency at its government printing press in Quetta and its security press in Karachi. The enemy nation funnels the counterfeit currency through the frontier at Jammu & Kashmir and via India's porous border with Bangladesh and Nepal. With Prime Minister Modi's decision to pull out the old ₹ 500 and ₹ 1,000 notes and replace them with new ₹ 500 and ₹ 2,000 series has completely stalled the circulation of counterfeit Indian currency. Experts say the new currency notes have come with advanced security features which are almost impossible to replicate. So Pakistan has no option but to shut shops of its fake Indian currency.

- 7. Terror financing:** Terror financing is sourced through counterfeit currency and hawala transactions.

This is how terror financing works. Fake currency circulation is routed through a multi-layered network of hawala operators which are closely linked to satta (gambling) and smuggling of drugs, opium and arms. Indirectly, they all end up financing terrorism. In

addition, the terrorists collect huge donations and then route the money through hawala transactions. With the circulation of counterfeit Indian currency completely stalled and hawala transactions stopped, all windows for terror financing are closed.

- 8. Maoism:** Maoist sympathisers call Modi's demonetization move an "undeclared financial emergency". There are reasons to it. Demonetization has hit the Maoists and their movement hard. Black money is the oxygen for Maoists. According to an estimate, Maoists manage to raise ₹ 300 to ₹ 400 crore annually through donations, levy and extortions. The illicit money is used to purchase arms and ammunition, food and medicine and daily essentials, apart from distributing it among the ranks and the cadre. Police sources in both Chhattisgarh and Odisha have told the writer that the Maoists have stashed old high denomination notes to the tune of over ₹ 10,000 crore at their dumps in the dense jungles of Odisha- Chhattisgarh boarder. No wonder, with Modi's demonetization drive, all those illegal money are reduced to paper scrap. Maoists are in a state of coma and Maoist activities see a crippling blow. Ever since the demonetisation announcement was made, no major violence was reported from the Maoist infested states like Chhattisgarh, Odisha, Andhra Pradesh and Telangana.
- 9. Kashmir unrest:** The four-month-long unrest in Kashmir valley is on a backburner, thanks to demonetization. No stone pelting on security forces has been reported in Kashmir ever since the demonetization announcement was made. An intelligence estimate suggests that Pakistan sends ₹ 1,000 crore annually to the separatists for fuelling unrest in Kashmir. The money is transferred through hawala route. With hawala transactions completely choked up, the separatists are now clueless. It won't be wrong to say that "stone pelter" Modi completely shattered the Kashmir unrest with his stone called demonetization.
- 10. North-East insurgency:** Demonetization has severely affected the multiple militant groups operating in the North-East. According to intelligence estimate the north-eastern insurgent groups together have a corpus of ₹ 400 crore annually. The insurgents source their funding in two ways. They raise funds through levy and extortions like the Maoists do. But unlike Maoists, the leaders of North-East militant outfits do not live in the jungle. Their English speaking high ranking leaders run

operations from their dens in Myanmar, Bangladesh and Nepal. From there they also transfer huge illegal money via hawala route to their cadre for running the militancy. With the extortion money stopped completely in the

absence of cash inflow and hawala operations coming to a complete halt, all activities of North-East militants have shuttered down.

Table 1: Impact of Demonetisation

Sector	Impact	
	Effect through end-December	Likely longer-term effect
Money / Interest rules	<p>Cash declined sharply.</p> <p>Bank deposits increased sharply.</p> <p>RBI's balance sheet largely unchanged; return of currency reduced the central bank's cash liabilities but increased its deposit liabilities to commercial banks.</p> <p>Interest rates on deposits, loans, and government securities declined; implicit rate on cash increased.</p>	<p>Cash will recover but settle at a lower level.</p> <p>Deposits will decline, but probably settle at a slightly higher level.</p> <p>RBI's balance sheet will shrink after the deadline for redeeming outstanding notes.</p> <p>Loan rates could fall further, if much of the deposit increase proves durable.</p>
Financial System Savings	Increased.	Increase, to the extent that the cash-deposit ratio falls permanently.
Corruption (underlying illicit activities)		Could decline, if incentives for compliance improve.
Unaccounted income / black money (underlying activity may or may not be illicit)	Stock of black money fell, as some holders came into the tax net.	Formalization should reduce the flow of unaccounted income.
Private Wealth	Private sector wealth declined, since some high denomination notes were not returned and real estate prices fell.	Wealth could fall further, if real estate prices continue to decline.
Public Sector Wealth	No effect.	Government/RBI% wealth will imitate when unreturned cash is extinguished, reducing liabilities.
Formalization / Digitalization	Digital transactions amongst new users (RuPayi AEPS) increased sharply; existing users' transactions increased in line with historical trend.	Some return to cash as supply normalises, but the now-launched digital revolution will continue.
Real estate	Prices declined, as wealth fell while cash shortages impeded transactions.	Prices could fall further as investing undeclared income in real estate becomes more difficult; but tax component could rise, especially if (ST imposed on real estate.
Broader economy	Job losses, decline in farm incomes, social disruption, especially in cash-intensive sectors.	Should gradually stabilize as the economy is remonetized.

Sector	Impact	
	Effect through end-December	Likely longer-term effect
GDP	Growth slotted, as demonetisation reduced demand (cash, Orate wealth), supply (reduced liquidity and working capital, and disrupted supply chains) and increased uncertainty.	Could be beneficial in the long run if formalization increases and corruption falls.
	Cash-intensive sectors (agriculture, real estate, jewellery) were affected more. Recorded GDP will understate impact on informal sector because informal manufacturing is estimated using formal sector indicators (Index of Industrial Production). Put over time as the economy becomes more formalized the underestimation will decline. Recorded GDP will also be overstated because banking sector value added is based (inter alia) on deposits which have surged temporarily	Informal output could decline hut recorded GDP would increase as the economy becomes more formalized.
Tax collection	Income taxes rose because of increased disclosure. Payments to local bodies and discoms increased because demonetised notes remained legal tender for tax payments/ clearances of arrears.	Indirect and corporate taxes could decline, to the extent growth slows. Over long run, taxes should increase as formalization expands and compliance improves.
Uncertainty / Credibility	Uncertainty increased, as firms and households were, unsure of the economic impact and implications for future policy. Investment decisions and durable goods purchases postponed.	Credibility will he strengthened if demonetisation is accompanied by complementary measures. Early and full remonetisation essential. Tax arbitrariness and harassment could attenuate credibility.

Source: Economic Survey 2016-17.

The Short-Term Vs. The Longer-Term Implications

The Short-term Impacts: There will be a disruption in the current liquidity situation as households are likely to get affected by the note exchange terms laid by the government. Though clarity is unfolding on this, commodity transactions and general cash market transactions are likely to feel an immediate impact. Unorganized sector proceedings, including small trade market activities, will remain volatile in the short-term. Roadside vendors, cab drivers, kirana stores, etc., have

already stopped accepting Rs 500 and Rs 1,000 notes. It is important to note that a significant percentage of the Indian workforce is employed in this sector, which is likely to be affected by immediate liquidity issues. Overall, negative impact on disposable income is expected along with likely disruption in the consumption patterns of the general populace. It is estimated that there will be a negative GDP impact in the current quarter as consumption gets a shock in the immediate term. However, quantum and degree of this impact cannot be ascertained at this time.

The Longer-term Implications: This essentially represents a change in regime for the real and financial economy. Domestically, there could be some turmoil as the effect will be disproportionately felt by the lower and upper income classes. Internationally, the government is likely to get thumbs up for the move and more countries could potentially see this as a viable option to curb black money and stem illegal financial activity. Last, though this move by the government may not be a first, having being tried by earlier governments as a tool to fight corruption. Such an action achieves larger significance for a globally connected India as it shows boldness in tackling an issue which has remained a thorn in the growth success story of this generation.

The Sectoral Impacts: While sectors with linkages to the unorganized economy are likely to be affected, technology and financial services are expected to gain in the medium to long term. On a sectoral basis, the commodities and agricultural sector, including the market for consumer durables and non-durables is expected to feel the heat. In the short to medium-term, large denomination purchases will likely be made via electronic purchases rather than through brick and mortar outlets. This will impact the retail sector adversely. The real estate sector is likely to see a significant negative impact in the medium- to long-term, particularly in the repurchase market. There are expectations of a revaluation of current real estate transactions across the board representing possible losses to players in the sector. The luxury goods market is also likely to get affected as this move represents an erosion of real wealth to a large number of people. On the positive side, there is likely to a reset of spending patterns as this move represents indirectly a significant push towards a cashless economy. Businesses in

the fin-tech sector, including payment banks, mobile wallets, electronic transfer providers, etc., are expected to see gains.

Indicators of success of demonetization

Following can be seen as signs of success in the long run. (Economic survey, 2016-17).

1. Changes in the use of digital methods through various digital access. The categories of the digital access are defined as smart phone users, simple phone users and phoneless.
2. There should be a fall in cash-GDP ratio because more savings are channeled through financial system and black money moves out of the system.
3. Most important sign of success will be the tax. Total number of tax payers and the magnitude should rise over time.

Conclusion

Demonetization was an effort to stop counterfeiting of the current banknotes allegedly used for black marketing, funding terrorism as well as a crackdown on blocked/ stagnant money with persons, households, business units in the country. In the days following demonetization, banks and ATMs across the country faced severe cash shortages with severe detrimental effects on a number of small businesses, daily waged employees, agriculture and transportation. The scarcity of cash due to demonetization led to chaos and most people holding old banknotes faced difficulties exchanging them due to endless lines outside banks and ATMs across India.

Demonetization is a deep psychological strike on Black Money. The move was also described as an effort to reduce corruption, the use of drugs and smuggling. This decision was considered as biggest cleanliness drive against the black money in the history of Indian Economy and we might move towards digital economy. Demonetization seeks to bring in a sharp, sudden but long lasting behaviour change that encourages electronic payments. Demonetization is advantageous in short, medium and long term. On closing note, we can conclude, "Demonetization is a game changer to curb Black Economy and shifting to digital economy".

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MICRO FINANCE : OPPORTUNITIES AND CHALLENGES

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ABSTRACT

Microfinance concept has already given positive result for poverty alleviation in developing countries. In India SKS, Spandana, Grameen Koota, Swadhaar etc. MFIs are serving the rural as well as urban population base. It was found out the related literature that microfinance has a positive impact on poverty reduction and so, it is an effective tool for poverty reduction in many countries. It was recommended among others that more reports need to be processed towards institution building including the strengthening of groups especially Self Help Groups [SHGs]. This paper notices the prevailing opportunities and challenges of MFIs such as practices in credit delivery, lack of product difference, customer overlapping and duplications, consumption and individual loan demand with lack of mitigation measures, less thrust on enterprise loans, collection of savings/loans and highest interest rate existing in micro finance sector. Finally, paper concludes with practicable recommendations to overcome the issues and challenges associated with microfinance in India.

KEY WORDS: Microfinance, Microcredit, Poverty alleviation.

1. INTRODUCTION

Microfinance refers to small scale financial services for both credits and deposits- that are provided to people who farm, fish or herd; operate small or micro enterprise where goods are produced, recycled, repaired, or traded, provide services, work for wages or commissions, gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools. It refers to small savings, credit and insurance services extended to socially and economically disadvantaged segments of society. It is emerging as a powerful tool for poverty improvement in India. The prospect of Micro-Finance is dominated by SHGs (Self Help Groups) – Banks. The Self Help Group (henceforth, SHG) model has evolved in the NGO sector and works on small the belief that the poor can help themselves and the NGOs the can provide networking and education to them. Almost 90% of the SHGs in India are female only due known fact that world's poorest households tend to rely the success.

Microfinance gives access to financial and non-financial services to low-income people who wish to access money for

starting or emerging an income generation activity. Microfinance came into being from the obligation that micro-entrepreneurs and some poorer customers can be bankable, that is, they can repay, both the main and interest, on time and also make savings, provided financial services are tailored to suit their needs.

2. REVIEW OF LITERATURE

- Nasir, S (2013)² tries to outline the prevailing condition of the microfinance in India in the light of its emergence till now and its aim is to provide a cost effective mechanism for providing financial services to the poor. The research finding discovers the prevailing gap in functioning of MFIs such as practices in credit delivery, lack of product diversification, customer overlapping and with practicable suggestions to overcome the issues and challenges associated with microfinance in India.
- Duflo, E. et al. (2013)⁵ studied on the first randomized evolution of the impact of introducing the standard microcredit group-based lending

product in a new market. They found no changes in any of the development outcomes that are often believed to be affected by microfinance including health, education, and women empowerment.

3. NEED OF THE STUDY

- The need of microfinance arises because the rural India needs grounds of finance for poverty alleviation, obtaining of agricultural and farms input.
- Micro finance is a driver to support the poor rural people to pay its debt and preserve social and economic position in the villages.
- As we know that India is agriculture based economy so microfinance may be a tool to empower the farmers and rural peoples to make agriculture profitable.

4. OBJECTIVES OF THE STUDY

- To study the importance and role of microfinance in profitable agriculture events.
- To study opportunities in microfinance.
- To study challenges in microfinance.

5. RESEARCH METHODOLOGY

The nature of research is descriptive and analytical research. The study is based on secondary data, which collected from the newspapers, journals, websites, etc.

6. ROLE AND SIGNIFICANCE OF MICROFINANCE

1. Poor people who cannot access formal financial services of organized sectors because of meager income and unstable income and inability to handle banking procedures. Microfinance gives a wide variety of financial product such as credit deposits money transfer insurances etc.
2. Microfinance institutions helps to develop saving habits among poor population. The financial resources generated through savings and credit offered from commercial banks is channelized to provide loans and advances to the members of Self Help Groups (SHGs).
3. Microfinance is offered through the intermediation of Self Help Groups (SHGs). More than 50% of SHGs are formed by women. Now they have greater

access to financial and economic resources. It is a step towards economic security and empowerment for women. Thus the microfinance empowers poor women economically and socially.

5. Microfinance allows the poor section of the society to get credit, loans at cheaper and reasonable rates which help them to set up their business activities on small scale, grow their business and get out of poverty and be economically self-sufficient and independent.
6. In India the mass poverty found in rural area which depends on non-institutional agencies for their financial requirements whereby they are exploited and discriminated. Microfinance is a institutional credit offering to the rural based poor people at their doorsteps with minimum formalities, favorable terms and conditions and so on
7. Microfinance institutions must have an inherent ability to absorb losses by keeping an adequate proportion of funds for financing deficits due to non-performing debts. Micro credits are not collateralized; microfinance banks soundness heavily depends on the efficiency of the collection system and the capital base of these banks is lower compared to that of commercial banks. They need to start deposit mobilization to enhance their power to sustain losses. Some microfinance institutions criticize that harsh regulations and liquidity crunch are not letting them extend financial services.
8. Microfinance banks need a better infrastructure for improved outreach to their target clients. But, they do not have enough branches, facilities and saving products to attract individual businesses. They have yet to establish their own resource base for the long-term sustainability of their business.

7. OPPORTUNITIES IN MICROFINANCE

Microfinance Opportunities is a global non-profit committed to understanding the financial realities of low-income households. MFO works to explain consumer

research, market analysis and practice insights into related, engaging and enabling consumer-focused financial inclusion policies, financial capability development programs, as well as financial education training resources and tools.

- Microfinance as Development tool.
- Women oriented Financing.
- Microfinance tool for Rehabilitation.
- Commercialization of MFI.
- Microfinance sector as an opportunity for commercial banks.
- Automation of microfinance system.

8. CHALLENGES IN MICROFINANCE

Microfinance institutions helping retail customers have to face quite a specific set of challenges, which cannot be talked with solutions meant for commercial banks. These challenges include:

- **Cost of outreach:** Reaching the unbanked populations of the world means servicing small loan amounts and servicing remote and thinly populated areas of the planet, which can be dangerously unprofitable without high rates of course computerization and mobile delivery.
- **Lack of scalability:** Smaller microfinance systems often struggle to preserve the profitability and performance in these markets, as FI's experience high growth rates that result from getting the service delivery right. This results in thwarting the growth of these organizations.
- **Quality of SHGs (Self Help Groups):** Due to the fast growth of the SHG-Bank Linkage Programme, the quality of MFIs has come under stress. This is due to various reasons such as:
 - The intrusive involvement of government departments in promoting groups
 - Diminishing skill sets on part of the MFIs members in dealing their groups.
 - Changing group dynamics.
- **Geographic Factors:** Around 60% of MFIs agree that the Geographic factors make it difficult to link with

customers of far-flung areas which create a problem in growth and development of the organization.

- **Diverse business models:** Supporting the very wide variety of features and lending activities is difficult and requires a important amount of cost and efforts.
- **High Transaction Cost:** High transaction cost is a big challenge for microfinance institution. The capacity of businesses is very small, whereas the fixed cost of those businesses is very high.
- **Limited budgets:** Making requirements for large upfront investments is not possible for most of the MFIs which limits their skill to purchase world-class banking solutions that can help them fulfil their requirements and support their growth goals.

No doubt, microfinance institutions have shown inspiring growth and have been instrumental in the cause of financial inclusion, but a lot remains to be achieved.

9. CONCLUSION

Enhanced access to microfinance services can enable the poor to smooth out their consumption, manages their risks better, build their assets, develop their micro enterprises and improve their earning capacity.

The landscape of microfinance is changing as a result of increased understanding of how the poor use money and various demand for financial services. The microfinance industry is developing into an increasingly commercial operation to serve a larger section of the potential market.

Although, the achievements in microfinance are inspiring but still major problems remain such as, achieving profitability, variation of product and services etc.

With some government efforts and policies the outcomes of micro finance will be better than before. Even the NGOs the public trusts can serve the poor section of the societies for financial betterment. The organized sector or formal sector particularly commercial Banks should cater the financial services to the poorest section of the society.

10. RECOMMENDATIONS

- **Proper Regulation:** There should be proper regulatory environment that protects interest of stakeholders as well as promotes growth, is needed
- **Field Supervision:** Field visits can be adopted as a medium for monitoring the conditions on ground and initiating corrective action if needed.
- **Encourage rural penetration:** MFIs for opening new branches in areas of low microfinance penetration by providing financial assistance will increase the outreach of the microfinance in the state and check multiple lending. This will also increase rural penetration of microfinance in the state.
- **Transparency of Interest rates:** MFIs are employing different patterns of charging interest rates and a few are also charging additional charges and interest free deposits. So a common practice for charging interest should be followed by all MFIs
- **Technology to reduce Operating Cost:** MFIs should use new technologies and IT tools and applications to reduce their operating costs. Though most NBFCs are adopting such cost cutting measures, which is clearly evident from the low cost per unit money lent (9%-10%) of such institutions.
- **Sufficient Repayment Time:** Sufficient repayment time should be given by the microfinance institutions to the borrowers.

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RECENT DEVELOPMENTS IN BANKING SECTOR IN INDIA**Shruchi Shrivastava**

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ABSTRACT

In last twenty decades Indian banking sector has gone through many development. Innovations in digital technology has brought a complete transformation in this sector which in turn has brought a change in attitudes of customers towards banking. The paper will provide insights to banks about the attitude of customers towards innovative technology adopted by banks. It will help the banks in understanding how attitudes influence consumer preferences towards banking sector. Primary data has been collected from the customers of leading four banks in India. The survey includes customers of various bank. Questionnaire has been used to collect and analyse the attitudes of consumers towards various digital banking modes provided by the bank. The aim of collecting primary data is to understand the attitude of customers towards digitalised services provided by banks. The research paper would help the bank to understand the awareness levels and acceptance levels of customers towards different innovative banking services.

KEYWORDS: Digitalization, Innovations, Recent Developments, Banking Sector.

INTRODUCTION:

Digital technology has played a primary role in bringing up the businesses of banks in India. The banking Industry in India has shown an extensive growth by the automation in their day to day bank operations. The consumers are also adopting the technology in their routine operations. Various alternative banking services like Core banking, ATM, Mobile Banking,

Internet Banking, Credit Cards, Debit Cards, EFT, RTGS, IMPS etc. have raised as a strategic tool in altering the service quality of banking services. Electronic statements, online money transfers have replaced manual ledgers and long queue in tedious teller counters for money transactions. This in turn has improved the service quality by providing customer a timely and effective response and reduced the cost of operation and ways of the banking truncation.

REVIEW OF LITERATURE:

- **Thapliyal A.B (2005), in his Research Paper, 'Trends and Developments in Indian Banking Industry',** reveals that new concepts like online banking, ATM, Telephone banking, have made the life easy and convenient.
- **Gupta Yashwant and Verma O.P., (2007), in their Research Paper, 'Measuring Performance of Banking Sector in India',** concludes that information technology

has emerged as a strategic tool for profit generation and increasing operational efficiency in banks. The banks making use of modern technology pass on the benefit of lower cost to the customers which ultimately enhance customer satisfaction.

- **Kumar Senthil V, (2013), in his Journal, 'Challenges of New Technology towards Banking Products and Services',** published in March, states that Indian Banks have leveraged technology and introduced innovative banking products and services to attract and retain customers. While ATM has become popular among the customers for cash withdrawals, other services like mobile banking and internet banking are sub-optimally used.

OBJECTIVES OF THE STUDY:

- To study various technological based products offered by the banks in India.
- To analyse the impact of recent developments occurring in banking sector.
- The impact of digitalization on customers.

RESEARCH METHODOLOGY:

For the present research paper both the primary and secondary data has been collected. The secondary data has been collected from annual reports of various banks, articles

of business magazines and bank journals. The secondary data was used to study the recent developments occurring in the banking sector and various new digital products offered by banks in India.

Primary data has been collected from the customers of leading four banks in India. The survey includes customers of various bank. The primary data is collected to understand the attitude of customers towards digitalised services provided by banks. 300 customers were interviewed.

RECENT TECHNOLOGICAL BASED PRODUCTS OFFERED BY BANKS

- **SMS BANKING:** SMS Banking service helps the customer to remain updated on their account round the clock. It delivers immediate notification service about transactions as and when they are made by the customer.
- **INTERNET/ONLINE BANKING:** The account holder can perform online transactions like:
 - Funds transfer from to one account to other account with the help of NEFT, RTGS and IMPS.
 - Online payment of bills (electricity, telephone bill etc.).
 - Opening a FD or recurring deposit account.
 - Buying insurance policy.
 - Payment of insurance/loan/RD instalments.
 - Credit card payment.
 - Apply for loan.
 - Request for issue of cheque book.
 - Viewing recent transactions.
 - Downloading bank statements, for example in pdf format.
 - Viewing images of paid cheques.
 - Financial institution administration.
 - Management of multiple users having varying levels of authority.
- **PHONE BANKING:** Phone banking allows its customers to perform few transactions over the telephone.

Under such facility, a customer is provided phone banking password and is given access to his account for getting desired information through automatic phone answering system and use of phone keypad.

- **MOBILE BANKING:** Also known as M-banking, is the facility provided to perform all the transactions that is available through internet/online banking facility. As per RBI journal, Nov 2006, mobile banking volume 73.06 million and value 776.80 billion as on September 2006 reflects the increasing usage trends in India.
- **AT-PAR CHEQUE CLEARANCE:** Through digital banking system, a cheque is cleared within 2 days and credited at par in the account through transfer of images.
- **ATM SERVICES:** Automated teller machines, popularly called ATMs, have brought unbelievable comforts to the

banking citizens. Availability of 24x7 cash withdrawal facility through ATMs at any given time and place has eased off customers burden from carrying surplus cash and plan to keep a track of bank holidays to avoid running short of money. Number of ATs has shown 86% increase in four years from 1,14,014 to 2,12,061.

- **DEBIT CARD:** Debit card allows the holder to pay the cost of mercantile by swiping his debit card at merchants' swiping machine where the amount is immediately debited from his account and transferred to the merchants account. The debit card holder therefore need not carry cash and run a risk of pick pocketing or thefts.
- **CREDIT CARD:** Credit cards work just like debit cards. However, instead of getting the cash directly from customers account and crediting to merchants account, credit cards facilitate an extended service where the user is given a credit up to billing cycle for the amount he has spent though a credit card.

IMPACT OF DIGITALIZATION ON BANKING SECTOR

Digitalization has brought a facelift in banking sector. Banking was earlier termed to be one of the sectors with limited number of services and was slow in providing them to its customers. However, digitalization in the banking sector brought various new and improved services which made the banking sector more efficient and hassle free. Impact of digitalization has been discussed below:

- **AUTOMATION OF BANKING PROCESS:** Automation of banking process is the major contribution of digitalization to Indian banking sector. Automation has reduced the cost of operations and has increased the efficiency of banks. It also has streamlined operations to optimise productivity and improved customer service. Automated machines like ATM, has reduced human involvement in banking process and benefited the customers by automated, error free and prompt services.

Through ATM one can withdraw cash, deposit cash, obtain transaction statements, mini account statements. With the inception of ATMs and its free usage, foot fall at the bank counters have dropped significantly and customers frustrating and time consuming queues have vanished. Customers now visits a bank branches for special services only.
- **INFORMATION SHARING:** Digitalization has brought in a great impact on information sharing in banking sector. Every bank nowadays has its own websites where all the information related to products and services are displayed. This has helped the customers can get the information online make decisions by just login to the banks site. Mobile banking, phone banking and SMS are used by the banks to make customers informed about their new products and services. The customers can get information of any other financial services instantly through these digital modes.

- **NEW BUSINESS MODEL:** Digital services adopted by banks has brought a transformation in banking business model. Combination of innovation and technology has made banking business models more attractive. Various alternative modes of banking with features of efficiency and convenience has brought the new era in the banking industry
- **PAPER LESS/DIGITAL TRANSACTIONS:** In earlier days, all the transactions used to be documented in papers by the bank staff. Further to transfer funds through cheques it used to take 2 to 3 weeks for clearance as the same used to be send by post to the issuing branch for debiting the

amount from the account and confirming the authenticity of payer. Also the investors who used to invest in stocks used to hold them in physical form. With the help of new technology and step towards digitalization, banks are now rendering all its services digitally. Prepaid payment instruments like Prepaid payment cards, mobile wallet, paper vouchers, MICR paper based cheque payments are some of the digitalization initiatives taken by banks. Below are statistics showing the increased volumes of digital facilities.

Table 1: Increasing volumes in usage of digitalization

	2012-13 (Millions)	2015-16 (Millions)
ATM (numbers)	1,14,014	2,12,061
Mobile banking volumes	59.9	4,040.91
Credit card	19.55	24.51
Debit card	331.2	661.54
Prepaid instruments (Volume)	66.94	748.02
MICR clearing (volume)	823.31	No figures are available as MICR. Clearing has been replaced by CTS.
CTS clearing (volumes)	275.04	958.39

Source: RBI bulletin, 2012-13, 2015-16.

IMPACT OF DIGITALIZATION ON CUSTOMERS

The research paper has used the both primary sources to analyse the data. 300 samples have been collected from customers of top 6 banks in Mumbai. Questionnaire were

used to conduct the survey. The questionnaires were mailed to the customers where travelling was not possible due to time constraints. Chi- Square and ANOVA has been used for data analysis.

Table 2: Preference of customers towards traditional banking and digital banking

USE TRADITIONAL MODES OF BANKING		USE DIGITAL BANKING MODES		BOTH TRADITIONAL AND DIGITAL BANKING MODES	
Yes	No	Yes	No	Yes	No
117	183	89	211	111	189
39.0%	61.0%	29.7%	70.3%	37.0%	63.0%

Source: Primary data, Research

From the above table, it has been found that majority of customers from various banks prefer digital banking modes instead of traditional banking modes. Digital banking modes

includes ATM, Mobile Banking, Online Banking, Credit Cards and Debit Cards; used for analysis.

Table 3: Preferred banking operation

	Preferred by no of customers	Percentage
Mobile banking	221	73.7%
Online banking	237	79.0%
Debit Card	260	86.7%
Credit Card	178	59.3%
ATM	187	62.3%

Source: Primary data, Research

From Table 2, it can be seen that more than 60% of customers use all types of digital banking operations.

HYPOTHESIS TESTING

- **H₀:** There is no statistically significant difference between preference of customers towards traditional banking and digital banking.

- **H_a:** There is statistically significant difference between Preference of customers towards traditional banking and digital banking.

	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Between Groups	41.298	1	41.298	577.801	.000
Within Groups	21.299	298	.071		
Total	62.597	299			

Source: Primary data, SPSS

The test shows that there is a statistically significant difference between the groups usage of traditional banking and digital banking modes ($F(1,298) = 577.801, p = .000$).

- **H₀**: there is no statistically significant difference between preference of customers towards digital banking from private and public banks.

- **H_a**: there is statistically significant difference between preference of customers towards digital banking from private and public banks

		PUBLIC SECTOR	PRIVATE SECTOR				
ATTRIBUTES	(N)	MEAN		T	DF	SIG. (2-TAILED)	
Digital banking	300	1.61	1.65	0.747	298	.456	Significant difference

Source: Primary data, SPSS

The p value 0.456 is more than 0.05, shows that there is no statistically significant difference between preference of customers towards digital banking from private and public banks. The t-test show a statistical difference between mean of Public sector banks with (M=1.61,) and private sector banks (M = 1.65), $t(298) = 0.747, p = 0.456, \alpha = .05$.

FINDINGS:

The paper reveals that majority of customers from various banks prefer digital banking modes instead of traditional banking modes. It can be also be seen that more than 60% of customers use all types of digital banking operations. This shows that Digital products are widely accepted by the customers of banks in Mumbai.

CONCLUSION:

Use of digital media is based on perception of customer. Adoption of new technology will lead to bright future for Indian banking sector from business point of view. A sustainable model of be proposed by banks to encourage customers to use digital banking. The study can further be taken up for exploring various methods to popularise new banking products so that customers could feel comfortable using them without any hassle.

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RECENT PRACTISES OF HRM IN EDUCATIONAL INSTITUTIONS

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ABSTRACT

The Education Sector is growing tremendously over the decade. The need for education has fetched huge importance across the globe. There are several educational institutions in the city with best infrastructure and best teachers. Today's educational Institution and Universities Administration is not sufficiently found in practice of professional HRM. Though almost all universities and affiliated institutions offer courses in human resource management and train their students to manage large corporations, but they are unable to manage their own human resources effectively. This is so because most universities do not have a separate department dedicated to performing the HR functions. The aim of this article is to highlight the grey area of HR management application in the working environment of the educational institutions. Also highlight that State funded universities need to restructure themselves to create this department so that specialized people can be employed full-time to undertake crucial Human Resource functions. Such a department dedicated exclusively to the functions of managing human resources can become strategic to an educational institution and become a source of competitive advantage.

KEYWORDS: Educational Institutions, Higher Education, Human Resource Management.

INTRODUCTION

In every organization, there are three major resources to be managed if the organization wants to achieve its objectives and goals. These resources are Humans, materials and financial resources. And out of these three, *human resource* is the most important and difficult to manage. The reason being that every human being is born unique and therefore, is bound to have different characteristics– that is, the ways they think, feels, reason and act. Secondly, human beings control and coordinate the other resources. They constitute the workforce of an organization and are referred to as personnel. Since human nature plays a very major part in the overall success of an organization, it is therefore important to have an effective working relationship between the employee and the administrator as this is essential for the success of the organization.

Every educational institution like other formal organizations needs human beings to execute its programmes and achieve educational goals and objectives. To be able to achieve this, the 'chief of administration' has to ensure that personnel with whom he works knows their role goal and are been given appropriate growth and recognition.

METHODOLOGY

The research for this paper is purely done on the basis of secondary data. Various other research papers have been

referred, analysed and studied in detail for the better understanding of the topic.

OBJECTIVE OF THE STUDY

- To identify whether precise HRM practises are prevailing in educational institutions.
- To identify whether there is a need for a mandatory establishment of a full-fledged Human Resource Department in educational institutions for its smooth functioning.

HUMAN RESOURCE MANAGEMENT

Human resource management concerns the procurement or recruitment, staffing, welfare, maintenance, training and development, placement, promotion, motivation, compensation or rewards, transfer and discipline of staff.

The primary responsibility of a human resource manager is to ensure that human resources are utilized and managed as efficiently and effectively as possible. The following are some of the few functions of the human Resource Department of an Organisation

1. **Recruitment and Selection:** This involves searching for a suitable person to fill the vacant position. The basic goal of staffing is to locate qualified applicant who will stay with the organization.
2. **Training and Education:** This involves developing staff to professional growth. Training involves induction of new

employees, formal training of staff which may include on the job training.

3. **Wages and salary Administration:** This refers to the financial benefits that are given to staff for the jobs they have performed. The salary should be paid to the employees as per the industry standard.
4. **Staff Appraisals:** This is the continuous process of feedback to subordinates about how well they have performed on their jobs. Here members of staff are formally appraised by their immediate supervisors, peers etc and the evaluation is ratified by the Appointments and promotions committee.
5. **Welfare:** The main purpose of welfare is to provide assistance to members of staff and also encourage a positive relationship between staff and the institution by providing extra security and comforts.

HUMAN RESOURCE MANAGEMENT IN EDUCATIONAL INSTITUTIONS

Human resource management is a basic function of management that determines the performance of staff in any organization. This simply implies that when the staff in the education systems are adequately recruited, selected and supervised, inducted and adequately rewarded, and appraised and promoted on the job, they will be committed to the job and remain dedicated and productive in the education systems. This can simply be put that it is the co-ordination of the activities and efforts of the staff in educational organization so that educational goals are achieved. Hence, human resource management in education is the process of motivating staff to maximize their performance in order to obtain maximum output starting from the day they are recruited. Without an adequate, skilled and well-motivated workforce operating within a sound human resource management programme, development is not possible. Every educational system at every level depends heavily on the human resources for execution of its programme. Teachers are the critical resources for effective implementation and realization of the educational policies and objectives at the practical level of classroom. It is the teacher who ultimately interprets and implements policy as represented in the school curriculum, which is designed to actualize educational goals. Maintaining and improving educational standards is only possible through teachers. Teachers therefore are the most indispensable entity in the institutions. They are the greatest aid to learning. The shortage or poor management of teachers reduces the extent to which the curriculum can be delivered effectively. It should

be noted that the major premise of human resources management in education is that the end results of the educative process will be determined by the effectiveness of the teachers who facilitate learning for self-actualization and national development.

PROBLEMS FACED BY STAFF (TEACHING) IN EDUCATIONAL INSTITUTIONS

Human resource management and staff development are becoming issues which require more and more attention on the part of individual institutions as well as from the national authorities. There is a need to recruit and retain highly skilled and motivated staff in order to make modernisation of higher education a reality. While more attention is often being paid to the working conditions of academic staff, it is slowly becoming obvious that administrative and technical staff also needs to be taken better into consideration, in order to ensure their commitment and contribution to the development of higher education institutions .

- **Recruitment and Placement:** Recruitment and Placement must be done on the basis of personnel forecasting. Strategies must be devised for recruitment of good and adequate number of teaching staff keeping in mind the current needs as well as expansion plans if any. In forecasting internal demand for teaching, the student enrollment in all different courses has to be considered. Timelines for recruitment should be established. Often posts lie vacant for months especially in highly bureaucratic state funded universities or they are simply filled up from year to year on an adhoc basis. This happens because a single recruitment involves a lot of clearances from various government departments and the whole process is both long drawn and rigid. To gain a competitive edge in the teacher recruitment process it is important to reduce the bureaucracy of the selection process. In a fast changing environment this approach will have to change or else we may find that the best talent may be quickly absorbed by the private players and the state funded institutions are left with the rejects, thus seriously affecting quality.
- **Training and Development:** This human resource functions is crucial because employees once recruited and placed think of how they can grow on the job and within the organization. This also makes them ready to take on additional responsibilities in their current and future positions. This function is all

the more important for educational institutions, as training to faculty will have a dual impact, because not only they will get trained but they will also be able to deliver better in terms of teaching, thus benefitting students as well. Currently the only training that takes place after appointment as teaching faculty is the mandatory orientation and refresher courses that staff is supposed to complete. These need to be updated and made more practical and relevant so that faculty is able to gain from such programs. Soft skills training is a must because educational institutions are people places and in a competitive scenario people skills are prime.

- **Performance Appraisal:** The performance appraisal function is an assessment of employees' job performance levels. A good and effective performance appraisal will help to direct employee behaviour towards the goals of the organization and it will also help to monitor how well the goals are being achieved. Educational institutions need to move beyond the mandatory appraisal systems laid down by regulatory bodies and work out their own systems which help them to decide who the good performers are. This is necessary because the objectives of each institution and the students they cater to are different so the standardized parameters laid down by regulatory bodies do not often yield the results organizations are looking for.
- **Compensation and Benefits:** One obvious reason for teachers to develop a positive attitude towards their work is the compensation and benefit packages. Two factors must be considered with reference to the compensation package namely the management philosophy underlying the package and the conditions prevalent in the market. Any compensation package must ensure internal equity as well as market competitiveness hence it needs review from time to time especially in the present dynamic scenario. This is one area where the system is very slow to respond and is more reactive than proactive. With reduced state funding and increasing cost it has been difficult for institutions to sustain. Further where an institution is partly privately funded and partly funded by the government, the differences in compensation packages add to internal inequity, which is not

conducive to organizational health. Time has come for institutions to work out their own innovative incentive schemes so as to motivate employees to put in their best so that an institution can create and sustain a competitive advantage.

- **Employee Relations:** This constitutes the core of the human resource function in any organization. Employee voice mechanisms must be encouraged to improve employee management relations. This is all the more important while dealing with the intellectual work force we find in educational institutions. Unfortunately today there is a void in this area. One factor that has created this void is the massive expansion of institutions and the high level of centralization resulting in a sense of alienation. Employees in large universities today do not often identify with their institutions. Efforts must be made to change this and improve employee relations to foster competitive advantage.
- **Working conditions:** Lack of research opportunities; political pressure and lack of autonomy; excessive working hours; permanent/short contracts; low salaries; the necessity to take up multiple positions. Each of the items listed, does not present the same challenge in each region, country, or institution to the same extent. A feature that can be considered negative in one context could be considered as positive in another. For example, a permanent contract is sometimes considered as the main attraction of jobs in higher education and thus one of its main competitive advantages in attracting staff. In other contexts, this is considered negative, since staff may not be motivated to improve and develop further, when there is no risk of losing their jobs.

RECOMMENDATION

Considering the importance of human resource management in educational institutions the following are:

Recommendations given

1. Every education institution should have HR department. This should include the HR manager, training and Placement Officer, Facility Manager.
2. A united salary structure should be made for all categories of teachers within the education sector.
4. Standard of education should be up dated to meet the rapid social changes in our present society.

5. Computer literacy is the spirit of globalization which should be brought into the curriculum and the new and the old curriculum made coherent for better productivity.

CONCLUSION

The HRM functions mentioned above cannot be the work of administrators or academicians. This requires specialized know how and expertise. Considering the importance of Human Resource Management to the success of educational institutions it follows, it must get its due place.

However in Indian state funded universities and affiliated colleges there is no separate department dedicated to performing this function. Most of the private universities should realise the importance of the Human Resource Management and should have departments dedicated to performing this function instead of leaving this crucial role in the hands of academicians and administrators who may not be trained and equipped to perform this role effectively.

It is important that employees have one department to contact and deal with for all issues surrounding placement, training, promotion, compensation etc, instead of running from pillar to post. Currently this work is done by administrative staff in multiple departments who merely follow bureaucratic procedures and faculty is at the mercy of these administrative staff even to get their legitimate dues. This becomes demoralizing because despite good

compensation packages offered on paper their actual implementation is actually long drawn out and subject to multiple interpretations.

Time has come for human resource to change from an administrative function to a strategic one so that educational institutions continue to attract quality human capital and gain competitive advantage.

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REPRESENTATION OF WOMEN IN ADVERTISING: A STEREOTYPE OR A REALISTIC DEPICTION?

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ABSTRACT

Women empowerment is a multi- dimensional process. Empowerment of women is an effective way to stimulate growth and development of society. This paper seeks to highlight the portrayal and depiction of women in the media with special reference to advertising. The various international agreements like CEDAW, some Constitutional rights and laws to protect women are highlighted. An analysis of some random advertisements is done to gain an insight into the portrayal of women in advertising. Some suggestions for reform are given.

KEY WORDS: Advertising, Gender stereotype, Indecent representation, Media, Women empowerment.

INTRODUCTION

Women empowerment is a multi- dimensional process. Empowerment of women is an effective way to stimulate growth and development of society. Women empowerment is a journey, a process by which women achieve increased participation and control in decision making. It refers to the expansion of freedom of choice and action in all spheres of life-social, economic, cultural and political.

Women rights, empowerment and emancipation have always been discussed and highlighted for centuries. J.S Mill, a philosopher in his book 'The subjection of women' talks of gender equality and feminism in the 19th century. He regarded emancipation of women as crucial to the realisation of a liberal society. He wanted equality, a genuine moral sentiment to govern all relationships. He advocated a re-ordering of relationships based on sympathy, equality, love and mutual respect rather than subordination, command, male- centeredness and self-love. We find that this is more of idealism as women's rights particularly the right to live with dignity and self- respect is blatantly violated even today in the 21st century.

This paper seeks to highlight the portrayal and depiction of women in the media with special reference to advertising. The various international agreements like CEDAW, some Constitutional rights and laws to protect women are highlighted. A special reference is made to the indecent representation of women's act 1986. Despite so many laws and institutional mechanisms like the Advertising standards council of India, Consumer guidance society of India, Human

rights commission, Advertising agencies association of India, The Prasar Bharti Corporation etc, violation of women's rights in advertising continues unabated.

OBJECTIVES OF THE STUDY

The objectives of this research are

1. To analyse the various laws related to women in Media.
2. To analyse and study the various advertisements that stereotype women.
3. To highlight the various steps that has been taken to end this stereotype of women in media.
4. To give some suggestions for reform.

REVIEW OF LITERATURE

A review of some recent literature has helped us to identify that there is very little research on portrayal of women in television advertising. This study aims to fill the gap and analyse various laws related to Women in Media and test the hypothesis that law has not acted as a deterrent to curb the indecent and stereotypical representation of Women in advertising.

In their Working Paper No 446, IIM Bangalore, (2014) on 'The changing roles portrayed by women in Indian advertisements: A longitudinal content analysis' YLR Moorthy, Subhadip Roy and Anita Pansari have concluded that the portrayal has changed slightly over the years and it is less stereotypical over the decades.

In the International Journal of Managerial Studies and Research (IJMSR) Vol-2, Issue 9, (Oct. 2014), pp 75-88,

'Projection of women in advertisement: A gender perception study', Parul Nagi, Asst. Prof, Jalandhar University, has used factor analysis for attitude towards portrayal of women in advertising.

The results of the study by Kilbourne (2002) shows that people have a negative attitude towards women after viewing advertisements that depict women in stereotypical roles. Madhusmita Das in her Ph.D thesis, BITS Pilani, (2016), concluded that women have a decorative and family role and rarely shown as working and free wheeler (Independent) in advertising.

In the Journal of research in Humanities and Social Science, Vol2, Issue (12) (Dec2014), pp. 44-48, Dr. Anshu Raina looks at sexuality as a powerful motivator and concludes that advertisers uses sexually explicit imagery to sell their products. In the International Academic Research Journal of Business and Management, Vol 4, Issue no 2, (August 2015), pp-28-38, Dr A Krishna, S. Kandavei and Pawline. M from Tamil Nadu in 'The study on portrayal of women in advertising and its effects on cultural values' highlight the link between advertising and culture and conclude that objectionable content in advertisements influence cultural values.

RESEARCH METHODOLOGY

The desk review method and content analysis method is used for analysis of the case studies of violation of women's rights and portrayal of women in advertising in India. Few advertisements are randomly selected for analysis. The advertisements are critically analysed.

LIMITATIONS OF THE STUDY

One of the limitations of this research is that the words indecent and stereotype can be very subjective and has various conflicting interpretations depending on the cultural context. Individual perceptions also vary and this is a limitation of the study.

REGULATION AND OTHER PROTECTIONS FOR WOMEN

International agreements like the Convention on the elimination of discrimination against women, CEDAW adopted in 1979 by the UN General Assembly, is often described as an International bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination. India was a signatory to CEDAW in 1993.

The Convention defines discrimination against women as "...any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or

nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field."

By accepting the Convention, States commit themselves to undertake a series of measures to end discrimination against women in all forms, including:

- to incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women;
- to establish tribunals and other public institutions to ensure the effective protection of women against discrimination; and
- to ensure elimination of all acts of discrimination against women by persons, organizations or enterprises.

The Indian constitutional provisions like article 15 and 16 of the Right to equality prohibit discrimination on grounds of sex. Article 51 A has a list of fundamental duties and states that to renounce practices derogatory to women is a fundamental duty of every citizen. Major national legislations like, The Prevention of Domestic Violence Act 2005, The Prevention of Sexual Harassment at Work Place Act 2013, The Indecent Representation of Women Act 1986 have been passed to protect the dignity of women, but this has not been a deterrent, as atrocities against women and violation of rights continue unabated.

The Indecent Representation of Women's Act 1986 as amended in 2002 encompasses various types of media like print, cinema, books, television. It includes everything from post card to statues. "Advertisement includes any notice, circular, label, wrapper or other document or any video or visual representation made by means of any light, laser light, sound, smoke, gas or electronic form or through any media for the purpose of any goods, service, place, person event or organisation," In section 2 c indecent representation is defined as depiction which is derogatory to women or is likely to deprave or injure public morality. This act curbs the dissemination of obscene material depicting women. It gives wide ranging powers to the police officers to confiscate any material.

Section f of the Code of the advertising standards council of India, states that any ad representing women in an indecent or derogatory manner or degrades them, or stereotypes them, or makes them look inferior or injures their image or the public morality and morals is not allowed.

One of the objectives of the Prasar Bharti Corporation is informing and stimulating the national consciousness in regard to the status and problems of women and to pay special attention to the upliftment of women.

STATUS OF WOMEN IN MEDIA

Despite legislations, self-regulation, codes and institutional mechanisms, violation of women's rights continues unabated. Media is regarded as the fourth pillar of Democracy. Media has a formidable influence in shaping our thoughts and ideas. But the depiction and portrayal of women in the media particularly advertising very often reflects misogyny. It shows contempt and disdain for women. It propels stereotypes of women as sex objects or objects of pleasure. It reinforces the belief that women are inferior to men and categorises them as the weaker sex.

Women have been depicted in a very derogatory manner in media particularly in advertisements and serials. Women's bodies are compared to beer and deodorant bottles, bikes and cars. They are depicted as video games for entertainment. This is the objectification and dehumanisation of women and is deplorable. A line needs to be drawn

between creativity and obscenity. Marketers and advertisers to sell their products portray women in advertisements in a demeaning manner, affecting their dignity and self-respect and denigrating them.

Women are depicted as sex objects. The models are 'photoshoped' to make them look flawless, wrinkle free, light skinned, thus influencing young girls to achieve perfection through the use of products like skin lightening creams or blemish free creams. These ads are a myth and only cause frustration and low self-esteem among girls. It also creates misconceptions of beauty and sex.

There is no synergy between the product and the model in most cases. An ad of JK cement has pictures of women. Most food products use women and sex to sell their product. There is no connection between the product and the model. Any woman dressed in designer clothes is portrayed as a vamp. Stereotyping of women as house bound, submissive or too aggressive and sex objects continues in advertising. Some advertisements promote the patriarchal set-up by assigning traditional roles to women, thereby being regressive in nature.

ANALYSIS OF SELECTED ADVERTISEMENTS

Some of the case studies of ads in India and abroad are selected for analysing the status of women in media.

Representation of women in advertising: a stereotype or a realistic depiction?	Dr. Kamala Rajiv, Co-ordinator, BMM and BBI	kamalarajiv@gmail.com (022-2766306)
Ford Figo	Ford Figo ad shows three women tied and gagged in the boot of the car.	Women are showed as objects of oppression
Fair and lovely	She is rejected for being dark	Very biased and derogatory to women
PETA	Save the whale campaign has a fat women with the tag line Lose the blubber, Go vegetarian	Demeaning and hurts the dignity of women
Diet Coke	The ad has ice layers in the shape of a women	Women with zero figures are glorified thus leading to problems of anorexia and bulimia
Slice, Mango drink	The ad has the tag line Aam sutra and the ad has sexual overtones	It uses sex and women to sell their product
Chase and Sunburn coffee	A woman is beaten by her husband for buying inappropriate grocery.	It justifies and promotes domestic violence
Magnum ice cream	The ad has a tag line: unleash your wild side.	It has a sexual overtone and is promoting wrong values
Calvin Klien Jeans	Ads are vulgar with one girl and two boys.	Distorted sex education to the youth
Protein world	Do you have a beach body ads	Derogatory to women and impinging on their right to live with dignity

Some recent ads in India are reflecting the changing values and social relationships of society.

HDFC standard	Sar uthe ke jiyo campaigns	Show women as professional and independent
Tanishq Jewellery ads	Remarraige and strong emotional bond between parents and daughter	Women are shown in a positive light
Airtel ads	Wife as the boss	Women are shown as independent

The findings of this research based on analysis of some advertisements are that recently there is a positive step towards ending these stereotypes. Unilever has unveiled a new global alliance as it tries to wipe out stereotypical portrayals of gender in all advertising and brand-led content. Along with UN Women, the premier global champion on gender equality, the Un- stereotype Alliance has been set up to unite leaders across business, technology and the creative industries to rally against stereotypical gender portrayals. Members of the alliance include Facebook, Google, Alibaba, Mars, Mattell, Microsoft, Johnson and Johnson, P & G, and few other companies as well as advertising industry bodies in UK and USA. The Un-stereotype Alliance co-convened by UN Women and Unilever for the first time in Cannes in June 2017, aims to bring about a positive cultural change by using the power of advertising to help shape perceptions that reflect realistic, non-biased portrayals of women and men.

The ASCI in India also has to play a more proactive role in ending gender stereotypes and take strong cognizance towards ads that promote gender stereotype. In 2014, it issued guidelines for advertising for skin lightening and fairness products but its guidelines are flouted and its consumer complaints cell (CCC) receives a large number of complaints every year. It is a self-regulatory body and has to ensure compliance for its codes. It has recently tied up with the government bodies like the department of consumer affairs and Food safety authority for regulating advertisements. But telemarketing ads do not come under its purview.

RECOMMENDATIONS

Our recommendations are that the mind set of society towards women needs to change. The younger generation

has to bring about this change in their attitude through gender sensitisation. The changing cultural values and beliefs should be reflected in our advertisements. Media is a reflection of society and one of the agents of socialisation. It must be sensitive towards women.

CONCLUSION

Media as the fourth pillar of Democracy has a very important role in women empowerment, women emancipation and in protecting the rights of women. It is the magic bullet that penetrates the human mind and hence has to be sensitive towards women and portray them in a realistic and sensitive manner.

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ROLE OF SOCIAL MEDIA MARKETING IN ORGANIZATIONS: A NEW PHASE OF MARKETING MANAGEMENT

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ABSTRACT

Marketing plays a vital role in business as it creates value for its customers and society at large by communicating benefits and leading to exchanges between products/ services. Traditionally, there have been various marketing tools like newspapers, television, radio, etc. used by organizations. However, organizations are now trying to achieve this aim to reach out to as many people around the globe with the use of Social Media platforms like Facebook, Twitter etc. to share content and attract customers. This is known as Social Media Marketing. The aim of this research paper is to study the role of social media marketing for organizations by analyzing both primary and secondary data. Findings indicate that Social media Marketing benefits the organization as consumers are inclined to make a purchase because of the availability of feedbacks, heavy discounts and celebrity endorsements. However, overdoing or spamming customers with these marketing campaigns works against the organization. The paper also recommends what organizations need to do to make the most of social media marketing.

KEYWORDS: Marketing, Social Media Marketing, Facebook, Celebrity Endorsement, Marketing Communication Mix.

1. INTRODUCTION

1.1 MARKETING

It is rightly said by David Packard, cofounder of Hewlett-Packard, that "Marketing is too important to be left to the marketing department". From the shift in the marketing arena from being product-centric to customer-centric, businesses have realized that marketing is an activity which binds the different departments of a business together such as operations, finance, administration, accounting etc. Marketing helps in building demand for products and services by ensuring acceptability of new products introduced or by improving the products to satisfy customers' needs. However, marketing is not only limited to creating demand for one's products and services but also creates value for customers.

According to the American Marketing Association, the definition of marketing is given as: 'Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.' (Kotler, 2012)

Companies all over India have started realizing the importance of marketing which is evident from the growing share of advertising industry in India's Gross Domestic Product (GDP). According to India Brand Equity Foundation

(IBEF), it is predicted that by 2017, advertising industry is estimated to be ₹ 63,000 crore (USD \$10 billion) industry.

1.2 IMPORTANCE OF MARKETING

Marketing is an activity which has a holistic approach targeting different aspects, thus creating benefits to be reaped by all.

- End result of marketing leads to availability of goods and services to all the different customer groups thus catering to the needs.
- Marketing includes different functions like buying, selling, transportation etc. All of these activities are performed by various people, leading to employment generation.
- It is a business activity that creates demand for products/ services, leading to higher sales and profits for the business.
- Marketing makes it is easier for the businesses to disseminate information and understand exactly what the customer wants. This helps the firms in bringing out customer satisfying products and services.
- As said by Adam Smith, 'nothing happens in our country until somebody sells something', this is exactly what marketing does. It helps the businesses in selling their products, earning profits and in turn, helping the

economy of a country to develop. (Source: your article library).

1.3 TOOLS OF MARKETING

Marketing as defined by the American Marketing Association includes the aspect of 'communication' which forms the basis for organizations to inform and persuade their customers through constant reminders. The various tools of marketing helps in achieving the same. These tools together form 'Marketing Communication Mix'. Effective use of 'Marketing Communication Mix' leads to a proper dialogue between the organization and consumers which develops a certain brand image in the minds of the consumers and helps them recall a particular brand more easily. The different marketing tools are as follows:

- Advertising – Promotion of goods, services, ideas to customers by an identified sponsor through various sources of media (such as print, electronic, broadcast, display etc.).
- Sales Promotion – Boosting or encouraging purchase of a product/service through short term incentive like trade promotion, consumer promotion and business promotion.
- Events and Experiences – Events conducted by the company in order to ensure dialogue between the customer and the marketer.
- Public Relations and Publicity – Activities undertaken by the company both internally and externally to protect the image of the company.
- Direct Marketing – Direct forms of communication with consumers through e-mails, fax, telephone etc.
- Interactive Marketing – One of the forms of marketing which involves communicating about the products and services and maintaining the image of the company through online medium/platforms.
- Word-of-mouth Marketing – Marketing done on the basis of the experience of using any product or service through oral, written or electronic mode of communication.
- Personal Selling – One on one conversation to generate awareness, solve queries and strongly influence customers to buy the product/service. (Tuten and Soloman, 2014).

Apart from these traditional forms of communication, one of the upcoming tools of marketing is 'Digital Marketing'. Digital Marketing refers to the usage of technology to undertake marketing related activities in order to create

awareness among the customers about the various products/services and understand their needs. Digital marketing came into existence due to the rapid increase in the use of internet by people all across the globe and then, the eventual popularity of social media platforms widened its scope. Access to a large mass of people made the organizations realize the potential of social media platforms for conducting marketing activities. Thus, came into being one of the forms of digital marketing known as Social Media Marketing which is also known as a modified version of word-of-mouth marketing.

2. RESEARCH PROBLEM

The above report highlights the role played by Marketing and how the various tools contribute to help Marketing achieve its goals. It also brought to light the emergence of new Marketing tool – Social Media Marketing. This report aims to study the role of Social Media Marketing as a tool of marketing for an organization.

3. RESEARCH OBJECTIVES

- To understand the concept of Social Media Marketing.
- To study the evolution of Social Media Marketing.
- To analyze the size of Social Media Marketing along with its growth rate along with the factors contributing to its growth.
- To comprehend the various forms of Social Media Marketing.
- To examine the various benefits and problems of Social Media Marketing.
- To understand the changing trends in the future of Social Media Marketing.

4. RESEARCH METHODOLOGY

• DATA METHOD COLLECTION

The data for the paper has been gathered from both Primary and Secondary sources.

Secondary Data: The research began with an extensive literature review to develop the initial conceptual framework. Also, to further enrich the contents of the research, information was sourced from books, newspaper articles, journals and websites.

Primary Data: For primary data of the study, Descriptive Research was conducted as the paper aims to describe the various benefits and problems of Social Media Marketing. Additionally, Quantitative Data was collected through Survey method.

4.2 SAMPLE

Sample Size of 95 Samples were selected from Mumbai during the period of September – October 2017. Additionally, Non Probability Sampling method will be used for selecting the samples as all the elements of the population didn't have an equal chance of being selected. Under Non-Probability Sampling method, Convenience Sampling Method was adopted as the samples selected were as per the convenience of the researchers.

4.3 QUESTIONNAIRE

Structured Questionnaire was used to collect the data which mainly consisted of Closed-Ended questions and was filled through Google Forms.

4.4 DATA ANALYSIS

Measure of Central Tendency, Measures of Dispersion and Z Test have been used to analyze the data and derive conclusions.

- **SOCIAL MEDIA MARKETING**
- **MEANING – SOCIAL MEDIA MARKETING**

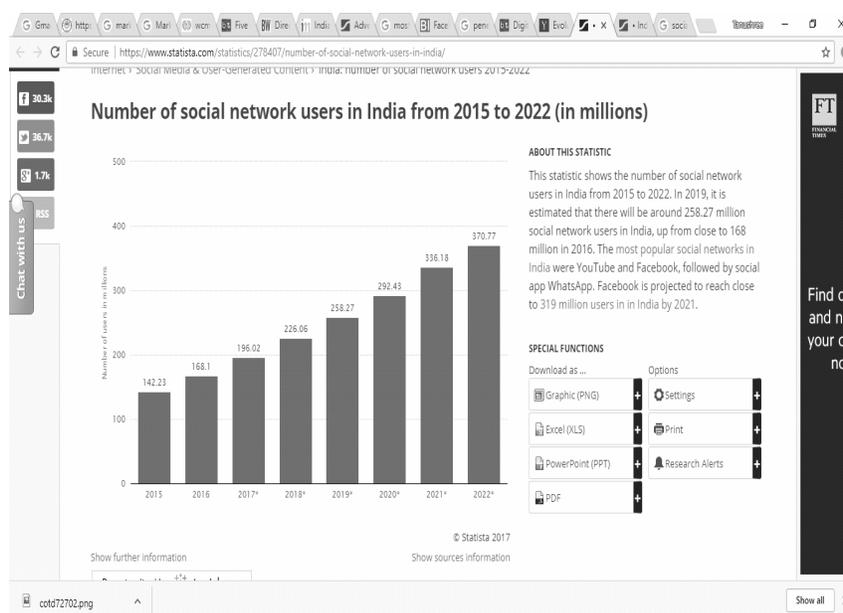
Increasing trend of online presence of users and a cost-efficient platform to reach out to a wide mass of people led to the growth of digital marketing. Also, with a shift in the use

of internet and heavy traffic on social media websites, organizations further penetrated their digital media presence on social media platforms to avail the benefits of digital as well as interactive marketing platforms. This led to the introduction of Social Media Marketing.

Social Media Marketing is nothing but the use of social media platforms like Facebook, Twitter, Instagram etc. to share content and attract customers to buy products/ services. This is usually done through various social media campaigns which inform the consumers about the products and services. Through an interactive medium a two-way communication can take place by welcoming feedbacks and suggestions of consumers. Organizations use this to their advantage and alter the product or the service being offered accordingly. These social media campaigns also use famous personalities to influence the consumer buying behavior.

In India alone, the number of social media users, as on April 2017, stands at 196.02 million and is expected to only rise in the coming years. This shows the opportunity that organizations have to further explore and penetrate deep into the markets through the use of this marketing tool. (Source: Statista).

Chart 2: Number of social network users in India from 2015-2022



One company which has successfully understood this in recent times is OnePlus, a smartphone company based in Shenzhen. The company introduced its products in the Indian market in December, 2014 but by January-March quarter of 2017 it has been able to catch a 12 percent market share in the premium category smartphone because of their capture

on the online modes of marketing and eventual command on the offline modes of marketing as well. (Source: AdAge India dated 18th March, 2016). The company faced problems regarding costs on buying of hardware and making the smartphone and thus, decided to cut down costs through use of online marketing techniques. Starting off by establishing a

good follower base, OnePlus ensured that they had an active social media presence on Facebook and Twitter. They currently have 6.7 million followers on Facebook and about 1.13 million on Twitter. This was done with the idea of creating a community, not only socially but also digitally. Digital community was formed by welcoming the discussions and opinions of techno-savvy people on online platforms, who in turn, started inviting others once they liked the product. This form of word-of-mouth marketing worked in the favor of OnePlus. Their 'invite only' strategy where consumers were asked to register once a new product launched and were further asked to invite others to buy the phone helped them in better inventory management and controlling the demand and supply for the company. This exclusivity was seen in the success of OnePlus 2 where about 5 million invites were seen over a time period of only 2-3 weeks in the market.

However, OnePlus also uses traditional methods of marketing which involved collaboration with Ola and Air Asia to provide the riders and fliers with the OnePlus smartphones throughout their journey to simply experience it. Apart from this, there were pop-up stores and place was taken on rent in malls. Along with this, a lot of online as well as offline community campaigns are organized, inviting all the techno-savvy people to participate and contribute. One of them, for example, was the photo opportunity tour in collaboration with Better Photography magazine to provide photography lessons across various cities in our country thus indicating that while traditional media is used, Social Media Marketing is now making a place in the marketing circuit. (Source: AdAge dated 18th March, 2016)

5.2 EVOLUTION OF SOCIAL MEDIA MARKETING

With the invention of internet in 1960s and its growing use in the next two decades, cyber surfers widely started using some of the earliest means of social networks like Friendster, Six Degrees and LiveJournal.

Then came the period of rapid growth in the use of internet by consumers and businesses which was seen in the dotcom phase which took place in 1997 and saw its effects till 2000. This historic event brought out the marketing functionality of the internet. Companies focused on Search Engine Optimization (SEO) to ensure that they are displayed on the top of search results. Along with this, they started building their own websites to gain an online presence in the market. Meanwhile, search engines like Google, Yahoo and MSN were also evolving, further providing a platform to companies.

The bursting of the dotcom bubble by the year 2001 brought into existence weblog or commonly known as 'blogs' in today's world. Blogs exposed the companies to the possibility of having a monologue rather than a dialogue – the companies gave a detailed description of their products/services and the customers, through their comments on the blog, expressed their opinion and gave feedbacks. This helped companies to provide products/services as desired by customers. Companies understood the capability of content marketing.

By 2003-2004, social networking saw a paramount change with the coming of Facebook, LinkedIn and My Space. Companies started making their own profile pages on these websites to reach out to customers and keep them continuously updated with the activities of the company.

Realizing the benefit of social media marketing in the form of greater level of information about the company and its products/services and the lower cost of marketing with a wider reach, both the consumers as well as the companies have been extensively using this tool. This can be seen through the 200 million active social media accounts in India in the year 2016. (Source: smallbusinessyahoo)

Understanding the evolution of Social Media Marketing in Indian Market, Internet was introduced in India by Videsh Sanchar Nigam Ltd. (VSNL) in the year 1995. Since then, India has only seen an increase in the use of internet. Started off with using internet for reading and browsing, the users have now shifted towards the sophisticated classes of internet usage such as online transactions, social media platforms, online exchange of goods and services etc. Ranking second in Asia Pacific region as in January, 2017 with 462 million internet users and an online penetration of only 35% in terms of internet usage, it is only expected to grow more. (Source: Statista)

• FORMS OF SOCIAL MEDIA MARKETING

Social Media Marketing channels can be of different categories. Selection of channel is vital as a wrong selection of the social media will lead to targeting of the wrong consumer group and the whole marketing campaign can go haywire. Social media channels can be divided into four categories:

• SOCIAL COMMUNITY

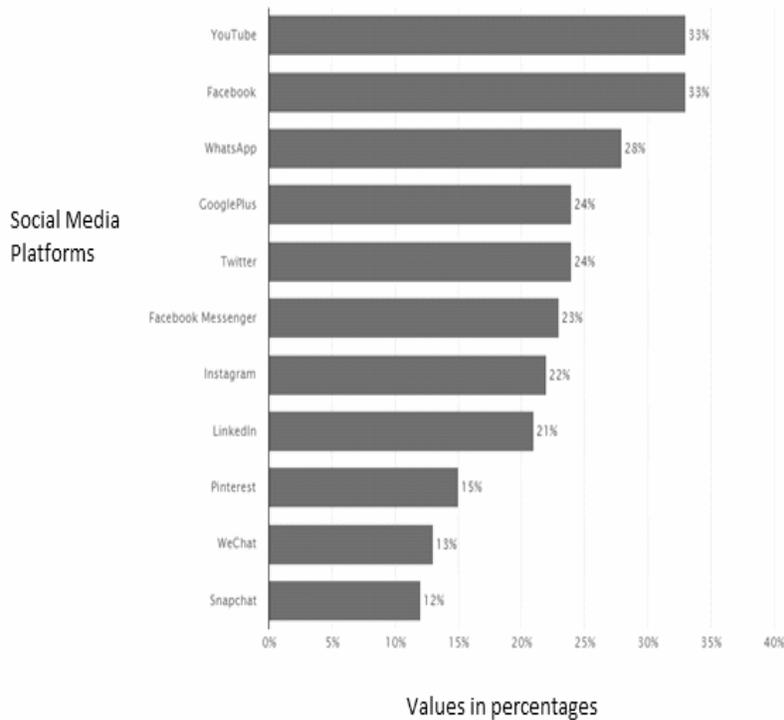
Social networking websites links people to others and helps them to maintain and build on relationships. With the basic feature of maintaining a public profile while sharing your information, social networking websites bring together people with same interests and form communities.

As of quarter 4 of 2016, it is seen that Indians prefer Facebook and YouTube social communities with each having a share of 33 percent penetration level. India ranks second in the list of countries having most number of Facebook users and accounts for 11 percent of total global Facebook users. However, only 14 percent of the Indian population is active

on these social media networking websites and it's one of the lowest worldwide. (Source: Statista)

This large customer base provided by social media networking websites like Facebook is used by the companies to reach a wide audience to share information and promote products and services online through various campaigns carried out by them.

Chart 3: Penetration of Social Media Networks in India as of Quarter 4 2016



Source: Statista

• **Social Publishing**

Social publishing includes those instruments which are used to mainly share content with people such as blogs, micro sharing sites and media sharing sites.

With about 2 billion blogs are posted every day, it has emerged as one of the most popular social publishing tools. Blogs are regularly updated apparatus used by individuals and bodies for content, photo and video sharing. Through the feature of leaving comments on the content shared, it ensures a multi-way communication with the mass. WordPress, Weebly, Blogger etc. are some examples of blogs.

Putting a limit on the length of content that can be posted introduces us to the next form of social publishing tool - micro sharing sites. They are very much similar to blogs apart from the characteristic of length of the content. The most famous micro sharing website is Twitter which puts a limit of maximum 140 characters.

Media sharing sites not only encourage sharing of content but also provide the feature of sharing photos, videos, documents, presentations and a mix of them all too. In other words, they host content sharing allowing the users to utilize various other channels of media. People can also search for content in a specific channel of media. Examples for the same are as follows: Photo sharing websites (Instagram, Snapchat), Video sharing websites (YouTube, Vimeo), Document sharing websites (SlideShare, Scribd), Music sharing websites (Soundcloud, AudioFarm).

• **Social Entertainment**

Social entertainment talks about games including alternate reality games, console games and entertainment communities, all having a social aspect attached to it.

Players coming together and joining rooms, fighting against each other while interacting through chat rooms offer a space to the players to connect to one another through a

source of entertainment. Some of the examples include games like Mafia Wars and Mini Militia.

- **Social Commerce**

Usage of social media platforms to help in the exchange of products/services is known as social commerce. It has an influence on the consumer buying stage. Some of the examples include deal aggregators (8coupons), review and rating websites (Yelp), social shopping market (Etsy) etc.

It is usually seen that the organizations use more of social community and social publishing tools for promotion. Social entertainment is still growing and social commerce is a direct channel for organizations to sell their products.

5.5 BENEFITS OF SOCIAL MEDIA MARKETING

In order to better understand the benefits that social media marketing holds for the organizations, we conducted a primary research was conducted from 95 respondents through a structured questionnaire (Appendix 1). Additionally, an equal number of male and female respondents participated in the survey (Chart 4).

Also, respondents from different age groups were studied in order to understand the effect of social media marketing on people of different ages. 44 percent of respondents belonged to age group of 15-20, 26 percent to age group 21-25, 23 percent to age group 26-30 and remaining 7 percent were above 30. (Chart 5)

Additionally, out of all the social media platforms, users are most active on Facebook and Instagram with 77 percent and 74 percent of the respondents being active on Facebook and Instagram respectively (Chart 6). **Source:** Primary Data

Source: Primary Data

This doesn't come as a surprise as Indians have the highest social media penetration in Facebook with an overall percentage of 33 percent. Furthermore, they have an 11 percent global market share of Facebook and stands second in the list of countries with most number of Facebook users (Source : Statista)

Source: Primary Data

Furthermore, when asked whether these users have seen organizations actually undertaking online campaigns to sell their products and services through social media channels, about 98 percent of the respondents positively (Chart 7). This indicates that consumers these days are well aware of the marketers using social media platforms as marketing tools. They can recognize them easily, making it easier for the

organizations to undertake marketing activities on these platforms in an efficient manner.

It was also seen that these social media campaigns actually influenced the consumers buying behavior. When measured on a scale of 1-5, respondents rated the impact of social media marketing an average of 4.0. While understanding the reasons why social media marketing impacts purchase decision, availability of reviews and feedbacks regarding any product/ service being advertised emerged as the most important factor when tested at 5 percent level of significance (Appendix 2).

Source: Primary Data

Source: Primary Data

Claims from other people like them and not the company proves to be a more reliable source of communication. The second aspect is the availability of information regarding the use and features of the product. This guides the customer regarding its use and makes them aware about the product. These factors were followed by heavy discounts and coupon codes. This can be attributed to the fact that India is a highly price-sensitive market.

The secondary data findings support the results of primary data. Availability of reviews and feedbacks helps the organization in understanding the consumer needs and giving out products/services in the market accordingly. Being a transparent tool, social media brings a certain level of trust from the side of the consumers and thus, information regarding the use of the product and its features make consumers more aware and help marketers to share their content more accurately. Along with this, heavy discounts and coupons further increase sales. Any influencer or celebrity adds to the reach and authority of the organization as they benefit from the follower base of these influencers. (Carbone, 2015)

Additionally, organizations these days are also engaging in celebrity endorsements to bring about a greater influence on the buying behavior of the consumers. About 88.4 percent of the respondents claim they have seen organizations using famous personalities to endorse their products (Chart 9). The main reasons due to which celebrities have an influence on consumer's purchase decision is that they satisfy the aspirational needs (45 percent) of consumers, followed by celebrity being seen as a credible source (34 percent) and the image of the brand and the celebrity matches that of the consumer (24 percent) (Chart 10). Additionally, the factor of aspirational needs emerges as significantly more important

than the others when tested at 5 % Level of significance (Appendix 3).

Source: Primary Data

Source: Primary Data

• LIMITATIONS OF SOCIAL MEDIA MARKETING

Like every coin has two sides, so does social media marketing. Literature review has brought to light a few of the problems of social media marketing which are discussed as follows:

Since the reliance of customers on feedbacks and reviews, the organization needs to keep a real time update of the opinions on their social media pages and profiles in order to deal with any kind of negative feedback or problem from the side of the customer as soon as possible.

Keeping a real time update of the opinions is a time-consuming job and will require a separate team to especially look into the social media handles of the organization.

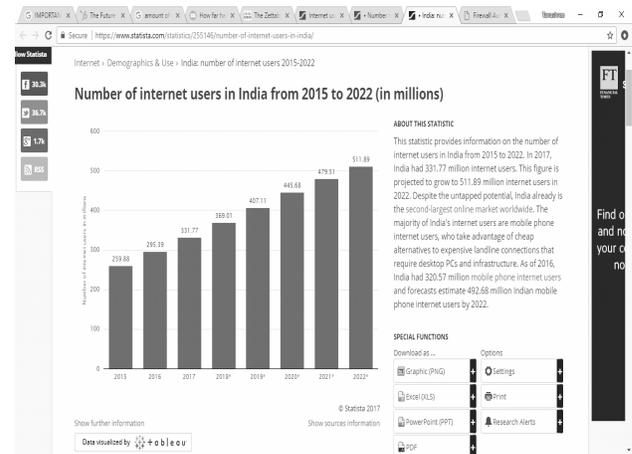
Additionally, the primary research analysis indicates a few more reasons behind consumer's skepticism towards social media marketing. It was seen that overdoing/spamming of social media handles (64 percent) through these social media platforms have a significant negative impact on the consumer buying behavior when tested at 5 percent level of significance (Appendix 4). This factor was followed by misleading/incomplete information provided by companies on these platforms (47 percent). Also, 35 percent of the consumers were skeptical about social media marketing as they saw it as just another form of marketing. (Chart 11)

Source: Primary Data

6. FUTURE TREND OF SOCIAL MEDIA MARKETING

Considering the predicted rising level of number of users of social media platforms, there is only more scope for organizations to extensively use this marketing tool in the near future.

The number of smartphone users in India is expected to reach 300 million by the end of 2017, further expecting a rise to 400 million by 2020. Along with this, about 54 million people will be using tablets by the end of 2017. Their growing figures is an important indicator of growth of social media marketing as it is through these forms that social media marketing can be carried out.



It is only through internet access to the targeted audience that the social media marketing tool can be successful for an organization. In 2017, the number of internet users in India are 331.7 million, with an expectation of the number increasing to around 500 million by 2022. Majority of the internet users depend upon the cheap mobile internet offers. In 2016, the number of mobile phone internet users stood at 320.57 million. Organizations have been capturing the advantages of these increasing number through the launch of mobile apps. (Source: Statista)

Chart 12: Number of Internet users in India

The introduction of digitization policy in India has further contributed towards the increase in the number of internet users. This policy ensures that internet penetration takes place in the rural areas as well. This is done through awareness programs such as National Digital Literacy Mission (NDLC) which trained about 8.2 million people to use the internet. Along with this, Google in collaboration with Indian Railway Catering and Tourism Corporation (IRCTC) brought internet connectivity to about 120 railway stations. (Source: livemint dated 10th March, 2017)

A separate social media marketing team helps the organizations in providing real time data to its users. It helps them in capitalizing on the opportunities and tackling of crisis situations in an efficient way. Dell and Marriott International have already implemented this strategy and Indian companies are trying to bring about the same structural change in their organization. (Source: Forbes India dated 15th December, 2016)

Globally, it is expected that IP traffic will grow at a Compounded Annual Growth Rate (CAGR) of 24 percent in the next five years. The smartphone traffic is expected to grow at a CAGR of 49 percent by 2021 along with doubling of the broadband speed. All of this will only ensure better

internet penetration and simultaneous increase in the number of social media users. (Source: Cisco, 7th June, 2017)

7. RECOMMENDATIONS

Findings from our primary and secondary data brought us to the following recommendations for the organizations:

- With the availability of a variety of social media platforms, it is very important for organizations to correctly identify their target audience and the most suitable social media platform to reach out to their audience. Our primary research suggests that Facebook and Instagram see heavy traffic and these platforms are very attractive for organizations.
- In order to tackle any crisis situation such as negative feedbacks or grab and build on customer’s positive review about the products/services, a social media team for specifically handling the organization’s social media pages and profiles is essential to keep it up to date and ensure that real time content is shared.
- Feedbacks and reviews is the significant factor affecting a consumer’s buying behavior and thus, it should be ensured that incentives are provided to encourage reviews and negative feedbacks should be tackled immediately.
- Celebrity endorsement do have an effect on the consumer’s buying behavior as people consider them to be their role models, hence satisfying aspirational needs of the consumers. However, organizations have to be careful when it comes to choosing the right famous personality who matches the image of the product/service being endorsed by them.
- Over spamming of these marketing campaigns leads to irritation among the customers and thus, organizations

should keep a track on the amount of marketing activities that is being undertaken.

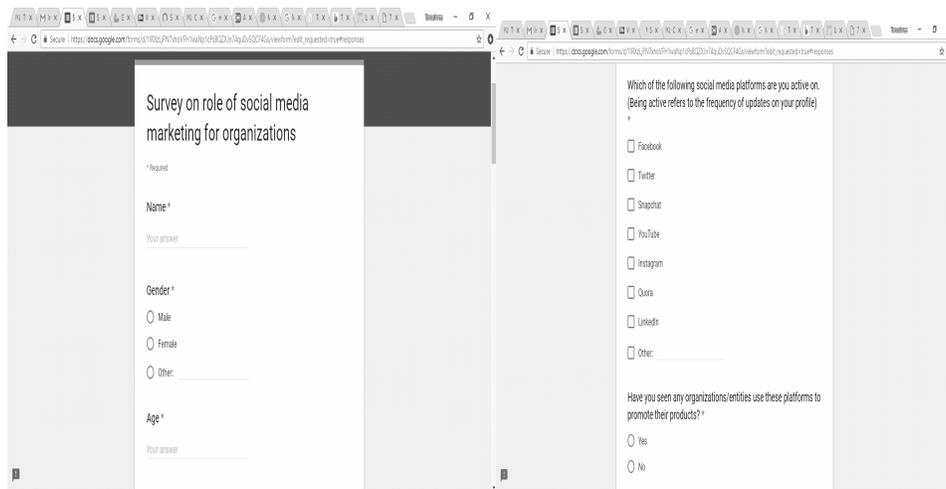
- Companies should focus on providing full and appropriate information to the consumers as consumers these days prefer transparency and any kind of secrecy from the side of the marketers is not encouraged by the consumers.
- Most importantly, companies should understand that even though social media marketing has quite a lot of scope of growth in the future, it cannot be used in isolation to other marketing tools. In order to get the most benefit, both traditional and modern tools of marketing are to be effectively applied by an organization.

8. CONCLUSION

Social Media Marketing is sharing of content in order to attract consumers through the use of social media platforms. In India, as per April 2017, about 196 million people use social media and this number is expected to grow to about 292 million by 2020. It benefits the consumers and organizations through availability of information regarding the product use and features, feedbacks and reviews and heavy discounts. However, over spamming by organizations leads to irritation among the customers and providing real time update is time consuming. With deeper penetration of internet and growing use of social media platforms, social media marketing proves to be an important tool of marketing for organizations in the coming future.

REFERENCES

APPENDIX I





APPENDIX 2

epitools.ausvet.com.au/content.php?page=z-test-z&p1=0.674&p2=0.505&n1=95&n2=95&C.conf=0.05&tails=2&samples=2

One-tailed
 Two-tailed

- Asymptotic (normal approximation) confidence limits (based on specified significance level) for the proportions and their difference; and
- z and P values for the difference in proportions and their interpretation; and
- whether or not z * p values are > 5 (to ensure test validity); and
- a plot of the confidence limits.

z-test to compare two proportion

Analysed: Wed Oct 04, 2017 @ 15:25

Inputs

	Sample 1	Sample 2
Sample Proportion	0.674	0.505
Sample size	95	95
Significance level	0.05	
1- or 2-tailed test:	2-tailed	

Results

	Sample 1	Sample 2	Difference
Sample proportion	0.674	0.505	0.169
95% CI (asymptotic)	0.5797 - 0.7683	0.4045 - 0.6055	0.0291 - 0.3089
z-value	2.4		
P-value	0.0179		
Interpretation	Statistically significant, reject null hypothesis that sample proportions are equal		
n by pi	n * pi > 5, test ok		

APPENDIX 3

epitools.ausvet.com.au/content.php?page=z-test-2bp1=0.453&bp2=0.337&n1=95&n2=95&Conf=0.05&tails=2&samples=2

Submit Reset

z-test to compare two proportion

Analysed: Wed Oct 04, 2017 @ 15:55

Inputs

	Sample 1	Sample 2
Sample Proportion	0.453	0.337
Sample size	95	95
Significance level	0.05	
1- or 2-tailed test	2-tailed	

Results

	Sample 1	Sample 2	Difference
Sample proportion	0.453	0.337	0.116
95% CI (asymptotic)	0.3529 - 0.5531 0.2419 - 0.4321 -0.023 - 0.235		
Z-value	1.6		
P-value	0.102		
Interpretation	Not significant, accept null hypothesis that sample proportions are equal		
n by pi	n * pi > 5, test ok		

CI plot

epitools.ausvet.com.au/content.php?page=z-test-2bp1=0.453&bp2=0.253&n1=95&n2=95&Conf=0.05&tails=2&samples=2

Submit Reset

z-test to compare two proportion

Analysed: Wed Oct 04, 2017 @ 15:57

Inputs

	Sample 1	Sample 2
Sample Proportion	0.453	0.253
Sample size	95	95
Significance level	0.05	
1- or 2-tailed test	2-tailed	

Results

	Sample 1	Sample 2	Difference
Sample proportion	0.453	0.253	0.2
95% CI (asymptotic)	0.3529 - 0.5531 0.1696 - 0.3404 0.0041 - 0.3339		
Z-value	2.9		
P-value	0.0039		
Interpretation	Statistically significant, reject null hypothesis that sample proportions are equal		
n by pi	n * pi > 5, test ok		

CI plot

APPENDIX 4

epitools.ausvet.com.au/content.php?page=z-test-2bp1=0.642&bp2=0.474&n1=95&n2=95&Conf=0.05&tails=2&samples=2

Submit Reset

z-test to compare two proportion

Analysed: Wed Oct 04, 2017 @ 16:21

Inputs

	Sample 1	Sample 2
Sample Proportion	0.642	0.474
Sample size	95	95
Significance level	0.05	
1- or 2-tailed test	2-tailed	

Results

	Sample 1	Sample 2	Difference
Sample proportion	0.642	0.474	0.168
95% CI (asymptotic)	0.5456 - 0.7384 0.3736 - 0.5744 0.0268 - 0.3092		
Z-value	2.3		
P-value	0.0197		
Interpretation	Statistically significant, reject null hypothesis that sample proportions are equal		
n by pi	n * pi > 5, test ok		

CI plot

STUDY OF CONSUMERIZATION OF HUMAN RESOURCE

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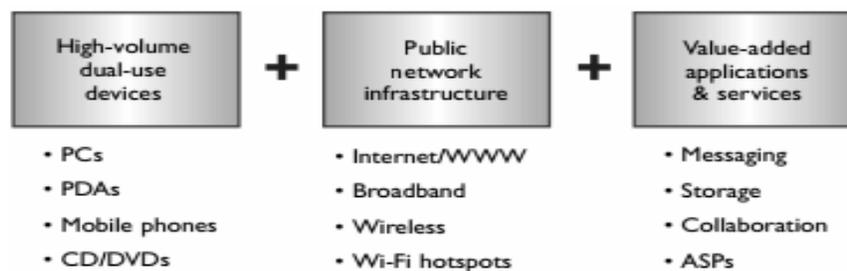
ABSTRACT

The 'consumerization' of Human resource management is a powerful trend that promises many significant long-term business consequences, including radically lower costs, greatly improved functionality, and successive generations of users who are ever more technology-savvy. In this paper take a high-level look at what mean by consumerization, why this process matters to businesses of all sizes and human resource how companies should begin to approach and manage this important and still not fully appreciated phenomenon. Subsequent research will focus on consumerization's effect upon how company can use this trend to attract and retain new employee.

KEY WORDS: Consumerization, employee retention, human resource management.

INTRODUCTION

What do we mean by 'consumerization'?



¹The defining aspect of consumerization is the concept of 'dual use'. Increasingly, hardware devices, network infrastructure and value-added services will be used by both businesses and consumers. This will require IT organizations to rethink their investments and strategies

Characteristics of Consumerization

There are two few distinct characteristics of Consumerization:

- Democratization of Technology
- Componentization of Technology

If we look at these two main characteristics, we can understand how consumerization is happening in the field of HR.

Democratization of Technology

HR systems and applications historically were meant to be used by HR community, which meant that employees were dependent on HR department for their regular processes. However, with the new wave of consumerization, the latest SAAS based HCM products are being built with employee as the main consumer of technology and data thus severing the dependence on HR department.

Componentization of Technology – instead of spending on huge monolithic suites, organizations can take a closer look at what is important for them and buy only those components of the technology, which helps them focus on and tackle strategic priorities. And each of these components are loosely coupled, so that there is enough integration amongst the components for a seamless exchange of info but with enough flexibility to replace one component at a time without disrupting the flow.

CONSUMERIZATION OF HR?

"The consumerization of HR" refers to how companies are creating a social, mobile and consumer-type experiences for employees inside the company. When this phrase a year ago, the focus was on how HR professionals were leveraging consumer technologies inside the organization: videos for conducting an interview, apps for applying for a job, and tools for giving and receiving feedback on performance. Just as marketing seeks to optimize the customer experience to engage consumers with a brand or product, HR consumerization looks to engage employees more completely with the company culture. This involves more than simply using social media to recruit, onboard, and engage employees.

¹ CSC's research and advisory services

Recruitment has been the first area within HR to leverage consumer technologies, with mobile becoming the dominant mode for sourcing talent. According to research conducted by Census Wide, on behalf of Indeed.com, 65 percent of people use their mobile devices to search for jobs. Moreover, this trend isn't isolated to younger job seekers. While 77 percent of people ages 16 to 34 use a mobile device in their job search, 72 percent of people ages 35 to 44 also turn to mobile to find a new position, as well as 54 percent of people ages 44 to 54, and 35 percent of people ages 55 and over. All that said, however, the focus for HR has now evolved from just using consumer technologies at work to creating a personalized employee experiences in the workplace.

This Consumerization of HR has led forward-looking HR departments to rethink their mission and purpose, and leverage five key consumer trends such as: creating a personalized employee experience, being agile, focusing on employee advocacy, infusing design thinking to create new HR solutions, and incorporating people analytics. These five trends point to the creation of a new HR, one that works across the organization to be more employee-centric, sees the workplace as an experience rather than a place to go each day and is committed to being an activist for change in the organization.

OBJECTIVES OF STUDY.

- To know need for consumerization for HRM.
- To know the impact of consumerization on performance appraisal.
- To know the co relation between consumerization and labour turnover.
- To know challenges and future of consumerization

LITERATURE REVIEW

(NGS Human Resource White Paper): The workforce of the future is smaller, more diverse and more dispersed, wanting a career lattice to support individual needs. It expects direct access, and is digitally divided. HR must adapt to this changing environment. Through the consumerization of HR, everyone can access HR services directly, thereby cutting out HR as the middleman. Going forward, HR will be remote, mobile, social, automated, specialized and smaller than in the past, and organized, with agility and flexibility as key requirements. Read this white paper and get familiar with the consumerization of HR.

Natalie Hackbarth 4.23.17: Workplace futurist Jeanne Meister described the Consumerization of HR in Forbes, saying, "The new objective is to create one employer brand which provides a seamless experience for current employees, potential employees, and consumers... to create the type of memorable employee experiences we associate with extraordinary customer experiences." This concept will mean something very different for every company. It requires companies to think holistically about the choices they make, for both their customers and employees, and creating a consistent and immersive experience with the company. It is the ultimate expression of business values, identity and culture.

(David Moschella, Doug Neal, Piet Opperman and John Taylor) Consumerized technologies, infrastructure and applications can deliver dramatically lower costs and equally significant improvements in business functionality and ease of use. While most of these technologies have been on the radar screen for several years, we believe that they are now reaching critical mass, and that organizations need a process for adjusting to these developments.

Amber Hyatt 2017 a key question has emerged: how can HR teams and their organizations better enable their workforce to provide a substantial competitive business advantage? Many believe HR technology should be that enabler, but traditional talent management technologies focus on automating HR functions, often ignoring the most important "consumer," employees. To keep pace with today's self-service and mobile employees, organizations need more than process automation, instead opting for an employee-first mentality, internally and externally.

RESEARCH METHODOLOGY

This paper require majority of secondary data as internet blogs various foreign HRIT service sites, HR insights, articles, Research papers, books. To study this topic in detail the researcher used basics of consumerization its process and how consumerization is affecting various concepts of human resources management like performance management, turnover of employee, retention and attrition employee engagement etc.

DATA ANALYSIS

Role of HR

- A HR function's primary role is employee engagement. And to reduce the friction, negativity in their day-to-day organizational activities / life and enable employees to function to their full potential, so that organizations achieve excellence in their chosen business.
- To that end, HR function's responsibility is to create an enabling and facilitating ecosystem conducive to employees' productivity.

(I) CONSUMERIZATION OF HR AFFECTS THE PERFORMANCE MANAGEMENT PROCESS

What will the performance management process look like when HR begins to embrace the concept of consumerization? While there is no single answer to this question, there are several strategies that can help inform and shape workplace consumerization

- **Create a culture of performance:** Focus on achieving goals to
- **Foster regular communication:** Personal and professional conversations can boost employee engagement, while continuous 360-feedback enables ongoing growth and adjustments.
- **Establish flexibility as a strategic vital rather than an employee perk:** Whether it's remote work options or fluid scheduling, flexibility is a priority for today's competitive employers.

- **Employ game playing strategies as an employee engagement tool:** This emerging trend uses gaming concepts to help with recruiting new candidates, employee appreciation, and learning and development.

Human resources teams that begin to think about their roles as creating an employment experience, rather than structuring employment, will be on the leading edge of consumerization in the workplace. The result will be past, present, and future employees who have the same experience and perception of a company's brand as its customers do. This holistic concept uses technology and data to develop personalized environments for employees and consumers alike – those that see us as individuals with our own goals, preferences and interests, and help us to create the career and life that we want.

- **Create a culture of performance:** Focus on achieving goals to replace a “butts in seats” mentality.
- **Foster regular communication:** Personal and professional conversations can boost employee engagement, while continuous 360-feedback enables ongoing growth and adjustments.
- **Establish flexibility as a strategic imperative rather than an employee perk:** Whether it's remote work options or fluid scheduling, flexibility is a priority for today's competitive employers.
- **Employ gamification strategies as an employee engagement tool:** This emerging trend uses gaming concepts to help with recruiting new candidates, employee appreciation, and learning and development.

(II) CORRELATION OF CONSUMERIZATION OF HR AND EMPLOYEE ENGAGEMENT AND RETENTION

Aside from placating candidates, employee retention and engagement are some of the most important issues in HR. Top talent have many options for employment. This generation of workers do not become immediately loyal to their employers and revenue lost due to disengaged employees is nearing half of a trillion dollars each year.

²In a national Workplace Trends survey it was discovered that 83% of companies rated “employee experience” as critical to their business' success. To enhance the employee experience,

- 56 percent are investing more in training.
- 51 percent are improving their employee's workspaces.
- 47 percent are giving more rewards and recognition.

(III) CONSUMERIZATION AND ITS IMPACT ON TURNOVER OF EMPLOYEE.

Employee turnover is a costly problem, as is employee disengagement and lost revenues due to decreased productivity. It is essential to utilize the principles of HR consumerization to engage employees from their recruitment and throughout their tenure actively by following ways HR consumerization technology will help to minimize turnover of employees in the company.

• Create a More Supportive Environment

This can be as simple as reacting with positivity when an employee needs to take time off from work. Be proactive by encouraging your employees to take breaks and look after their well-being.

• Utilize Rewards and Recognition

Without excluding others, find opportunities to recognize each employee for the precise value that they bring to your team and company. Let employees see their place in your organization as important, regardless of their job description.

• Create a Culture of Purpose

Evaluate what your business does to serve all its stakeholders not just your customers. Encourage and participate in community projects. This will invigorate employees and stimulate loyalty.

(IV) CONSUMERIZATION CONVERTS EMPLOYEES INTO BRAND ADVOCATES

Creating a strong employee experience through the use of social media, online learning tools, employee feedback solicitation, and employee collaboration strategies will likely do even more than improve employee engagement.

Borrowing another move from the marketing playbook, HR managers are discovering that employees can become powerful advocates for a company brand.

(V) CONSUMERIZATION OF HR A TOOL FOR TALENT MANAGEMENT

Traditional talent management technologies focus on automating HR functions though, often ignoring the most important “consumer” – the employees.

To keep pace with today's self-service and mobile employees, organizations may need more than process automation, instead opting for an employee-first mentality, internally and externally. Companies wanting to simplify and improve the employee experience have extended their recruitment products via social media, and have made HR software more focused on employee needs and desires.

This kind of HR technology can also make employees feel important and at the forefront by creating a social, mobile and consumer-oriented experience inside the company. Instead of automating business functions like talent management software and taking important tasks away from the employee, HR technology that is employee-focused can still make the lives of HR easier while putting them traditional employee engagement often consists of a series of disconnected individual touch-points that don't directly align to strategic outcomes. Instead, talent activation transforms traditional talent management into a measurable and continual list of experiences that integrates employees from the start, moves beyond simple sourcing and onboarding, maintains the momentum, and ties work to crucial business objectives.

²National work place trend survey 2016/17

FINDINGS

(I) HR APPLICATIONS AND ITS LIMITATIONS

The enterprise IT applications for HR were created with a view to enable the HR function. As a result, the applications were designed, built and deployed to enable the HR function.

The focus of all these applications was towards reducing the cost of HR function, cost of HR service delivery. The applications helped HR function to collect, collate data and help in managing HR function, but from HR point of view.

The main actor, Employee User is a passive bystander. It was forgotten that the product HR departments were using was actually the data of the employees and processes by the employees.

Even in Talent Management, which are the most employee-centric of all HR systems, the systems primarily pushed some of the data entry activities to the employees, which was designed to reduce the load on the HR function under the guise of Self-Services. In Talent acquisition, the focus is on getting candidates to input their details (which was earlier done by HR department or by search agencies that used to receive hard copy CVs or CVs through e-mail).

In Learning, the focus went to Learning Management and compliance and not to promote, enable and facilitate peer learning.

(II) THE BEGINNING OF CONSUMERIZATION

Consumerization in HR is not about designing a look & feel. It is not about automating workflows. It is about providing a user experience, that compels the employee users to want more and increase usage and at the same time providing the required data to the HR function.

When an employee user uses a consumer app like "Whats app", the user is not bothered about the underlying technology. Similarly consumerization process use that is registered under various company accounts will not be bothered about the technology which is underlying.

(III) THE FUTURE OF CONSUMERIZATION

When we consumerize HR and HR technology, the need is to consider the employee user as the centre of the universe. Not the HR function or the HR technology. Enabling the employee user to Consumerization in HR is about reimagining HR in such a way that employees have a seamless interaction and go about fulfilling the demands of their organizational activities with the help of various applications.

In the future state, the HR technology will start considering employee users as "consumers" or "customers". And this will be the underlying concept for the way in which entire HR function will be reoriented.

An employee may apply for leave of absence through a text message and cancel it through a voice call to an IVR number or text message.

A Manager can record an appreciation or a negative feedback on his/her team member through a text message.

A customer may send a text message about the positivity or negativity of his/her interaction with one of the employees.

Facilities management may be used in new ways and may well become part of HR technology landscape.

Learning taken by employees from MOOCs (Massive Online Open Courses) providers may be integrated into the organizational LMS / into the employee profile. And employees will be able to join any course they like through their LMS irrespective of whether that course fits their role, present or future.

CONCLUSION

The future state HR technology will not be about HR function. It will be about the "consumers". The focus of any transaction will not be about whether it is strictly a HR function or an associated function. As a result of this, the organizational realignment will happen. Till now what were separate departments or functions will start merging. Or have a singular governance structure.

The impact Digital and Consumerization has in the service provider community is actually negligible compared to the impact it will have on customer organizations.

And the benefits are too high to ignore the consumerization.

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“IMPACT OF E-MARKETING PRACTICES ON THE CONSUMERS IN WESTERN MAHARASHTRA”

ABSTRACT OF Ph.D. THESIS

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IMPACT OF E-MARKETING PRACTICES ON THE CONSUMERS IN WESTERN MAHARASHTRA

1. INTRODUCTION:

In this rapidly changing competitive scenario, where companies are fighting for a higher market share and margins, e-marketing is the frontline of any corporate strategy. E-marketing means to connect people and processes through Internet and web which is a cost effective strategy. E-marketing is an integrated approach in delighting customers by meeting their expectations on a continuous basis towards understanding customer needs and satisfying their needs. E-marketing provides unique insight into the global village. Internet and web technology help to streamline processes and new types of marketing opportunities. It is evolving rapidly, everything from advancing technology to heightened competition on the growing power of the customer. The application of modern electronic technologies in business is on the rise today. Electronic business, commonly referred to as "e-business", or an internet business, may be defined as the application of information and communication technologies in support of all the activities of business.. Electronic commerce focuses on the use of ICT to enable the external activities and relationships of the business with individuals, groups and other businesses. E-business software solutions allow the integration of intra and inter firm business processes. E-business can be conducted using the web, the Internet, intranets or some combination of these. The main issues for any e-business system are the security, access control, and confidentiality issues. The concept of e-marketing, its nature and scope, the brand strategy of a product success, market and promotion strategies, a cost effective advertising plan, supply and selling chain in maintaining a competitive advantage, the growing importance of customer relationship, customer asset, long term gains, marketing and services etc. With e-marketing the markets have moved from a physical place to a virtual market space in any form of market, a series of trading processes create value for both buyers and sellers. This process can be divided into categories such as basic trade processes and trade context processes. With the help of Internet one can easily reap the fruits of its advantages and branches such as e-mail, web browsing, mail advertisements, cover stories etc.

2. STATEMENT OF THE PROBLEM:

In this study, an attempt has been made to analyse the impact of e-marketing practices on the progress of western Maharashtra. The study is necessary to understand the customer asset functions which include marketing sales and customer service operations which form the frontline in the

e-marketing practices. The region of western Maharashtra is considered as one of the most sophisticated region with regards to trading activities. The presence of sugar industries, textile handlooms, industrial corporations, large scale industries, software parks has made the region rich and it is the result of increased per capital income of the individual in this region. The rise in standard of living has changed the trading behaviour of the consumers. The high literacy rate in this region and the large number of technology study has increased the use of internets in the region. With the increasing sophistication of computer technology, industrial marketers in the western region of Maharashtra are turning to direct mail as never before. E-marketing is a common tool in this region which is frequently employed in conjunction with or as an alternative to traditional business activity. Today most of the consumers transact their business with the help of latest technology such as internet, mobile, etc. The proposed study thus wants to analyze the actual impact of those newly emerged technological components on the consumers of western Maharashtra.

3. RELEVANCE OF THE STUDY:

It is universally accepted that the research must be problem oriented. In the western Maharashtra region the e-marketing was created during the information technology boom and has become a successful strategy today. Electronic markets are an efficient means to create long term value for stakeholders. With the help of internet more and more companies are looking forward to increase efficiency and create value for customers. The study is relevant as it would be analyzing that the electronic marketing are human interactions supported by the technology. The maximum consumers in western Maharashtra are rich, complex and traditional in their activities related with the business that they deal with. The study will help to understand the role of e-marketing devices and practices in this region and its impact on the consumers in all aspects of their trading either marketing, buying, selling, advertising or a mere observer of this trade practise.

4. OBJECTIVE OF THE STUDY:

1. To study and evaluate the current e-marketing practices.
2. To study the practice of e-marketing and its impact on western Maharashtra.
3. To analyse the difficulties faced in the western Maharashtra for extensive use of e-marketing.
4. To suggest the best possible solution for the effective implementation of e-marketing practices on large scale in western Maharashtra.

5. JUSTIFICATION OF THE OBJECTIVES:

E-marketing is the widely used term by masses but is used as a second hand tool by the same population. The electronic media plays a vital role in taking e-marketing practices to the masses. Therefore it becomes necessary to study and evaluate each and every aspect included in the term e-marketing.

Western Maharashtra is considered as one of the most dominant region playing an important role in the economic structure of Maharashtra as well as the nation. E-marketing has been accepted and being used by the masses of every class in some or the other manner for making profit by the individuals, firms, industries and big corporate houses. It therefore becomes necessary to study the impact and practice of e-marketing in western Maharashtra.

Being a dominant region in co-operative sector as well as a renowned industrial and sugar belt the western Maharashtra is also known for the connectivity to the metros in terms of transportation and logistics. The problems faced by the users of e-marketing are on various levels and hence they need to be identified and analysed at every stage of implementation.

E-marketing practices are considered as the tool of rapid development which reduces the distance between producer and consumer. To increase the speed of the same and increase the profitability of every sector using the e-marketing tool for his business, the problems need to be identified and solved by giving a suitable remedy for it.

6. STATEMENT OF HYPOTHESIS:

1. E-marketing is the only tool that reduces the gap in every aspect between the producer and the consumer.
2. E-marketing helps to increase the profitability of the business in minimum time.
3. E-marketing has been adopted in the western Maharashtra and has a great impact on the masses especially consumers, industrialists and academicians.

7. WORKING DEFINITIONS OF THE TERMS USED:

Following are some terms which will be used:

1. e-marketing.
2. e-commerce.
3. Consumer.
4. Profitability.

8. CLASSES OF RESPONDENTS TO BE CONTACTED:

Following are some respondents to be contacted Consumers, Traders, Research Scholars.

9. UNIVERSAL SAMPLE SIZE:

Sr. No	Type	Sample Size
1	Consumers	287
2	Traders	42
3	Research Scholars	13

10. JUSTIFICATION OF SAMPLING METHODS:

The random sampling method being more suitable have been followed for the research work.

Criteria of sample selection:

For the purpose of the present study the researcher considered the following classes of respondents:

Consumers: Considering the large number of consumers benefitting from the e-marketing practise in the western Maharashtra, the researcher have selected representative samples which are about 287. This covers consumers from different places in the western Maharashtra.

Traders: A representative sample of 42 traders who initiated their products through e-marketing has also been covered in the study.

Research Scholars: Academicians and research scholars who have keen interest and close follow up with the changing patterns of marketing practices involved in reference to e-marketing practices are 13.

11. SOURCES OF DATA COLLECTION:

Questionnaire for Consumers, Producers and Research Scholars.

1. Interview
2. Survey
3. Reference books
4. Magazines
5. News papers
6. Government circulars
7. Internet
8. Online published reports
9. E-mail
10. Websites
11. Group discussions
12. Fax
13. Cellular phones
14. Relevant electronic media

12. METHOD OF DATA COLLECTION:

[A] Primary Data:

Primary data have been collected through questionnaire filled up by the consumers, traders and the academicians along with the research scholars.

[B] Secondary Data:

Secondary data have been collected through the electronic media, magazines, reference books, newspapers, internet, online published reports, websites, cellular phones, Government circulars etc.

13. TECHNIQUES OF ANALYSIS OF DATA:

Researcher adopted the techniques of comparative study and attitude analysis for the proposed study.

14. NOTE ON STATISTICAL TOOLS TO BE USED:

The researcher has used the statistical tools, techniques and methods such as classification, tabulation, diagrams and graphical presentations with percentage.

15. REVIEW OF IMPORTANT AND RELEVANT LITERATURE ON THE STUDY:

Reference books on e-marketing practises are reviewed for analysing the present marketing practices in the western Maharashtra. The importance and objectives of e-marketing in India with special reference to the impact on Western Maharashtra will be reviewed in the light of the present marketing policies and their implementation.

Research papers published in journals which highlight the practices of e-marketing will be referred wherever necessary.

16. SCHEME OF THE REPORT:

Proposed study is finally presented in the following order:

Chapter I: Concept of e-marketing

Marketing is mentioned activities that square measure finished satisfying consumers' desires. many various definitions are given for e-marketing and every of the definitions approach e-marketing conception from a selected read defines e-marketing as exploitation net and connected technologies together with alternative promoting tools so as to hold out the standard promoting operations and activities, finding client, communication with them and delivering worth to them, defines e-marketing as electronic application of ancient promoting combine components (4p). In another definition, believe that e-marketing is that the terribly ancient promoting that utilizes IT in achieving its goals and will increase promoting potency. E-marketing is that the application of net and alternative digital technologies in achieving promoting goals.

Chapter II: Research Methodology

This study intends to involve the both types of data i.e. the primary data and secondary data.

A. Primary Data:

The Primary Data is collected with the help of Questionnaire from Dealers & Customers in four Districts located in Western Maharashtra. In Order to study the problems of E-Marketing process in the state of Maharashtra four districts namely Pune, Kolhapur, Nashik, and Ahmednagar have been selected. It's revealed by applying Random Sample technique researcher has selected.

Consumers: The sample size of 287 consumers from different walk of life and with different age group was taken. Of the total sample of 287 consumers, about (92%) of responses were face to face i.e. by contacting them personally; about 6% were contacted on Telephone and 2% by means of Email.

Traders: The sample size of 42 traders was targeted for the present study. All these 42 traders were familiar for their brand and respectively in the field of E- Marketing.

Research Scholars: The number researchers sample size is 13. Of these 13 researchers were from various part of Western Maharashtra.

B. Secondary Data:

The Secondary data is collected through books, Journals, Report, Research studies, Research Articles, Socio-Economic survey, Magazines and various Annual Report of Commerce and chambers. The entire study is drawn upon the ideas and research from secondary sources. Twenty samples companies selected for detailed study. This study confined to the period from 2012and 2014However the survey was conducted for the period of at least two years.

Data Analysis and Statistical Tool:

Collected dada is analyzed with the help of Tables, Statistical Tool like average, percentage, Ratio, chi-Square test. Information is presented with the help of graph, maps, charts and conclusions are drawn.

Design of Survey questions

In the initial stage of the research work only one survey questionnaire was designed for all elements, i.e. consumers, traders and researcher. The questions were designed taking into consideration the objectives of the study and moreover with the aim that the respondent will be able to answer each question. In the questionnaire most of the questions had multiple choice answers. For few questions the respondents had to rank their preferences.

The approach for the present research

In the present research work, it is clear that the study of E-marketing Practices mainly comprises of a consumer perspective, traders perspective. Though each one i.e. consumer and producers can be studied in isolation however the focus of the study was to know about various factors related to all these elements. The review of various Literatures was very helpful to the researcher so as to develop the approach that resulted to undertake present study of the E-marketing as a whole. The main focus of the present study was to gather information about the impact of E-marketing practices. During the initial period of internet era conducted a survey with a sample of 100 aspects to study

whether the consumer prefers E- Marketing or not. This study was based on the find out the impact of E- Marketing practices in western Maharashtra. The conclusion drawn by her was that there was hardly any inclination of the consumer and Producers towards favoring E-Marketing. This was the situation in early period as the concept of E-Marketing was very new. However growth of internet has been tremendous over the past few years. Now days the modern marketing techniques are utilized and thus the trends in the field of E-Marketing are changing. Hence the emphasis of present study was to know impact on consumer of E-marketing practices. Taking into consideration importance of each element i.e. the consumer and producers affecting E-marketing survey questionnaires were designed. Information was gathered by using the following methods during the survey.

Chapter III: Review of the Literature

This chapter proceeds through a detailed literature review on the various dimensions of Impact of E- Marketing Practices on the Consumers in Western Maharashtra. Primarily, this chapter outlines the concept of E-Marketing, Online Brand, Online Brand Presence, Websites Contribution to the Brand, Website Dimensions and Online Branding and then, subsequently proceeds to study The Consumer Decision Making Process, Consumer Behaviour, need to study Consumer Behaviour, Online Consumer Behaviour, Models of Website Visit, The Behavioural Internet, Purchase Behaviour in the context of E-Marketing Revolution, Online Purchasing Products, Facts about Online Shopping in India, Positive and Negative aspects of Internet Shopping, Internet issues in decision making and Traditional Consumer Behaviour Vs E-Shopping. The exhaustive review of the research literature helps identify niche areas for perusal of further research. The chapter also discusses the previously established research work which has been conducted in the domain of Impact of E-Marketing Practices on the Consumers in Western Maharashtra.

Present chapter consists of review of literature related with influence of E-marketing on consumers and also deals with business perspective. Then it reviews the current issues in E-marketing and factors affecting adoption of E-marketing. Further it provides a critique review of miscellaneous studies related with E-marketing. This is followed by highlighting the research gaps and contribution of the present study. In this chapter 74 reviews are taken in to consideration.

Chapter IV: Origin and Emergence of e-marketing practices

This chapter covers the origin and emergence of e-marketing practices. E-marketing as a modern kind of promoting has been thought-about in a trial to gauge it, mistreatment the acquainted seven postscript of promotion,

price, product, place, process, physical proof and other people and its potential contribution to the promoting apply.

E-Marketing is fashionable Business Methodology that addresses the wants of not solely organization however conjointly merchants and shoppers to chop prices whereas up the standards of products & Services it conjointly will increase the speed of service delivery. E-Marketing is the wave of Technology that impact each face of one's way, home furthermore as everyone's work place in E-commerce business. Tradition Takes place in any parities electronically instead of the physical exchange of documents, direct Meeting among officers. Commerce occurs with the assistance of E-commerce in E-Marketing, data transferred electronically on-line from pc to pc in an automatic approach, sturdy economic process created by electronic commerce and escalating competition. Companies are discovering previous salutation don't work with new issues , due to E- Commerce the business partners have modified therefore there are risks and pay offs and behaviours of shoppers have modified. The stress is given on the generation and exploitation of latest business opportunities in electronic commerce and general business price and will a lot of with less.

In easy words electronic commerce suggests that, from a business method perspective, electronic commerce is that the application to technology towards the automation of business action and workflows.

Chapter V: Analysis of potentials and possibilities of e-marketing practices.

This chapter deals with the analysis of questionnaire from consumers, traders and research scholars. Consumers use them to look for information, establish what they require and are able to place orders, victimization credit cards or alternative suggests that of electronic payment. E-commerce will become advantageous once an edifice at the start establishes a transparent net presence and supply all the knowledge and sources associated with its product and services on such web site. It will therefore be deduced that, a firm is regarded to be a real e-business once the bulk of its revenue is being generated from the net, all major processes are connected with the web atmosphere, the business is about up to run twenty four hours every day and is in a position to succeed in international audiences.

Today, the foremost fashionable sorts of net promoting utilized by totally different welcome establishments, embrace net advertising, e-mail promoting, program promoting and on-line disapproval to facilitate the exchange of product and services.

Tools for exchange of Product and Services:

- Web advertising
- Search engines
- Online disapproval

It has been established that, the use of net promoting on the products associated welcome business has been important and can still grow in importance because the welcome and products business is an information-rich sector; it's become one in all the natural leading industries on the net particularly for promoting functions. Most welcome companies have adopted this tool for promoting functions.

Tools for Promoting E-marketing Practices:

- Internet
- E-mail
- The Websites
- Newsgroups/User web
- Net Relay/Chat Rooms
- Telnet
- File Transfer Protocol (FTP)

Market Segmentation:

- B2B
- B2C
- B2A

Digital Payment Systems

- E-Payment
- Cyber Cash
- E-Cash
- Smart Cards
- SET

Chapter VI: Analysis and Interpretation of Data.

This chapter covers the analysis of facts and figures with the interpretation of outcome of the study. In this chapter analysis has been made from customers, traders and research scholars. For this purpose 300 questionnaires had been provided to customers out of which 287 has responded properly. At the same time 60 questionnaires had been provided to traders out of them 42 had gave proper response in this connection and 20 questionnaires had been provided to research scholars and 13 had been responded.

All three categories of customers, traders and research scholars responded as per questionnaires and approximately 90 per cent respondents has been given information regarding various questions. Analysis and interpretation of data is made available on the basis of response given by the respondents.

Chapter VII: Findings and Suggestions.

In this study researcher has concluded with following conclusions, findings and suggestions.

Findings:

- It has been found that more than 76% customer, 82.9% traders and 100% researchers are agree that they known or partly known about the sales websites.
- It is observed that more than 71.1% customer, 82.9% traders and 92.3 researchers are agreeing that they known or partly known about the E-purchasing.
- It is experienced that more than 77.4% customer, 90.5% traders and 86.6 researchers are agreeing that they known or partly known about the E-payment.
- About E-marketing is more effective than traditional marketing, 54.3% customer, 92.8% traders and 76.9% researchers are agreed to written transaction in E-marketing.
- It has been found that 89.9% customer, 66.7% traders and 76.9% researchers are agreed to saving in time and expenditure.
- About 87.9% customer, 82.8% traders and 69.3% researchers are agreed to any time purchase.
- More than 89.5% customer, 97.6% traders and 69.3% researchers are agreed to home delivery of goods.
- More than 94.9% customer, 80.9% traders and 69.3% researchers are agreed to comparative study of prices.

Conclusion:

In the controlling process responsibility of the business increases tremendously because online orders are to be processed properly and only after confirmation of the receipt of the cash goods are to be dispatched correctly.

1. E-Marketing charges entire procedure of marketing because the attractive presentation of the products on the website and one operator on the company computer is enough to carry on the transaction and he is sufficient to effect sales.
2. In information traders receiving the feedback, suggestions, corrections, complaints are to be processed and proper forwarding of this information is to be undertaken for its accurate interpretation and solve the problem.
3. The use of E-Marketing has changed the entire procedure of business in E-commerce because the computers, internet connection, attractive and informative websites are the new additions in any business.
4. It has changed the entire transaction procedure in banking system, cheque system and credit system in E-Marketing.

5. Major customers have no correct information about the use of internet and operating websites for commercial purpose.
6. E-cash: Electronic cash is another new concept in online payment systems because it combines computerized convenience with security and privacy as a result of which it improves on paper cash and it opens up a host of new markets and application in view of its versatility. It is an attractive alternative for payment over the internet by replacing cash as the principle payment vehicle in consumer oriented electronic payment.

Suggestions

Therefore the suggestions provided in this chapter are clarifying the prospects of E-Marketing Practices.

- Traders should improve its knowledge about E-Marketing process.
- To give the training and information to customers for E-Marketing process and operating an E-Marketing site.
- To develop employee's managements skills.
- It should improve the co-ordination of traders and, customers.
- To understand the customers proper behaviour, habits and expectations and then launch products on website.

Recommendation

- Government should take initiatives to spread awareness about E-Marketing in rural areas.
- Specific strategies and programmes should be undertaken in order to create confidence in common people so that they can freely make use of E-Marketing.
- Cyber security is must in both side to trades and customer.
- Govt. should ban fraud commercial web sites.
- Separate law should maintain by legislative level.

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