

# Jaipuria International Journal of Management Research

*July-December, 2016 • Issue 02*

VOLUME

02

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**A Short Review of India's Economic Growth, A Management Education Approach**

Suresh K. Bhatt

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---

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---

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Dinesh Kumar Pandiya, Brajesh Kumar & Deepmala Bhowmik

---

**CRM Applications in Banking**

Sarita Bhatnagar

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**Effects of TV Ads on Buying Products**

Amardeep Kaur Ahluwalia & Kamal Preet

---

**Understanding the Parameters of Employee Satisfaction: A Study on Healthcare Sector**

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---

**Case Study**

**Branding Opportunities and Challenges for Sports Management Programme in India in 21st Century**

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Binny Rawat & Madhuri Jha

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# *Jaipuria International Journal of Management Research*

*Volume 02 • Issue 02 • July-December, 2016*

## *Contents*

<b>Chief Editor's Desk</b>	<i>Rajiv R. Thakur</i>	<b>01</b>
<b>Editorial</b>	<i>Jitender Sharma &amp; Shalini Srivastava</i>	<b>02</b>
<b>A Short Review of India's Economic Growth, A Management Education Approach</b>	<i>Suresh K. Bhatt</i>	<b>03-14</b>
<b>Impact of ASEAN India Free Trade Agreement (AIFTA) on India's HS-85 (Electrical Goods) Exports</b>	<i>Parul Bajaj &amp; Anuj Sharma</i>	<b>15-31</b>
<b>Comparative Analysis of Loyalty of 2G and 3G Mobile Technology Customers in Dhaka City</b>	<i>Chowdhury Golam Kibria, K. M. Zahidul Islam &amp; Tanny Chowdhury</i>	<b>32-42</b>
<b>Influence of Social Media Marketing on Higher Education Branding</b>	<i>Niharika Bharti &amp; Harsh Purohit</i>	<b>43-48</b>
<b>Factors Influencing Buying Behavior of Customers of Sports Items in Karimganj District of Assam</b>	<i>Dinesh Kumar Pandiya, Brajesh Kumar &amp; Deepmala Bhowmik</i>	<b>49-59</b>
<b>CRM Applications in Banking</b>	<i>Sarita Bhatnagar</i>	<b>60-66</b>
<b>Sources of Motivation for Purchases/Purchase Requests Made by Children and Effects of TV Ads on Buying Products</b>	<i>Amardeep Kaur Ahluwalia &amp; Kamal Preet</i>	<b>67-74</b>
<b>Understanding the Parameters of Employee Satisfaction: A Study on Healthcare Sector</b>	<i>Tanu Goel</i>	<b>75-83</b>
<b>Case Study Branding Opportunities and Challenges for Sports Management Programme in India in 21st Century</b>	<i>Supriyo Patra</i>	<b>84-86</b>
<b>Book Review Consulting Start-up and Management - A Guide for Evaluators and Applied Researchers by Gail V. Barrington</b>	<i>Binny Rawat &amp; Madhuri Jha</i>	<b>87-89</b>

## *Chief Editor's Desk*

### Esteemed Patrons

I am really glad to share with you all July to December 2016 issue of Jaipuria International Journal of Management Research (JIJMR). It is a matter of pride that we are able to maintain time line of the journal intact in times when many of the prestigious journals also run behind the schedule. Credit of the same goes to the contributors who find our journal relevant and trustworthy in its processes and approach and had sent their contribution for publication consideration.

As the journal is completing its two volumes with publication of this issue, we express our apology for not being able to accept all the manuscripts submitted for publication consideration. Since we follow double blind review process for any submitted manuscript, many manuscripts are turned down by the reviewers for not matching with journal theme, or not related to contemporary issues or lack of original research and so on. We share reviewers' feedback with the authors and encourage them to rework as per reviewers' suggestions. All this process consumes lot of time and hence many manuscripts are turned down for not been able to follow the schedule and timelines. I suggest all the potential authors to submit their manuscripts well in advance, in fact within the first month of next issue frequency. This will provide enough time for reviewers, editorial board and authors to finalize a manuscript as per journal set criteria.

I would also like to suggest all the potential contributors to self-check their manuscripts for plagiarism before submitting to IJMR and ensure that only plagiarism free contents are sent to us. We as members of the Editorial Board are committed to abolish plagiarism completely and hence all received manuscripts are first checked for plagiarism through Turnitin, the state-of-the-art anti-plagiarism software even before submitting to reviewers. I am sure all our contributors will co-operate with us and fight together to abolish this menace from academic community.

This issue consists of eight papers, a case study and also a book review. We have received two papers from abroad, one from Canada and another from Bangladesh for this issue. I am glad to see the spread of the journal to different continents and sincerely hope that this outreach will continue and more and more authors across continents and countries will be contributing to this journal.

It is again a matter of privilege and pride that India's leading journal subscriptions company has adopted this journal for co-marketing from their platform. The journal will also be available both in e-form and print form through i-Scholar of Informatics Publishing Limited. Our subscribers have now option to subscribe the journal either directly from us or through Informatics Publishing Limited. Orders may also be sent through your regular subscription agent.

Finally, once again I reiterate our commitment to publish the journal in time and provide a platform to worldwide academia, researchers and management practitioners to highlight and showcase their work and together take management science research to the newer peaks. Your feedback and suggestions are most welcome and will be taken up with utmost sincerity.

**Dr. Rajiv R. Thakur**

Chief Editor – Jaipuria International Journal of Management Research  
Director – Jaipuria Institute of Management, Noida



## Editorial

It is a matter of deep satisfaction to share second and final issue of the second volume with our readers. With this issue, we have successfully completed two volumes of the journal. Work on the first issue of third volume has already commenced and we assure timely publication of journal as always.

The present issue contains eight highly relevant research papers, a case study and a book review. An attempt has been made in this issue to balance the research based and conceptual papers based upon proven management theory and practices.

The first paper on 'A Short Review of India's Economic Growth, A Management Education Approach' is detailed study of human and material resources of India and presents a layout for India's economic growth by utilizing these resources optimally. Author has used management principles of planning, design and evaluation, execution and amendment to prepare a blueprint for India's economic growth.

In second paper on 'Impact of ASEAN India Free Trade Agreement (AIFTA) on India's HS-85 (Electrical Goods) Exports' author discusses the tariff concession given to India by the ASEAN countries in the electrical goods sector and a product lines at HS 4 levels sub segments to increase the exports as a result of tariff cuts.

Next paper on 'Comparative Analysis of Loyalty of 2G and 3G Mobile Technology Customers in Dhaka City' is a study of relationship between independent variables like switching cost, corporate image, trust and dependent variable like customer loyalty in Dhaka, Bangladesh. It helps in identifying the variables that affect customer loyalty most.

Fourth paper on 'Influence of Social Media Marketing on Higher Education Branding' discusses how today universities and colleges are fiercely competing for the talented prospective students and finding the methods to improve the conversion rate of accepted to enrolled students. They need to build world class brands to stay ahead in this competition. Authors discuss how social media provides a platform to the institutions to communicate to a wider audience and to increase its visibility and also propose to empirically analyze the role of social media in higher education brand building.

Paper on 'Factors Influencing Buying Behavior of Customers of Sports Items in Karimganj District of Assam' is again a research study on customer buying behavior confining to sports goods in a particular region. It deals how the sellers of non-essential items like sports goods manage on many fronts to increase the sale profitably. They have to concentrate not only providing the customer brands of choice but also need to show case varieties to lure the ones who are not interesting in engaging themselves in sports

activities. This requires extra skills at seller's end. Next paper on 'CRM Applications in Banking', based on secondary research, discusses how different banks have deployed the CRM concept and utilized customer data, by means of technology to gain customer loyalty and business growth. It studies in detail how different banks adopted different approaches and philosophy on this issue. It concludes that CRM provides diverse ways to leverage on customer data for bank's benefit.

Seventh paper on 'Sources of Motivation for Purchases/Purchase Requests Made by Children and Effects of TV Ads on Buying Products' is again a consumer behavior study and looks for different sources of motivation for purchase requests made by children and studies the impact of TV ads on children buying behavior. It not only tries to identify the reasons behind children forcing parent to buy certain things but also studies the products that children most often demand.

Last paper on 'Understanding the Parameters of Employee Satisfaction: A Study on Healthcare Sector' tries to find and discuss the parameters of employee satisfaction in healthcare sector. It finds that satisfied employees become asset to an organization and contribute tremendously in organization growth.

Section on Case study discusses a real case on 'Branding Opportunities and Challenges for Sports Management Programme in India in 21st Century'. It discusses the problems and strategy adopted by the institute to promote a particular sports management course and reasons for failure. Finally, it suggests a branding strategy for the institute to promote the course.

Finally, the book review of the title "Consulting Start-up and Management - A Guide for Evaluators and Applied Researchers" explains how authors have described setting and managing new research consultancy business. According to the reviewers, this book offers the readers from zero level knowing about the consultancy to various essential skills of a consultant and finally management of business skills.

This issue hence tries to cover all contemporary research issues faced by major areas in management viz. HRM, Finance, Marketing and Economics, These issues are not local but global issues and authors have also offered solutions to the concerns raised. It is hoped that these solutions will benefit both academics and corporate world.

As always, we invite frank and candid feedback and suggestions from our patrons and readers not only on existing contents but also for further improving quality and contents of the journal.

**Jitender Sharma • Shalini Srivastava**

# *A Short Review of India's Economic Growth, A Management Education Approach*

*Key words: India, History, Economic Growth, Strategy*

**Suresh K. Bhatt\***

## **ABSTRACT**

The purpose of this paper is to define the resources-human and material of India, layout the opportunities of economic growth that utilize the capabilities of the people of India and her resources optimally. The analysis will be based on the principles of management or the three steps of management, namely: 1. Plan- identify the avenues of growth, resources at hand or to be developed, and the leadership, 2. Design- the strategy and process and 3. Evaluate, Execute and Amend. In this process, we hope to summon all elements of management such as accounting and finance, human resource management, administrative theory, marketing and supply chain management.

## **THE PLAN AND THE PROBLEM IDENTIFICATION**

An article such as this would fall naturally under the jurisdiction of the Planning Commission of a country or a province. Interestingly and incidentally, the author was a lecturer at the Indian Statistical Institute (ISI) in Calcutta

(now, Kolkata) for five years during the early seventies. The famous 2nd five year plan was designed by Professor Mahalanobis at ISI. The plan's scope was so far reaching, that when Mr. Vishwa Nath Pratap Singh was elected as the Prime Minister of India, in 1989, his first press statement was that he would invoke the Mahalanobis' plan. Of course, the Mahalanobis plan was meant for the period of 1956-1961 and seemed overlooked for all those years.

After independence of India, Prime Minister Nehru was in a rush to advance the growth and spread of Science and Technology in India. The three scientists personally close to him were the Professor Mahalanobis of ISI, S.S. Bhatnagar of CSIR (Council of Scientific and Industrial Research), and Homi J Bhabha of Atomic Energy Commission. Other major science and technology avenues of his personal interest were DRDO, IIT's, IIM's, ISI, NCERT, CSIR etc. Amazingly, the author was a beneficiary of this history as he was in DRDO, a scientific assistant at IRDE, Dehradun, a Ph.D. from IIT, Kanpur and a lecturer at ISI.

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What the author gathered from prolonged discussions with colleagues is as follows. The first thing Prof. Mahalanobis wanted for the plan was information. For that purpose, NSS, the office of National Sample Survey was created. The survey and forecasts would reveal the income structure, food production, energy consumption, and transportation and communication requirements of the nation. The bitter fact that the prices of pulses is topping Rs.200/kilo indicates the nonuse of forecast data on pulse production by the Niti Ayog that replaced the Planning Commission. The Mahalanobis plan then focused on three pillars: 1. Energy, 2. Transportation and 3. Communication. It was not till the year 2000; Prime-Minister Vajpayee took up building of roads (chaturbhuj project) and development of communication.

### **GEOGRAPHY, HISTORY AND THE CULTURAL HISTORY OF INDIA**

Culture of a society indicates how it makes decisions in organization, and its defence and development. Author vividly remembers the initial lessons in the cultural classes in his D.A.V. (Dayanand Anglo Vedic) school. Matri Devo Bhava, Pitri Devo Bhava, Guru Devo Bhava and Atithi Devo bhava. That is, mother is divine, father is divine, teacher is divine and the guest is divine. What kind of life one has to live according to Indian scriptures is: "Tyagen Ekai Amritatvam Anashu"- Kaivalyopnishad. A selfless life with detachment from material objects is the ultimate goal of life. Through the history, Indian culture was welcoming and accommodating to foreigners. A typical lesson drawing event would be that of Timur Lane, a Turko-Mongol and a descendant of Gangis Khan, who invaded India in 1398 AD. (Darwin John (2008)).

Timur envisioned to restore the Mongol empire of Gengis Khan. His military campaign caused the death of 17 million people, almost 5% of the world population. India was being ruled by a weakened ruler Nasier-ud Din Mohamud Shah Tugluq. The battle of Delhi took place on December 17, 1398. Facing the ferocious elephants and horses, guns and swords, Timur's forces were on camels. Instead of being disheartened, he ordered his camels to be loaded with straw and wood and lit them with fire. Poor camels burning and going berserk, caused panic among elephants and the Indian forces got defeated against a ruthless and a cruel enemy. Timur ordered the open slaughter in Delhi. Delhi was sacked and ruined. Timur then executed 100,000 captives. Delhi reeked of decomposed bodies. There was no one to help India. Suddenly, Timur felt bored and ordered his forces to leave for Syria.

It used to be a frequently asked question in geography, if one was schooling in Dehradun. Dehradun is a valley spread between the Himalayas (one can see Mussourie hills to the North and the Shivalik ranges to the South.

Which of these hill ranges are older? The question carried enough intrigue. Himalaya seemed a plausible answer as it looked imposing and unending. The actual answer was the low lying Shivalic ranges that one crosses on one's way to entering Dehradun from south. The ancient geography and the plate tectonics theory of continental drift, dating back about 25 million years, does reveal that a large portion of land mass ejected out of southern tip of Africa and moved north-eastwards to join the southern part of Asia. It created the fault line that passes through Dehradun, westwards towards Kashmir and eastwards towards Southern Nepal, Bihar etc. This alone would call for significant disaster management for the province of Uttarakhand. The fact that the Wadia Institute of Himalayan Geology is in Dehradun should give some solace. The triangular land mass is still pushing northward raising the height of Himalayas. The recent earthquake in Nepal on 25th April, 2015 has pushed India up to 10 feet into Nepal. Two days before the earthquake, the author was in his village in Garhwal adjacent to Nepal but lucky to be safe.

Unfortunately, the Indians have been lax in recording their history. Our history has to be authenticated with a recorded proof and witnesses. The western historians recognize the history of India only since 325 BC. That was when they were following and recording the forays of Alexander the great, and as Puru, the king of Punjab, took to halt him at the Chenab River. It is not that Hindus couldn't count. In fact the decimal number system is the gift of Hindu mathematics to the world. The problem is that Indians recognize the infinite time cycle and could not settle to a reference point to begin the time count. Hindus follow three time calendars. Say, the year 2016 would be the year 5068 of Kali Yuga, 1938 of Saka calendar and year 2073 in the Vikrami year. It may be noted that Kaliyuga is said to have begun at the midnight of 18th February, 3102 BCE, the day king Krishna left the earth.

### **INDIA'S KNOWLEDGE CENTERED CULTURAL HISTORY**

Western scholars have dated the creation of Vedas as 6000 to 8000 BC. Historians would call it a prehistoric period as recorded documents were not available. This is the reason that the Vedas, the Ric, Yaju, Sama, and Atharva were called the Shruties, as they were preserved and passed on to the generations down by memorizing and relaying. The Vedas were not authored by any one person, but are more a compilation credited to rishi Vedavyasa. By the way, the author and rishi Vedavyasa lived on the banks of the same river Narad Ganga in Uttarakhand. Here in Uttarakhand, India, the first words of knowledge were conceived, read and rendered to the world:

Om! Agnimeele purohitam, yagyasya devam ritvijam, hottaram ratnadhatamam.

This is the first richa (couplet) of Rigveda with obeisance to Fire God. Though every richa (couplet) does mention a rishi, the Vedas are generally regarded as the knowledge realized by the rishis in their deep meditational (samadhi) state. The rishies and sages further wrote or narrated commentaries that were known as Brhamanas. Then, the knowledge created through students and teacher dialogue were known as Aranyakas and Upanishads as the students (disciples) were encouraged to create knowledge by the principle of “Vaade vaade jaayate tatva bodhah”- through intellectual discussions only, the essence of truth will be revealed, and “Aano bhadra ritavo yantu vishwtah”- let the noble thoughts come from all directions. The thinking process was not dogmatic but liberal, pluralistic and all encompassing. “Ekam Sat Viprah Bahudha Vadanti”. There is one truth but the wise call it by different names.

Archeological Survey of India has found the remains of the deluged Dwarika City of king Krishna that dates back to 1500 to 3000 BC. That matches the generally accepted period that the Mahabharata war occurred some 5000 years ago. The two treatises written on the heroics of King Rama and King Krishna- Ramayana and Mahabharata are known as the Itihasas. Unfortunately, the Indian historians have refused to establish even Krishna as the king in the Indian history. Krishna still remains a mythological character.

Uttarakhand has also been an active witness of history of ancient India. King Ashoka of Maurya dynasty (259 BC) had the habit of erecting his edicts to spread Buddhism. His messengers reached Kalsi near Dehradun. Some even went to Badrinath holy temple and threw the idol of Shree Vishnu into the nearby Narada Kund, to be recovered by Adi Shankaracharya in 819 AD.

India during Vedic times, around 6000 BC, and onwards, was focused on intellectual pursuits of the highest order. Compare it to the western YEC (young earth creationists) philosophers who proclaimed that the earth and life were created in 6- 24 hour days some 6000 years ago. To estimate earth's life of 4.5 billion years by 6000 years is way too poor a judgement. The Indian scholars and the rishis had amazing power of thinking, predicting and forecasting of phenomenon. Some examples:

The way Indians perceived and described God as all-encompassing and all pervading, is the verse in Shatpath Brahman:

Om! Purnamadah Purnamidam Purnatpurna Mudachchyate

Purnasya Purnamadaysh Purnmevav Shishyate. God is that whole, if added to it, the whole remains. If you takeout this whole from itself, still the whole remains. This is the definition of zero and the infinity, without which the number system cannot be conceived.

In order to get a clear site to witness the famous solar

eclipse of July 22, 2009, the NASA team descended to a dusty village “Taregana” some 24 kilometers from Patna, Bihar. Taregana in Hindi would mean counting the stars. The NASA scientists found a Sun temple in ruins. Further enquiry revealed that there was an astronomical lab there that belonged to the famous astronomer Arya Bhatt (no relation to the author), some 1000 years ago. The existence of an old solar temple and the full and the best view of solar eclipse from this place flabbergasted the NASA scientists.

The Darwinian theory of evolution states that the life started in water (single cell plasma) and then slowly adapted to the earth. Our Puranas state the ten incarnations of Lord Vishnu starting with a giant fish (avatara). It was followed by tortoise, boar, half man - half lion, midget etc., showing the adaptation from water towards land inhabitation and also a progression on the intellect scale.

The number of counted species is 8.8 million as of a discovery reported in August, 2011. In Puranas, there is a theory of the soul, moving through 84 lakh yonies (species), an amazing coincidence.

One major reason the Indians suffered losses and slavery to the foreign invaders was their cast system followed over the ages. This cast system has divided and made the Indian society weak. Imagine only the Kshatriyas would defend the country. They were only some 15-20% of the populace. Indians over generations have consistently forgotten and ignored the message of Geeta, Shloka 13, chapter 4, and have suffered immensely because of it. It states:

Chaturvarnyam mayaa shrishtam, Guna karmavibhagashah

Tasya kartaarapi maam viddhya kartarmavyayam.

That is, Krishna says, the four castes are my creation based on merit and karma (and not on birth). That is, if a so called lower cast person is a university professor, he would be declared a Brahmin, whereas, a strong well-built athletic lower cast fellow will be declared a kshatriya. Here is a message of pure meritocracy that has made America the most advanced country. It was delivered to us some 5000 years ago but we played politics of segregation and suffered immensely with a loss of pride with it.

One may wonder about this prognosis as to how so many learned people over the ages missed to see this point. Even Mahatma Gandhi who wrote a book on Geeta calling it “Geeta Mata”, seemed to have missed it.

**A NOTE ON HISTORY OF INDIA,  
HIGHLIGHTING THE TACTICAL AND  
STRATEGIC POLICIES TOWARDS NATIONAL  
DEFENSE**

To understand the history of India, the cultural history explains decisions, good or bad, the organizational behavior and the logic and the circumstances under which the past generations have made decisions. India had to suffer slavery from around 1100 AD to 1850 AD under Muslim rule and from 1850 AD to 1947 AD under British rule. As they say, history is written by winners and not by losers. We derive references to our history from Akbarnama, Aine Akbary, notes of Aurangzeb (that are in Mecca), to British gazettes.

It is very important to look at the cliché that those who do not learn from through history end up repeating it. Through the history, Indians have lacked in war strategies. Even though, the Indian history is full of heroes like Rani Naiki who defeated Ghori in 1178 AD, Panna Dai, Prithwi Raj, Maharana Pratap, Guru Govind Singh, and Rani Jhansi, most were generally short on strategy, war planning and equipment. When Ghori forces were on fast Arabian horses, Prithwi's forces were on elephants. Ghori is said to have run away sixteen times. The seventeenth time when Prithwi's forces were bathing in Jamuna in Delhi and offering (Arghya), prayers to Sun God, in came the attack. Of course the excuse was Jaichand. The kings those days would surround themselves with sycophants and court jesters, poets such as Chandra Vardai or Bhushan with king Chhatrasal, writing poetries on their king's valour and praise instead of studying the war plans. Though Prithwi Raj was born in Gujrat, he did not connect with Rani Naiki Devi. In 1526, the guns of Babur won him the battle. In 1757, Lord Clive of the British forces defeated King Shirajuddaula of Bengal. Clive's forces had 303 riffles and Bengal forces were riding on horses flashing their swords. Still the historians made Meer Zafar the escape goat. In 1857, Nawab Wazid Ali Shah of Lucknow could not be disturbed playing chess even though the British forces had entered the palace room to arrest him. Nonetheless, Nawab will be known for his cultural contribution to India for thumri such as "Babul Mora..." which he wrote and composed in Bhairavi raga. In 1962, the Indian forces were fighting with 303 riffles whereas Chinese forces had semi-automatic rifles. The author's cousin in his village told him of the pallet like nine bullets he was hit with but survived. The Indians instead of blaming poor equipment, poor preparation and a lack of information, put the blame on the defense minister Krishna Menon for his left leaning politics. On strategy front, during 1957 takeover of Tibet by China, India meekly accepted the secession even though India had a joint responsibility with China for the defense of Tibet. Least India could do was to negotiate the handover of Kailas and the Mansarovar with the reasoning of Hindu cultural affiliation and the compensation for the refugee influx in India. Indian history is full of decision making gasps. As the author is supposedly an expert on decision making, a Ph. D. in management science, it may be

prudent to look at the history from a decision making point of view.

**STRATEGY AND DECISION MAKING:** The renowned strategy expert, Henry Mintzberg (1988), in his book begins with the old Indian story of six blind men and the elephant to illustrate the intricacy of understanding and defining the problem at hand in any organization, and developing the strategy. The author does recall a fruitful meeting during Professor Mintzberg's visit to Asper School. Before laying out the strategy for economic development, most important task is to identify and clearly describe the problem at hand as a mission statement and the vision statement.

**MISSION STATEMENT:** Organize and manage the state of India that creates best job opportunities for every Indian, that provides the basic needs of food, clothing and shelter, and plenty of opportunities for education, health, safety, security (both internal and external) and growth. Also, promote good ethics and high moral values to bring pride among her residents.

**VISION STATEMENT:** Make India the richest country and her residents the proudest people in the world.

Normally, the mission statement is what you want to do and the vision statement is what you want to achieve ultimately. Stating the mission and the vision statements is a pretty tedious task. Selection of the words, their etymology will always summon debates. In a recent survey of world happiness index, India ranked 117th among the 126 countries on the scale of GDP per capita, life expectancy and freedom to make choices. Once the mission statement is agreeable, one has to clarify as to who has the stake in the success and growth of this mission or the country. That is, describing the stock holders and the stake holders.

**The Stock Holders:** The government of India of the time, as failing the mission will cause the governing party to lose the next election.

**The Stake Holders:** The opposition parties, the people of India and the people of the neighboring countries, the countries that do business with India and the whole world. The stock holders are primarily responsible for the management of the company (here the country), and the opposition parties have to be alert to make sure that the management, here the ruling party, does not deviate from the stated mission.

The primary job of a government such as India is to provide both internal and external security to her citizen. Internal security is mostly the responsibility of State governments, and they own the policing and the courts. The national government does respond in case of inter-state or the national matters such as naxalites or terrorism etc. The Indian national government takes care of the



external security with army, navy, air force or border security force etc.

India, since independence, followed a socialistic economic system where the government would own and run the public enterprises or crown corporations such as steel, mines, coal, gold etc. They would also own and run railways, post office, air services etc. Gandhi wanted to promote cottage industries with less capital requirement. His book "Swaraj" advocates this to bring economic activities such as khadi, to the villages that were less capital intensive. Besides, 80% of Indians lived in villages at the time of independence. Nehru was in a rush to achieve growth and followed the Soviet model of large government run business and industries such as Raurkela steel, Bhakhra Nangal dam etc. The slowdown of the economies of Soviet Union and that of other eastern bloc states sent out a chilling reminder to the followers of such model. In 1991, the then finance minister, Dr. Manmohan Singh and the Prime Minister P.V. Narasimha Rao put a damper to the "licence raj" and opened up India for business.

The American economic model of privatization of business does follow Adam Smith's market economy in which the market decides what sells and at what price by a certain "invisible hand". This creates jobs, quality through competition in which the fittest survives. In Karl Marx's model, it is the labor that is the boss.

All does not turn out well in free market economy. The 1929-1939 depression in US was the chilling reminder. It took the leadership of President Roosevelt and his fire side chats that kept Americans engaged. Roosevelt used economist Keynes' theory by pumping the government money to build infrastructure, roads, bridges etc. to keep population employed and spur economic activity.

In a market economy, the government's job is to collect taxes, create a monetary and a fiscal policy that builds an atmosphere for business and industries to flourish and run. The government's job is not to operate factories, businesses, and provide residences to the employees. A typical fiscal policy may be to reduce interest rates so that businesses can borrow money. Too low interest rates can cause the flight of money to other countries where the interest rates are higher. It is well known that management is about leadership. So, we will now look at what the management literature says about it.

## THE LEADERSHIP

Charisma was thought to be a common trait associated with leadership. Unfortunately, there are ample examples that a lack in ethical values could reverse the leadership impact. Hitler, Benny Ebbers, CEO of Worldcom, and Jeffery Skilling of Enron came to be known for their notorious leadership. The author remembers the messages he used to receive, as the

Chairman of the MBA program committee at the Asper School of Business, from AACSB (American Association of Colleges and Schools of Business, an accreditation granting agency), to introduce more ethics content in the MBA program. This was after the advent of Worldcom and Enron. Over the years, the five common leadership traits (Dyck and Neubert, 2010) came to be known, are the following: 1. The desire to lead, 2. Drive, 3. Self Confidence, 4. Honesty and Integrity, 5. Intelligence and job-relevant knowledge. Every leader would have these characteristics in varying amounts in them. India has given great leaders in her history. More recently, with the clear cut mission of independence, an array of leaders can be mentioned: Mahatma Gandhi, Nehru, Lal Bahadur Shastri, Bhagat Singh, Bose, Patel, Vivekanand etc. When it comes to leadership, Indians do not have to look westwards; Indian literature describes the duties of a leader as in Kautilya's Arthashastra, Vidur neeti etc. The well-known leadership expert Professor Jack Hawly (1993) of Harvard University in his book - Dharmik Management, bases his discussion on leadership on a story in Mahabharata. In the story of the epic Mahabharata, the Kuru scion, Bhishma is lying on the bed of arrows described in Anushashan Parva, as he could delay his death till the northern phase of Sun, and Arjuna asks him about the duties of a leader. What he said on "raj dharma" leaves the reader in disbelief that such lessons were conjured up some five thousand years ago in India.

A leader's job is to fulfill the stated mission of the corporation or the country. Courage and motivation are two qualities of a leader and the case of Paul O'Neill (cnn/Fareed Zakaria /GPS/tough decisions/Paul O'Neill) has caught attention. O'Neill was appointed the CEO of the Pittsburg based aluminum giant ALCOA and in his first board meeting demanded a 0% rate of accidents and injury. The company's market value rose from \$3 billion in 1988 to 27.53 billion in 1999 while the net income increased from \$200 million to 1.484 billion per year during this period. In human resource management literature, it is termed as a release of "discretionary energy" by the workers. When the workers realize that the administration is caring for them, they work with enthusiasm and vigor that reflects their gratitude.

The traits of leadership will vary as the underlying field and the mission changes. Bhatt et al (2014) discuss the traits of social, spiritual, political, military, technical, entrepreneurial and business leadership. The most fundamental requirement of a leader is that he/she clearly understands the mission statement and understands who the stock holders and even who the stake holders are. Otherwise one may end up deriving an excellent solution but to a wrong problem. The author has an example to illustrate this important aspect of leadership, but it is at the cost of his privacy.

The author's wife is a descent and forgiving person. She speaks fluent English, reads English novels and is a confident lady, thanks to her stay in Canada. As the author comes from a village in Garhwal, they got married young, him at 17 years and her at 14. That time, the marriage was purported to add the working hands at the farm and for household work for women. So, she was never sent to school by her parents. Her two children are doctors in Canada. But something always bothered her. During Haryana elections in 2014, Prime Minister Modi came up with the slogan: *Beti Bachao aur Beti Parhao!* Hearing this, she uttered with a voice full of pathos and sadness, "Why couldn't Nehru ji think of it?" Of course during her childhood, Nehru ji was portrayed as God incarnate. The author is a big admirer of Nehru ji and thinks him the right person to lead the country at that crucial time of independence. But why he missed to recognize who he is working for, may be a fall out of different values at different times. The dreams of a poor girl child in the remote village may have looked farfetched during the complexities of the problems of independence. The leader must identify with the stakeholders such as countrymen/women he/she is governing and clearly understand their problems.

The strategy to achieve the mission of enhancing economic growth and job creation will be considered in a policy wise or economic sector wise listing. An example of the Mudra bank, a version of micro-financing, a la Mohamad Yunis, the nobel laureate, is a proven job creating avenue of small businesses. (Daink Jagran, April 9, 2015.).

It is important to have an overall view of the world's major economies in terms of their GDP etc.. The American economy is worth 20 trillion dollars, the Chinese economy is 10 trillion dollars whereas Indian economy is worth only 2 Trillion dollars, still the seventh largest economy in the world.

## STRATEGIES FOR INDIA'S ECONOMIC GROWTH AND JOB CREATION

### POLICYWISE CONSIDERATIONS

**Corruption Removal, Transparency and Accountability.** There is an estimate of Rs. 4,400 worth of corruption transaction per head per year in India. (TOI May 23, 2015). That comes to  $4,000 \times 125$  crore = 5 lakh crores that is almost India's annual budget. A statement by the then Chief Minister of New Delhi, Arvind Kejriwal who ruled Delhi for 49 days, in 2014, was that due to the (almost) corruption less rule, Delhi's budget did swell by 2000 crore rupees. The sweep by the AAP in the 2015 elections does indicate desperation, frustration and anger of the people of Delhi against corruption and hope of good governance. Any government would like to have a corruption free administration to truly respond to

people's desire a la 2015 Delhi elections. Harsh punishments can discourage staff and cause revolt. An extreme measure that this paper suggests (may not be implementable) is on the lines of the "Communal Bill, that was being considered by the earlier UPA government:[the author knows that on this day of writing of this paper (April 30, 2015), an anti-corruption bill is being discussed in the parliament that involves Lokepal].

"Any complain against a staff, of corruption or bribe, will be treated as zero-FIR. The concerning staff will be suspended immediately and fired after proven guilty and the onus of proving him/herself innocent will be on the staff." The staff of course will be given full judicial compensation if proven not guilty."

Without the implementable harsh punishments, none of these measures such as the ACR (annual confidential reports) reviews, demotions, have been effective. There are hardly any incentives /awards to do an honest day of work. Without a top down stringent expectations, allurements, accountability and character it has not worked.

During the emergency in 1975, the Prime Minister Indira Gandhi called the meeting of all the 35 or so PSUs, the crown corporations, and instructed them to show efficient growth else the punishment will accrue. (Now there are some 68 PSU's listed in the Bombay stock exchange as per Shashi Tharoor in a parliamentary discussion on April 30, 2015). The chiefs called their regional bosses who called upon their administrators etc. The result was that even the ever strike prone Durgapur steel plant showed a 10% growth performance.

Current government's efforts to reduce the hands that the money travels through, is a reasonable approach. Of the 1081 schemes from 73 ministries, 447 schemes have been identified for DBT, (direct benefit transfer) to individual accounts based on Adhar cards. (TOI, Oct. 19, 2016).

**City (Land) Planning.** In the author's province Uttarakhand, there is a rule for management of land near the rivers that no construction is allowed within 200 meters of either side of the river over its flood level. In June 2013, the Kedarnath floods killed some 20 thousand people, some got swept with tea cup in their hand sitting in some restaurant. As for the 2015 floods in Chennai, there were 3000 ponds in the city, most got levelled off for housing plots. When the two rivers swelled in the city, flooding occurred, costing money, life etc. No one knows what would be the cost to the nation.

**Illegal Aliens.** India is lax in counting foreign aliens. They could be risk in security, resources and ecological footprint. There are 2 crore illegal Bangladeshis (a conservative estimate) (Fernandes, 2003). Most of these illegal aliens easily manage a ration card by corrupt means. To estimate the cost to India, the cost of living for

a BPL (below poverty line) is Rs. 32 in village and Rs. 47 in city (traval.cnn.com). Let's take the average cost of Rs.40 per head of living in the country. It then amounts to Rs. 2920 crore per year that is besides the lost jobs and use of ecological foot print of India which is the human demand on the country's ecosystem. Even Pakistan has arrested its famous alien Sharbal Gula of National Geographic fame. Besides, there is an inflow of counterfeit currency coming through the borders and some seeping into drugs and terrorist activities. Then there are other security costs. The author's cousin, inspector Thapliyal of BSF (Border Security Force) got shot and killed during the 1990's while chasing infiltrating Bangladeshis at the eastern border.

**Supply Chain Logistics and WGI** (World Wide Governance Index). Bhatt et al (2016) considered the supply chain indices for 96 countries for movement of goods in international business across ports, sources and destinations. WGI includes accountability, government effectiveness, regulatory quality and control of corruption. India ranked 90th among them. In another study India ranked 130 in ease of doing business (doing business in India-world bank 2017). By the way there are 257 countries in the world. (world.bymap.org)

**Justice Delayed is Justice Denied.** If one consults the Guinness book of world records, one will find the longest and still unsettled cases are registered in Indian courts. The 183 year old case of 1833 by Raja Rajkrishna Deb's sons in Calcutta court to allocate their father's property is still pending and has no solution. The 1878 case of a 2 acre property dispute between two communities in Doshiyura is pending for the lack of a safe solution. In spite of the government setting up fast track courts, there is a huge back log of cases. What can be more urgent than solving those 90,000 rape cases pending in Indian courts? (Maya Mirchandani, NDTV, May, 2015). These delays give rise to heavy corruption and the cost to the nation is hard to estimate.

Some of the fastest court decision occurs in Singapore where there is a specified period of 50 days from the day the case is registered with police and the court decision is meted out.

The author's specialization, Management Science/ Operations Research deals with the subject of Queueing Systems in which one studies the queue formation of any service system. One may have multiple servers, multiple queues, a queue discipline such as first come first serve to find out, what is the average waiting time of a customer (in this case the accused), the busy time of the server (the judge). An MIT professor, JDC Little has done a study of court services in New York. The author has done a queueing study of the congested customer line up at the Radio Therapy department of Cancer Care Hospital, in Winnipeg, Manitoba, Canada. (Bhatt, Bews and Sharma,

2011). Two years ago, the author was approached by Dr. Sengar of IIM, Lucknow, Noida campus, to conduct a similar study of Indian court cases. The author was told that it had the sanction of the Union Law Minister, Hon. Veerappa Moily. The author's health issues hindered the indulgence.

**Strategy:** Approach a student, M.Sc. or a Ph.D. from an IIT or Delhi University (They have a full-fledged Operations Research department) to study the Court Services, find the average waiting times and the reason behind it. That will give the requisite solutions to reduce the delays.

**Family,** (Small) Business and Job Creation. In US, 62 percent of jobs are from family business and family businesses account for 64 percent of US GDP. For many countries such as India, Muhammad Yunus' ideas of micro financing are still relevant. PM Modi's Mudra Bank Yojna (scheme) setting aside 20,000 crore rupees will encourage innovative talent of India. Almost every young American while in school is looking to open business to challenge his/her entrepreneurial skills. They are not looking for government jobs as much.

There is a cultural variation all through India. Some cultures pay heavy stress on honesty, and uprightness and have a peculiar suspicion towards business activities. As the scriptures say, Atmavat Sarva Bhuteshu, Para Dravyeshu Loshthavat, meaning, treat everyone like yourself and other's wealth as human waste. They think it takes a special trait like sleaze, and cunningness to do business. Bengali, Garhwali and Maharastrians can be placed in this group. In Bengal, Maharashtra and Uttarakhand, one will not find locals engaged in business ownership. To them, hustle, persuasion and bargain sound foreign words. In such situations, education will drive the cultural change. The governments must stress on entrepreneurial education.

**Strategy.** Open entrepreneurial schools with project funding or a B. com. degree should teach how to start a business, obtain funding, learn investment in stock market etc.

**R&D Investments.** The US spends around 6.4% of GDP. Of the 5 lakh crore rupees in the current budget of 2015-16, that would amount to some 30 thousand crores. The growth of any country would very much depend on how much the country spends on research? There are hundreds of universities, all defence research units such as DRDO, Public research establishments such as CSIR, Bhabha Nuclear Research, ISRO etc. engaged in high level of research.

**Education as the Driver of Growth.** The author would be the first to loud these words as he was born in a village in the interior Himalayas with the nearest railway station being some 200 kilo meters away. No one in the joint



family had gone to school. The nearest school was 7 kilo meters away, infested with tigers, snakes and bears. The author is now a professor emeritus for life in a major business school in Canada. In the Indian culture, imparting education to children was paramount since early millennium. It was around 300 BC that Chanakya wrote: *Mata shatru pita vairy yen balo na pathitah*. That is the mother is an enemy and the father is not a well-wisher who have not imparted education to their child. Education especially the business and entrepreneurial schools can help a region, energize its youth to create jobs. The author was invited to lecture at an entrepreneurial school in 2005, known as SEEDS (Self Employment and Entrepreneurial and Development Society) in Vancouver, funded by the government of British Columbia, Canada. The school runs for 48 weeks. The first 10 weeks are devoted to classes that train them in preparing business plan, concepts of business, market research, demand, supply data and break even analysis. The remaining 38 weeks are spent on business counselling. The provincial B. C. government sets aside a fund of one billion dollars (5000 crore rupees). The students (candidates) submit business projects and upon the approval of the application (projects), the funding is allotted with 25% liabilities and a prime +2% interest rate on loan. A fellow IITian at IIT Kanpur, in 1967, N. R. Narayana Murthy of INFOSIS is the most well-known entrepreneur of India.

**The Link Language:** The three language formula was good to promote inter-cultural understanding in India. But now, English should be made a subject in every primary school. In modern times, English has become a language of international business, computers, laptops, ipads, ipods, cellphones and communication. Countries like Japan, China and South Korea are proud of their languages, but have opened up summer jobs to American school students to teach English to their youth with accent. India cannot afford to leave behind their 70% population living in villages.

**Strategy:** Introduce English as a compulsory subject in all primary schools of India. Way back, this was proposed by Dr. B.R. Ambedkar to make English as link language in the country.

**Sustainability.** President Barak Obama said, "Climate change is greater threat than terrorism", (cbsnews.com). Ice caps are melting, sea levels are rising (Bhatt et al, 2016). A country like Maldives with a population of 371,918 as of Nov.7, 2016 (worldometers) is under existential threat. By the year 2100, the whole country will drown in ocean. WCED, 87, The World Commission on Environment and Development in 1987, used the word sustainability and defined it as: Sustainability development is the development that meets the needs of the present without compromising the ability of future

generations to meet their own needs. (Bhatt et al, 2016). Amazingly on March 26, 1974, the "Chipko Andolan" (Hug the Tree Movement) began when Gaura Devi led 26 village women to hug the trees to prohibit the contractors from cutting them. Their slogan (song) will be engraved in the history of environmental studies: *Maatu hamaru, Paani hamaru, hamaru hi chhan yi baun bhi. Pitron na lagai baun, hamun hi bachaun bhi*. The song is in the author's native Garhwali language and represents the first ever mass movements against incessant tree cutting. What the world experts on environment thought in 1987, these simple villagers had thought of it a decade earlier.

The use of fossil fuels in producing energy is generating carbon filled greenhouse gases. India has finally agreed to sign the CFC accord that destroys ozone layer which will cause skin cancer. Then fossils (coal and natural oil) generate carbon Di-oxide in the atmosphere. The 350.org says that a human life is sustainable only if there are less than 350 parts of co2 in every million parts of atmosphere. As of recent count, we are at 379. A country will be called carbon neutral, such as Costa Rica, if it does not use the fossil fuels such as coal and oil, instead uses hydro, nuclear, solar or ocean waves and wind for energy production and plants trees to attain carbon neutrality.

Of the total electricity, (en.wikipedia.org) of 306358.23 MW being used and produced in India, electricity being produced using coal is 187252.88 MW, almost 60% of the total. Completely doing away with coal will be a tall order. France generates 70% of electricity by nuclear (non-carbon) source. India has just touched 6000 MW by nuclear use.

Indians always related environment to divinity. They would worship trees, animals and nature as divine such as Vayu devata (the divine wind) etc. Even Mahatma Gandhi proclaimed that mother earth can fulfill our need but cannot fulfill our greed. India has already made a commitment in Nov. 30, 2015 Paris Environment Conference that by around 2030, she will abandon the use of coal in producing electricity.

**Strategy:** A three prong strategy is proposed to counter the carbon menace. **1.** Avoid producing energy from fossil fuels such as fossil oil, gas and coal. Ford had suggested to use peanut oil to run the earlier Ford Model of July 23, 1903. Adopt environment friendly methods that use solar, nuclear, hydro, wind, ocean waves and natural gas. **2.** Increase the forest cover of the country to 33% to achieve carbon neutrality. The forest cover of carbon neutral countries recorded in 2015 such as Costa Rica is 54% and of Bhutan is 72%. India has only 23.4% cover as of 2015 and a long way to go. (India State of Forest Report, Dec.4, 2015, data.worldbank.org). Incidents of a tiger entering an urban school, killing of Blue Cow in Bihar, shows how the forests have been cleared out for a bulging population. Planting trees in

celebrations is common in Bhutan which has passed legislation not to let the forest cover go below 60%. (Vandana Shiva, a personal conversation). In Bhutan, planting trees has been made a part of life style of the society. The king of Bhutan planted 3000 saplings in celebration of the birth day of the prince. 3. Reduce the ecological foot print (EFP) of the country. EFP (Bhatt et al. 2016) is a measure of human demand on earth's ecosystem. Indian population in 1951, during the first census after independence on August 15, 1947, was 361,008,090. After some 64 years, on July 2016, the population of India was 1,336, 86,256 more than 3 and a half times. This population explosion has to be handled with the same vigor and urgency as in sixties and seventies with the slogan of two or three children only. That vigor was personally felt by the author when he was dressed down in front of the smiling medical students by the famous head of Gynecology Department, Dr. Sunanda Bai of Hallet Hospital of Kanpur. After knowing that this was our fourth child, she shouted at the author. "Mr. Bhatt! You being a scholar of IIT, having a fourth child? How would I tell the villagers to have only two or three."

**Risk Management.** The author has been a part of Actuarial department for some time. Risk management is becoming a major part of management for government, business and industries. In western countries, one cannot move a step without a proper coverage of risk through insurance. In Canada, 60% of national budget is dedicated to health insurance and insuring that every young person has an excellent chance for high school graduation. The recent untimely rainfall during the Rabi season when wheat is supposed to ripe under a hot and dry sun has caused difficulties for the farmers including suicides. The Kedarnath floods of June 2013 caused deaths of as many as 20 thousand. In his keynote speech at the related conference Bhatt et al (2014) suggest to enrol every tourist and charge a nominal fee of Re 10 for insurance coverage. A million tourists in Uttarakhand every year will set up a one crore rupees of coverage. Indian Railways boasts of 1 million passengers a day. A one rupee insurance cost will gather a 36.5 crore rupees worth of insurance for safety every day. Indians only have an afterthought for insurance. Not paying for insurance is like open defecating, child marriage and so on. Pradhan Mantri Suraksha Beema Yojna, Pradhan Mantri Jeevan Jyoti Beema Yojans, Atal Pansion Yojna are ideas in right direction. The most venerable economic activity in India is farming as most irrigation is weather related and well as ripeness of the grain.

**Strategy:** Create an Agricultural Insurance Plan by inviting Insurance agencies allowing FDI that will insure crop insurance. The current state or federal plans are haphazard and unsatisfactory and politically motivated to calm the anger of farmers in case of a crop failure.

Rain Water Harvesting and the Water Resource. As the Prime Minister A.V. Bajpayee would say, "Someday wars will be fought for water". The world just celebrated the "World Water Day" on March 22, 2014 to give us a reality check on the urgency of state of water universally. A UN report predicts grim scenario for India. 3.4 billion Population in the world will live in "water scarce countries". India's water resource ministry paints a grim picture for the country which has 18% of world population with only 4% of world's total usable water resource (Times of India, March 23, 2014). Annual per capita available usable water has decreased in the last ten years from 1816 c. meters in 2001 to 1545 c. meters in 2011. The famous environment expert Sunita Narayan suggests two basic steps: 1. Hold water where it falls, 2. Rain water harvesting. Experts pitch for making water conservation a national obsession. The case of land acquisition bill stuck in Rajya Sabha will help in making ponds, lakes and reservoirs to counter this catastrophe.

The rivers of India are valued resources. The nation needs clean, and mineral filled water of our rivers. We have been lax in our habits. It has been an uphill task in convincing people against open defecation to help the Swachhh Bharat Abhiyan. As the ex-governor of Uttarakhand, Mr. Qureshi pointed out that in the pious place such as Gangotri, there are 200,000 visitors but there are washroom facilities only for 2 thousand people.

**Clean Living.** Now that the whole world is becoming health and environment conscious, people are concerned for health and quality of life. An alarming 6.82 lakh Indians died of cancer in 2012. (Times of India Dec. 14, 2013). There are reports of Feb., 2014 that the four dumping areas in New Delhi are overflowing with garbage and are becoming a serious danger to health for the neighbouring population. In terms of the advancement of social media, the NGO's and other responsible agencies in public domain, the author was shocked to see the paan masala advertisements by Bollywood stars. Least the government can do is not to award them with Padma awards.

## Strategy

**a) Garbage Management:** Set incinerators, and produce electricity. WtE: Waste-to-energy or energy-from-waste is the process of generating energy in the form of Electricity and/or Heat from the incineration of waste. WtE is a form of energy recovery. Most WtE processes produce electricity and/or heat directly through combustion, or produce a combustible fuel commodity, such as methane, methanol, ethanol or synthetic fuels.

**b) Sewer Lines Network:** To start with, 60% of Indians do not have toilet facilities but then they are mostly in villages. With 100 new model cities in the plan, every city will have the well-drawn plan for sewer lines collecting

the human waste all directed to the septic tanks that will separate in to sludge, liquid and scum that is cleaned up by natural bacteria before that remnants go in to fields as fertilizer or drain in to rivers. One of the prime reasons that our rivers are not clean is the lack of sewer line in the cities and towns.

**c) Industrial Waste Management:** Waste management is a major part of cleanliness of every village, town and city. This job is mainly assigned to the municipality. Still, the policies guaranteeing the cleanliness belongs to the government such as no plastic usage, collection of oil change from vehicles etc. and recycling. Each industry in the town be instructed with clarifying the reverse supply chain policy (Bhatt S.K., Kim and Jayaraman 2015 and Bhatt, S.K. Abdulkar and El-Makawy, 2015) and measures towards environment damage. Treatment of industrial waste be assigned to the industry with fines and process of cleanup treatment of the industrial waste be formulated and practiced. All industrial waste before drain may be collected in a tank and be treated and detoxified. Imagine the leather industries in Kanpur and Agra running their untreated industrial waste spewing into Ganges and Jamuna respectively. A ray of hope for environmentalists is the Janicki omniprocessor that as a demonstration cleaned a sewer sludge and poop into clear water that Bill Gates drank and declared it as clean and tasty as bottled water.

**d) The Last Rites, Burning of the Dead:** If you want to clean the river, don't dirty it. The burning of dead on the river banks is an old tradition. People are still, in this day and age, not convinced to burn the body in the electric crematorium and not pollute river. There is corrupt money being made by burning the body on the bank, by selling sheets, stolen wood from the nearby forest etc. The result is half burnt bodies floating down the rivers and polluting it.

**The Threat of Terrorism.** Terrorism can only be defeated by intelligence, information, counter-intelligence and preparedness. The fact that terrorism cannot be fought inside a country's borders due to its surprise element, an Israel model of Iron Dome Defence is not workable in the absence of the security guaranty of United States. The author's subject "Operations Research" was born out of second World War with the invention of radars to locate incoming sorties of war planes. The fool proof management of Sochi Olympic in Russia in 2014, under the Chechen threat is an illustrative example of vigilance. It is high time to revisit the Operations Research tools such as Prof. Norbert Wiener's Cybernetics, coding-decoding theory, entropy, information theory and artificial intelligence (CBS/Artificial Intelligence/IBM Research Centre). By the way, the author was invited to join the Thomas J. Watson IBM Research Centre in 1968. For information

theory and its entropy measure, type S. K. Bhatt into google scholar. Interestingly, Prof. Norbert Wiener of MIT was an advisor to the government of India in the 1950's.

## ECONOMIC SECTOR WISE CONSIDERATIONS

If we factor the Indian economy in to three sectors and look at their share of economy, employment, we shall get a better comparative picture. The sectors are: 1. Agriculture (70% of population is dependent, employs 51% of workforce and makes up 17% of economy. 2. Industry makes up 26% of economy and employs 22 percent of work force. Industries may consist of Petroleum, Pharmaceuticals, Engineering, Gems and Jewelry, Textile and Mining, and 3. Services include 57% of GDP and 27% of work force. Services may consist of Power and Energy, Infrastructure, Retail, Tourism and Banking and Finance, municipalities etc.

**Agriculture.** It employs 51% of work force but 70% population is dependent on it. It contributes only 17% to GDP. This is a sure road to poverty for farmers. In US, there are only 3% of the population that are farmers. Low productivity can be doubled by innovative methods. (Dyck, 2010)

Even though in the hill area such as Uttarakhand (the author's province) and in the other parts of India, food production is mostly organic, and the new environmentally conscientious scientists and agronomists call these farms under "conservative agriculture" as against "Industrial farming". Industrial farming uses chemical fertilizers and insecticides which can cause cancer. On the last visit of the author in his village, it was told that many ashrams are buying the cow urine at par with milk in the villages. Amazingly, the environmentally conscious world is now advocating "conservative farming or organic farming" which is being practiced in the hill areas for ages. Bhutan has declared itself as totally organic.

On the global scale, there are 500 million small scale farms on the planet (Dyck, 2010), making it by far the most frequent type of organizations on the planet. About 70% of the world's 1 billion chronically malnourished people are small scale farmers, making this the neediest organization on the planet. Fortunately we have the technology to double productivity on small scale farms using environmentally friendly methods like "conservative or organic farming".

Unfortunately, many so called developed societies rely on what is known as "industrial agriculture" that is based on inputs like fertilizers, pesticides, pumped irrigation, and so on. Although it seems like industrial agriculture is efficient (e.g., in Canada and the USA, only about 3% of population is involved in growing food), in actuality, industrial agriculture is inefficient and unsustainable



(e.g. fertilizer need to be mined, transported, and applied with machinery), yet this highly unsustainable model is the one being promoted (e.g. direct fuel subsidy to agriculture in the USA amounts to \$2.4 billion).

There is a great scope for a supplementary income in the form of cash crop for the farmers in the North - Indian hills. Products such as almonds, walnuts, pine nuts grow well there. Pine nuts sell for \$70 a kilo in the West. There are pine forests all over hills in Uttarakhand. Author doesn't recall industrial scale extraction of these products.

### Strategy

**The Land bill:** The Land Bill is stuck in a political tussle in the Rajya Sabha. It does not have to be placed as an ordinance. It must be reasoned on a simple economic argument called "value addition" and argued at political front with the following fool proof reasoning which a child of a farmer would understand and be convinced. 70% of India's population (the farmers) is sharing only 17 percent of economy, that also not uniformly. It is a sure path to poverty. Farming is a hard work. The author found it hard to keep the plough in straight line while keeping control of the oxen during helping in farming in school age. The farmer's community needs jobs to enhance their income. The land acquisition is needed to **1.** Create water reservoirs for irrigation, **2.** Open up agriculture based industries such as fruit juice factories, mango juice factory in mango growing towns such as Amroha, Leechi juice factory in Muzaffarpur, factories for snacks such as Gujrati besan snacks, potato chips, nut snacks made of almonds, walnuts etc., and even diabetes controller karela juice. A fellow Indian Indira Nooyi is the CEO of Pepsi. Two years ago, two of the author's female students from the Agriculture Department attending his Management Science course at the University of Manitoba, told the author that they were heading to Patna, India, to open an Orange Juice factory. Do we need external help for opening a juice factory?

**Renewable Energy.** As Mahalanobis would say, energy, transportation and communication are the drivers of

progress of a country. The contemporary focus on clean energy and that on achieving carbon neutrality would enforce any country to look in to non- fossil (oil or coal) usage of producing electricity and energy production. Mojave Desert project in California (all solar) creates 354 megawatts of power to lit 232,500 homes and displaces 3800 tons of carbon pollution per year that would have been created by fossil fuels. The Canal Solar power project on Sardar Sarover dam is a project every Indian would be proud of. One of the dual purpose resources are the WtE, waste to Energy. Modern incinerators reduce the volume of waste by 95-96%.. European countries recycle their 70% of waste and the remaining 30% waste is incinerated to produce electricity. Japanese WtE incinerates 40 million tons waste per annum. There are 50 WtE plants in China, 43 in Europe and 89 in US (2004 data). There are several sources of clean, non-carbon producing methods of electricity that are becoming common.

**1. Wind Energy:** Wind energy from wind turbines that look like fans is plentiful, clean and renewable and uses minimum land. As of 2014, Denmark produces 40% of its electricity from wind. The Gansu Wind Farm in China is the biggest wind energy farm in the world.

**2. Nuclear Reactors:** France gets some 70% of its electricity from nuclear reactors for its electricity needs.

**3. Wave Energy Plants:** It is a new area even though more than 300 patents have been granted. Indian coasts are estimated to have a potential for 40-60 GW of electricity generation from her ocean waves. Here Giga = 1 billion. Currently, Sagar Shakti is a 1MW plant off Tuticorn coast in India. Edinburg has the largest Wave Energy plant in the world (see Green World Investor on Internet).

### LIMITATIONS

The other important areas i.e. Industry and Services are beyond the scope of this paper as they need to be covered separately.

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# *Impact of ASEAN India Free Trade Agreement (AIFTA) on India's HS-85 (Electrical Goods) Exports*

**Key words:** Trade, ASEAN, India, Export, Tariff, Electrical Goods, Sectoral Trade

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## **ABSTRACT**

The trade agreement in goods between India and ASEAN became operational in January, 2010. The paper attempts an enquiry into the Tariff concession given to India by the ASEAN countries in the electrical goods sector and also attempts to identify product lines at HS 4 levels sub segments in the same where there could be possibility for the exports to increase due to tariff cuts in the significant product categories as the two regions become more important trading partners in times to come. The paper will also give an overview of the tariff cuts in the identified tariff lines given by the ASEAN nations to India.

## **INTRODUCTION**

ASEAN (Association of South East Asian Nations) - ASEAN is the name given to the regional grouping of the south-east Asian nations which was established through the signing of ASEAN declaration on 8 August 1967 in Bangkok. Thailand along with Indonesia, Malaysia, Philippines and Singapore became the founding

members. The nations shared some common history, a colonial past which warranted an independence from their masters and a mutual feeling of growing interdependence which was further accentuated by the ASEAN crisis.<sup>1</sup> Intra-ASEAN trade was not observed during the early period of establishment till the late 70's.<sup>2</sup> It was in the 1980s and the first half of 1990s that some growth in trade and investment became notable. Before the formation of the free trade area, at the ministerial meeting in Bali, the member states signed the Treaty of Amity and Cooperation in Southeast Asia followed by a summit meeting in 1992 when they agreed for a regional integration in trade. ASEAN was established as a free trade area in 1992 with the signing of the Singapore declaration. The primary intent was to increase the competitiveness of the region, exploitation of economies of scale, the ultimate goal being reduced tariffs between zero to five percent by 2008 which was also the basis of the Common Effective Preferential Tariff (CEPT) scheme. This applied to all products from ASEAN with at least 40% ASEAN content. The 10 ASEAN members present a vibrant and dynamic picture; Singapore is

1. This took place in the year 1997 and gripped much of East Asia raising fear of worldwide crisis.

2. ASEAN statistical yearbook

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considered to be the most non-interventionist, the older ASEAN nations also have relatively liberal trade and FDI policies. The newer ASEAN members have higher level of protections.

## INDIA AND ASEAN

India had always wanted stronger relations with ASEAN and this reflected in its look east policy. The relation became strong over a period of time and this happened in a gradual and steady manner. The turning point for the relationship were the 1991 economic reforms which propagated liberalization in trade which was in favour of lowering of tariffs. India's entering the ASEAN boundaries was in three different stages, firstly it became a dialogue partner in 1992, then became a full dialogue partner and eventually gained access to its regional forum after four years. The long stretched negotiations with ASEAN took almost ten years for the FTA to finally become operational. The agreement aims to remove barriers. The regions understand the importance of the east-east relationship rather than the huge over-dependence on the west. Position of ASEAN in world's exports is much stronger than that of India's. Free trade agreements have proliferated all around the world, India is also signing and negotiating deals with countries like EU, Australia etc.

## OBJECTIVES OF THE CURRENT STUDY

- 1) The study attempts to undertake an analysis of the volume and structure of trade between India and ASEAN in the last decade.
- 2) The Paper endeavours to study India's exports to ASEAN nations in HS-85 sector and thereafter identify the important sub product lines.
- 3) Lastly tariff reduction schedule in these sub sectors is examined in the trade agreement between India and selected ASEAN nations. This is done to identify the significant tariff lines where there could be opportunities of increased market access.

## REVIEW OF LITERATURE

In his absolute advantage theory Adam Smith (1776) stated that trade was beneficial for the economy and countries should trade in those goods where they have absolute cost advantage. This dismissed the mercantilist view. David Ricardo (1891) refined this in the revealed comparative advantage theory. Viner (1950) in his seminal work on the study of theory of custom union issue introduced the concept of trade creation and diversion. The agreement could be trade creating if it replaced the higher cost domestic production with cheaper goods from the partner, on the other hand trade diversion means shifting from lower cost members outside the free trade agreement to higher cost FTA members. In a nutshell free trade may not always be

welfare enhancing. The theory of free trade area dates back to Johnson (1960) laid the foundation of free trade areas and there should be harmony in trade without interference. Bhagwati (2008), Panagariya (2003) critiques of the FTAs term the phenomenon as spaghetti bowl due to complexity of multiple FTAs resulting in an increase in burden of business. Krugman (1991) another critique asserted that these agreements have led to a general reduction in welfare of the world try and the gains in the intra-regional trade are offset by the losses of inter-regional trade, the formation of such agreements may hurt the world economy but this is offset if those entering into the agreement are natural trading partners.

Moving closer to the studies on India- ASEAN which have ranged from general gravity models to sector specific studies on the impact of the agreement between the two entities. Karmakar (2005) showed by use of revealed comparative advantage index substantial gains in multitude of service sectors for India. Sikdar and Nag (2011) did a cross country analysis of India-ASEAN FTA using GTAP modelling. India's bilateral trade with the ASEAN region increased considerably, but the imports see a far greater rise than the exports. Veermani and Saini (2012) have done a study from the import side for India on plantation commodities (Coffee, tea and pepper) using a combination of SMART and gravity modelling concluded that there will be a surge in imports of these commodities but trade creation will exceed trade diversion. In a study focussing on sector specific analysis Francis (2011) presented a grim picture of the trade scenario, with Indian producers in agriculture and manufacturing sectors suffering due to massive tariff reductions under the agreement and ASEAN nations gaining a significant market access in India, routing of products in India through the FTA could be faced, some gains may be seen through import liberalization in the intermediate goods sector which may lead to deeper integration in the production networks. Mondal et al (2012) using WITS model simulation showed that the agreement created immense potential for India's dairy exports to ASEAN whereas there is little threat to India through a surge in imports. Bhattacharyya & Mandal (2010) studied India's balance of payment as a result of the agreement using a fixed effect gravity model and showed a negative balance of payment position for India with only imports rising in comparison to exports. This negative balance of trade may be compensated by a rise in consumer welfare. The study of impact of trade agreements is also important from the stakeholders point of view, In one such study done in India by Shyam & Geetha (2011) concerning stakeholders from the fisheries sectors of Kerala held that the agreement was favourable to all the stakeholders with benefit in the form of economies of scale, more variety, easy availability of raw material and domestic price remains competitive with the

import price from ASEAN countries. According to Pal & Dasgupta, (2008) India won't be able to gain much from AIFTA as they found that does not exist a clear difference between the MFN rates and the preferential rates, the ASEAN nations are already low on their MFN rates and India's tariff rates being high, it will be difficult for India to gain in many of the sectors whereas ASEAN nations will benefit. Nagoor and kumar (2010 ) using the unit value of tea in ASEAN and Indian countries concluded that Vietnam, Indonesia and Thailand have a unit price advantage over Indian tea , thus trade creation could take place but not much expansion in exports will be seen from India's side in most of the ASEAN countries due to price disadvantage.

Das & Tiwari (2010) did a study on the North east region and impact of ASEAN in selected commodities. North east enjoys a comparative advantage over ASEAN in many of the plantation commodities such as tea and coffee. The region could benefit from export of tea, raw silk, bamboo items. Using an econometric model to study the nature pattern and elasticity of trade between India and ASEAN 5, Sarkar (2009) did an important study relating to elasticity of exports of India with ASEAN nations, India's exports experienced high elasticity with Philippines imports and it was lowest in case of Singapore, highest price elasticity was found in case of India's exports to Indonesia and lowest was in India's exports to Thailand. If ASEAN economy grows then India will also reap benefits through trade. India's exports have a price advantage in the ASEAN markets. Thus agreements with ASEAN will be helpful in raising its exports. Ratna and Kallumal (2013) undertook to understand the tariff impact and likely gains and losses under the trade liberalization impact of India-ASEAN. The relative competitiveness for India and ASEAN exports in fisheries and few other agricultural products like coffee, tea, coconut, pepper was calculated. In case of fisheries no threat of exports was seen, in tea countries like Indonesia and Vietnam provided cheaper imports. Thus Tea could be a delicate area. India could boost its exports to ASEAN in coconut, pepper and coffee. Chandran (2010) analysed the potential sectors for trade between India and ASEAN by using revealed

competitive advantage and trade intensity index. A total of 16 sectors were analysed. India had both high import as well as export intensity for ASEAN but ASEAN had only high export intensity for India. With Myanmar, Singapore and Vietnam, India showed high export intensity whereas it was low for the underdeveloped countries of Laos and Brunei.

## DATA COLLECTION AND METHODOLOGY

The research paper collected secondary data mainly from the directorate general of trade and commerce. Other sites referred to were UNCTAD, World Bank and WITS.

a) On the basis of the current export values important non-agricultural sectors in India's exports and imports to ASEAN were identified

c) Further analysis took place in HS-85 Sector where on the basis of total share important tariff lines were identified for the latest year in which the data was available i.e. 2013-2014

d) Lastly the agreement and its tariff cuts were examined for the identified lines where there could be a possibility for India to gain market access.

e) The basic concept being that there is a possibility for exports to increase if tariffs go down based on the concept of trade creation and diversion.

## INDIA-ASEAN 10 YEARS EXPORTS (2004-2014)

The following section highlights the trade volume and structure between India and ASEAN over the last 10 year period. See (Exhibit 1). India's total exports to ASEAN which stood at a mere 8426(million USD) in 2004 grew to 33133.55(million USD) in 2014. This shows an increase of 293.33% from 2004 to 2014. All of the years in the aforesaid period experienced a positive growth over the previous year with the exception of 2009-2010 and 2012-2013. Another noticeable trend was a surge in India's exports immediately after the India- ASEAN trade agreement became operational.( 2010-11). ASEAN's share in India's total exports has remained constant in the period of study.

**Exhibit 1 - India's Exports to ASEAN**

Year	Exports to ASEAN (US million)	Percentage Growth
2004-2005	8,426	-
2005-2006	10411.3	23.56%
2006-2007	12607.43	21.09%
2007-2008	16413.52	30.19%
2008-2009	19140.63	16.62%
2009-2010	18113.71	-5.37%
2010-2011	25627.89	41.48%
2011-2012	36744.35	43.38%
2012-2013	33008.21	-10.17%
2013-2014	33133.55	0.38%

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

**Exhibit 2 - Share of ASEAN in India's Total Exports**

Year	India's exports to world (US million)	Share of ASEAN in India's Exports
2004-2005	83535.94	10.09%
2005-2006	103090.53	10.10%
2006-2007	126414.05	9.97%
2007-2008	163132.18	10.06%
2008-2009	185295.36	10.33%
2009-2010	178751.43	10.13%
2010-2011	249815.55	10.26%
2011-2012	305963.92	12.01%
2012-2013	300400.58	10.99%
2013-2014	314405.3	10.54%

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank

**INDIA-ASEAN 10 YEARS IMPORTS (2004-2014)**

India's imports from ASEAN grew from US\$ million 9115 in 2004-2005 to US\$ million 41278.09. This represents an absolute increase of 352.86%. See (Exhibit 3). The year 2006-2007 saw a 66.38% increase over the

previous year which was the highest growth rate in the aforesaid period for any year. The negative growth is consistent with falling overall imports from the world. ASEAN's current share in India's total imports is around 9%.

**Exhibit 3 - India's Imports from ASEAN**

Year	Imports from ASEAN (USD million)	Percentage Growth
2004-2005	9,115	
2005-2006	10883.67	19.41%
2006-2007	18108.48	66.38%
2007-2008	22674.81	25.22%
2008-2009	26202.96	15.56%
2009-2010	25797.96	-1.55%
2010-2011	30607.96	18.64%
2011-2012	42158.84	37.74%
2012-2013	42866.36	1.68%
2013-2014	41278.09	-3.71%

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank

**Exhibit 4 - Share of ASEAN in India's Total Import**

Year	Imports from World	Share of ASEAN in India's Imports
2004-2005	111517.43	8.17%
2005-2006	149165.73	7.30%
2006-2007	185735.24	9.75%
2007-2008	251654.01	9.01%
2008-2009	303696.31	8.63%
2009-2010	288372.88	8.95%
2010-2011	369769.13	8.28%
2011-2012	489319.49	8.62%
2012-2013	490736.65	8.74%
2013-2014	450199.79	9.17%

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank

### STRUCTURE OF INDIA-ASEAN TRADE

In the present study the non-agricultural sectors are considered. The Table below provides a list of Top ten sectors (in terms of value) of exports to ASEAN. The highest contributor to India's exports in the non-agricultural sector according to latest available statistics

i.e. 2013-14 is Mineral fuels, this is followed by Organic chemicals whereas Ships, boats and floating structure rank third. The sector of interest in the given paper HS 85 holds 8th rank in terms of exports and 2nd rank in terms of imports to ASEAN

**Exhibit 5 - India's Sectoral Exports to ASEAN for 2013-2014  
(Top 10 non-agricultural sectors at HS 2 levels( 2013-2014))**

HS Code	Product Name	Value in USD million
HS 72	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	9829.79
HS 27	Organic chemicals	1726.64
HS 71	Ships, boats and floating structure	1695.25
HS 84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	1561.72
HS 29	Natural or cultured pearls, precious or semiprecious stones, pre metals, clad with pre metal and articles thereof; imitation. jewellery; coin.	1427.91
HS 89	Iron and steel	1236.43
HS 87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	837.23
HS 85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	800.26
HS 30	Pharmaceutical products	606.41
HS 88	Aircraft, Spacecraft, and parts thereof	537.35

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank

**Exhibit 6 - India's Top 10 Non- agricultural Sectoral Imports from ASEAN for 2013-2014**

HS Code	Name of Product	Value in USD million (2013-2014)
HS-27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	10419.49
HS-85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	4211.97
HS-84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	3333.39
HS-29	Organic chemicals	2683.19
HS-39	Plastic and articles thereof.	1517.04
HS-44	Wood and articles of wood; wood charcoal.	1516.99
HS-89	Ships, boats and floating structures.	946.39
HS-26	Ores, slag and ash.	900.25
HS-38	Miscellaneous chemical products.	548.14
HS-71	Natural or cultured pearls, precious or semiprecious stones, pre metals, clad with pre metal and articles thereof; imitation. jewellery; coin.	486.98

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank



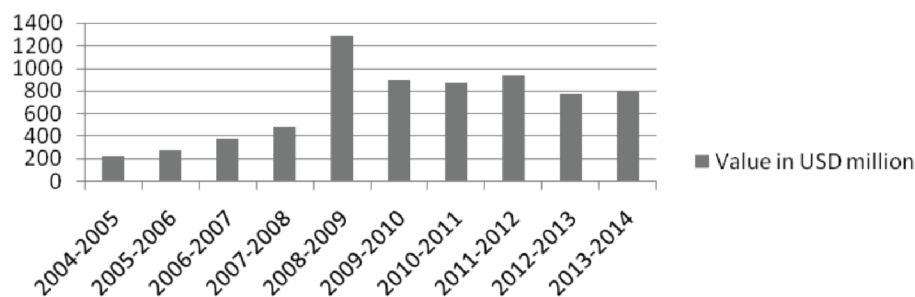
### CHOICE OF SECTOR SELECTION ELECTRICAL MACHINERY (HS85)

Machinery in the Harmonised system of codes has two major subsector divisions: the general machinery sector (HS84) and the electric machinery sector (HS85). The recent times have seen HS-85 enhance its share value in exports to ASEAN. This sector holds importance in value terms in both of India's exports and imports.

India was not an active player in the sector earlier but it came to soon capitalize on the advantages it had in it which was the presence of high quality suppliers with well established operations that complemented to India's mechanical and electromechanical manufacturing base. A turnaround has been observed in recent times. The light electrical machinery segment manufactures products like electrical wires and cables, cranes, batteries, lifts and escalators among other products. Indian manufacturers in this sector did not focus on exporting to other markets

around the world, a start has been made now and the sector has also witnessed an increasing domestic demand. India could cement its relation with ASEAN in this sector specifically with intermediary exports, assembled end products, sound recording equipment and telecommunications come out as important categories. Electrical machinery has also contributed majorly to India's exports to the world. As the country's infrastructure is expanded in terms of power generation and development, the sector also has witnessed a simultaneous growth. Other factors which have contributed to its growth are competitive labor costs and improvements in technology and there is further potential for the sector to grow in future with appropriate government support policies. Exports of electrical machinery from India have registered continuous growth over the last decade. See (Exhibit 7). A key driver for exports has been increasing outsourcing of manufacturing goods from India.

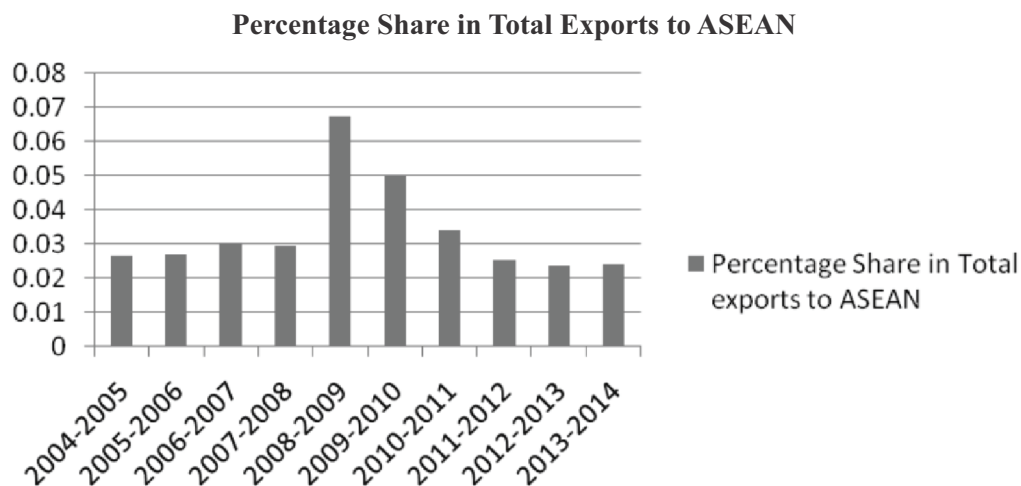
**Exhibit 7 - India's Exports to ASEAN in HS-85**



Source- Compiled by Authors from Directorate General of Foreign Trade, Export-Import Data Bank

The export of HS-85 goods has shown a general upward trend in the last ten years. 2008-2009 witnessed the highest growth rate in the aforesaid period.

**Exhibit 8 - Share of HS-85 in Total Exports to ASEAN**



Source- Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank



The sector has contributed around 2 % to India's total exports to ASEAN in the past decade. The contribution of the sector was approximately 5% in the intervening period of 2008-2010. The major countries in India's

exports to ASEAN with their percentage share in HS-85 sector are given in Exhibit 9. The analysis is done for the latest year in which the data was available 2013-2014

**Exhibit 9 - Electrical Machinery (HS 85) Exports from India to ASEAN Countries (2013-14)**

Country	HS 85 Exports from India	Share in total
Singapore	217.25	0.27147766
Malaysia	140.7	0.17582006
Indonesia	129.66	0.16202437
Thailand	105.16	0.13140893
Myanmar	82.16	0.10266792
Philippines	62.34	0.07790066
Vietnam	53.47	0.06681662
Laos	7.05	0.00880975
Brunei	1.58	0.00197438
Cambodia	0.88	0.00109966
<b>Total</b>	<b>800.25</b>	

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

Singapore ranks first followed by Malaysia and Indonesia amongst the ASEAN countries in India's HS 85 exports. There is miniscule contribution from the bottom three i.e Laos, Brunei and Cambodia.

The next section examines the impact of the agreement on India's exports in HS 85 to ASEAN 7 with an introduction to the tariff lines in the agreement.

#### **TARIFF LINES IN THE AGREEMENT**

A note on the various Tariff lines given in the agreement and their features.

1. Normal Track (NT 1) - Tariff rates for products placed in the Normal Track will be reduced and subsequently eliminated. The pace for this line will be fastest but the years of complete elimination will vary from country to country.
2. Normal Track (NT 2) - Here also Tariffs will be reduced to zero but the time taken will be considerable longer.
3. Sensitive track (ST)- Tariffs will be reduced over a

longer period and reaching 5% in most of the cases, some lines will also see a reduction till 4.5 % or 3.75%.

4. Exclusion list (EL) - No tariff reduction commitments have been made for these products.

5. Highly sensitive list (HSL) - very little tariff reduction over a longer period of time.

#### **IMPACT OF AGREEMENT ON INDIA'S ELECTRONIC EXPORTS TO SINGAPORE**

India and Singapore had become important trading partners through the Comprehensive Economic Cooperation Agreement (CECA) which was signed on 29th June 2005 and become operational from 1-8-2005. Since Singapore had already given the MFN status to India almost all goods enter into Singapore Tariff free. This is true for all of HS-85 products, thus there is no further analysis to be done for India's exports to Singapore as a result of AIFTA. HS8517, HS 8536, HS 8504 and HS 8507 are the most important categories in order of relevance of India's exports to Singapore.

**Exhibit 10 - India's HS 85 Exports to Singapore**

HS Code	Name of Product	Value in USD million	Share in total of 2013
8517	Electrical apparatus for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	44.29	0.203866513
8536	Electrical parts for switching/protecting electrical circuits etc. (e.g. switches relays etc.) for a voltage not exceeding 1000 volts	28.17	0.129666283
8504	Electrical transformers, static converters (for example, rectifiers) and inductors	20.19	0.092934407
8507	Electric accumulators, including separators therefore w/n rectangular(including sq)	18.46	0.084971231
8523	Prepared unrecorded media for sound recording/small recording of other phenomena, other than products of ch.37	14.39	0.066237054
8538	Parts suitable for use solely/principally with the apparatus of hdg no.8535,8536/8537	12.69	0.058411968
8528	Reception apparatus, wh/not incorporating radiobroadcast receivers/sound/video recording/ reproducing apparatus, video monitors	11.9	0.054775604
8525	Transmission apparatus for radiotelephony etc w/n encrypting reception apparatus/sound recording/reproducing apparatus; tv cameras	11.28	0.051921749
8544	Insulated (including enamelled or anodised) wire, cable  (including co-axial cable) and other insulated electric	6.97	0.032082854
8542	Electronic integrated circuits and micro-assemblies	5.71	0.026283084

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank

**Malaysia**

In case of India's Exports to Malaysia, HS 8517 (Telephone sets including mobile handsets) contributed around 29% followed closely by HS 8504 (Transformers and conductors) with a contribution of 28%, HS 8538 (electrical parts and accessories) contributed around 6%.

The rest are contributing less than 5 % to the total export share in 2013-2014. See (Exhibit 11). Thus the benefits of the agreement could be reaped by Indian exporters if there are more concessions in these significant product categories.

**Exhibit 11 - India's Exports to Malaysia**

HS Code	Name of Product	Value in USD	Share in total of 2013
8517	Electrical apparatus for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	40.39	0.287064677
8504	Electrical transformers, static converters (for example, rectifiers) and inductors	39.91	0.283653163
8538	Parts suitable for use solely/principally with the apparatus of hdg no.8535,8536/8537	8.5	0.060412225
8536	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches relays etc.) for a voltage not exceeding 1000 volts	5.78	0.041080313

8535	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches, fuses, lightning arresters etc) for a voltage exceeding 1000 v	4.69	0.033333333
8523	Prepared unrecorded media for sound recording/similar recording of other phenomena, other than products of ch.37	4.49	0.031911869
8537	Boards panels etc equipped with two or more apparatus of hag 8535/8536, incl those incorporating instruments/apparatus of ch 90	4.3	0.030561478
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric	3.65	0.02594172

**Exhibit 12 - Malaysia Tariff Commitments Under Specific Product Lines**

Malaysia Tariff Cuts	Number of Product lines along with tariff reduction commitment Deadlines			
Tracks	NT-1	NT-2	ST	EL
HS-8504	14 lines Tariff reduced from 5%-0% (1st Jan 2013)			
HS-8517	21 lines( MFN 2007), already nil Tariff			
HS-8538	10 ( 8 lines from 5%-0%, 1st Jan 2013			
	2 lines from (15%-0%), 1st Jan 2013)			
HS-8536	20 lines from (15%-0%), 1st Jan 2013)	8 lines (15%-0%), 1st Jan 2016)		
	7 lines from (5%-0%), 1st Jan 2013)	2 lines (5% -0%, 1 Jan 2016)		
HS-8535	11 lines( 15%-0%), 1st Jan 2013)			
HS-8523	1 line from 10% to 2.5%, 1st Jan, 2013	5 lines (Tariff reduced from (30,25,20%-0%))	4 lines Tariff reduced from (30%-5%), 31st Dec. 2019	
HS-8537	5 lines( 15%-0), 31st December 2013			
HS-8544	3 lines( 5%-0%), 31st December 2013)		27 (20 lines 30% to 5%, 31st December, 2019, 7 lines from (5%-4%))	

Source: Compiled by Authors from official document of AIFTA

HS-8538 (electrical parts and accessories), HS-8536 and HS-8535 (electric apparatus switches/relays/fuses) will see tariff reduction in many product lines, some showing reduction from 15%- 0%. HS 8504 (Transformers and Convertors) will also see Tariff reduction at NT 1. This is a very important line. This can boost India's export potential in these lines as it is already exporting a substantial volume in these segments. In HS 8523(media for sound recording) export promotion could work for

special track products and NT 2 product lines which will see huge fall in tariff though presently this line is not contributing very high. HS 8544(insulated wire and cables) consists of mostly special track products which could boost exports for those lines seeing a tariff cut from 30%- 5%. Thus there could be boost in India's HS 85 exports to Malaysia in few significant categories based on tariff cuts.

## INDONESIA

**Exhibit 13 - Top HS Products Exported from India to Indonesia in 2013-2014**

HS Code	Name of Product	\$ million	Share in total HS-85
8517	Electrical parts for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	65.17	0.502622243
8504	Electrical transformers, static converters (for example, rectifiers) and inductors	9.88	0.07619929
8537	Boards panels etc equipped with two or more apparatus of hdg 8535/8536,incl those incorporating instruments/apparatus of ch 90	6.77	0.052213481
8511	Electrical ignition/starting equipment for spark-ignition etc generators etc and cut outs of a kind used in conjunction with such engines	4.69	0.036171526
8501	Electric motors and generators (excl generating sets)	4.38	0.033780657
8503	Parts suitable for use solely or principally with the machines of heading 8501 or 850	4.07	0.031389789
8545	Carbon electrodes, carbon brushes, lamp carbons etc. other articles of graphite/other carbon, with/ without metal of a kind used for electrical	3.99	0.03077279
8502	Electric generating sets and rotary converters	3.79	0.029230295
8536	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches relays etc.) for a voltage not exceeding 1000 volts	3.27	0.025219806

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

In case of Indonesia HS 8517(Telephone sets) is the most important sector as it is contributing almost 50% of total exports in this sector. This is followed by HS 8504 (Transformers/convertors/inductors) which contributes around 9.8 %. There is a contribution of 5% for HS 8537. Rest of the HS Segments contributed 3 % and less. Let us examine the tariff cuts in these lines which have been given to India by Indonesia.

Under HS 8517 (Telephone sets, handsets etc) tariffs are already nil and few lines such as (Radio/transmitters ) are placed under ST track where Tariff concession will take place over a relatively longer period from 10% to 5%,

Thus not much market access is seen for India.

8504 (transformers/Static convertors and inductors) is also an important sector in terms of value of exports but here also immediate market access may not be possible as most products are placed under ST, it will not be before January 2021 but there is considerable export potential. HS-8537 (Board Panels) also sees most of the list in the Sensitive Track categories. Few lines are seen in NT 1 where market access could increase but current export values are not much in this line. HS-8501(electric motors and generators) has almost all product lines in sensitive track it could see future gains in exports.

**Exhibit 14 - Indonesia Tariff Commitments**

Indonesia Tariff Cuts	Number of Product lines along with tariff reduction commitment Deadlines				
	NT-1	NT-2	ST	EL	HSL
HS-8517			3 lines (10%-5%, 1st Jan 2021)		
HS-8504		8 lines, (5%-0%), 31st dec 2016	22 lines (10%-5%, 1st Jan 2021), 5 lines, 5%-3.75 %, 1st Jan 2021		1 line, (15%-12.25%), January 2021
HS-8537		2 lines, ( 5%-0%), 31st dec 2016	7 lines(5%-3.75%, 1st Jan 2021)		

HS-8511	4 lines, (5%-0%, 1st Jan 2013)	1 line,(5%-0%), 31st Dec 2016	3 lines(15%-5%, 1 Jan 2021), 5 lines(5%-3.75%, Jan, 2021)		
HS-8501		3 lines-(5 %-0%), 31st Dec 2016	24 lines (10%-5%, 1st Jan, 2021)		

Source: Compiled by Author from official document of AIFTA

## THAILAND

### Exhibit 15 - India's Exports to Thailand

HS Code	Name of Product	Value in US million	
8517	Electrical parts for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	37.33	0.354982883
8504	Electrical transformers, static converters (for example, rectifiers) and inductors	12.8	0.121719285
8511	Electrical ignition/starting equipment for spark-ignition etc generators etc and cut outs of a kind used in conjunction with such engines	11.16	0.106124002
8512	Electrical lighting/signalling equipment (excl articles of hd no. 8539)wind screen etc used for cycles/motor vehicles	8.96	0.085203499
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric	5.04	0.047926968
8536	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches relays etc.) for a voltage not exceeding 1000 volts	4.46	0.042411563

Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

As in the case of other Countries of ASEAN, here also HS 8517 (Handsets/ telephone apparatus) is an important contributing sector with 35% share, followed by HS 8504 (electric transformers/ static convertors/ inductors)

which is contributing around 13%, 8511 (electric ignition) is next with contribution of 11%, 8512 (electrical lighting and signalling equipment contributes 12%, We also see a diversity in products being exported.

### Exhibit 16 - Thailand Tariff Commitments

Thailand Tariff lines	Number of Product lines along with tariff reduction commitment Deadlines				
	NT-1	NT-2	ST	EL	HSL
HS-8517	2line (3%-0%, 1st Jan, 2013), 7 lines(1%-0%, 1st Jan 2013)				
HS-8504	23 lines (10%-0%, 1st Jan 2013), 14 lines (1 % - 0%, 1st Jan 2013)	9 lines (10%- 0%, 31st Dec 2016), 2 lines (1%-0%, 31st Dec 2016)	4 lines (10%-5%, 31st Dec 2019)		
HS-8511	9 lines (10% - 0 %, 1st Jan 2013)	4 lines (10%-0%, 31st Dec 2016)	2 lines (10%-5%, 31st Dec 2019)		
HS-8512	9 lines (10%-0%, 1st Jan 2013)			26 lines	
HS-8544				All lines	
HS-8536	14 lines(10%-0%, 1st Jan 2013)	21 lines (10%-0%, 31st Dec 2016)	1 line (10%-5%)		

HS-8504 (electric transformers/static convertors/inductors) is very important in terms of increasing exports as large Tariff cuts are being offered here, both under NT 1 and NT 2. HS 8511(electric ignition) and HS 8512 (electrical lighting and signalling) could be another sector as tariffs are being reduced from the base of 10% -

0% by 2013 in it. HS 8544 (insulated wire and cable) is under exclusion list so base rate tariff of 10% will prevail. HS 8536 (electric apparatus for switching/electric circuits) also has many lines under NT 1 and NT 2, thus future exports could increase provided the potentiality to increase production is there.

## MYANMAR

**Exhibit 17 - India's Exports to Myanmar**

HS Product	Name of Product	USD million	Percentage Share
HS-8537	Boards panels etc equipped with two or more apparatus of hdg 8535/8536,incl those incorporating instruments/apparatus of ch 90	17.77	0.216285297
HS-8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric	15.02	0.182814021
HS-8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	10.01	0.121835443
HS-8504	Electrical transformers, static converters (for example, rectifiers) and inductors	8.65	0.105282376
HS-8536	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches relays etc.) For a voltage not exceeding 1000 volts	7.32	0.08909445

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

**Exhibit 18 - Myanmar Tariff Commitments**

Myanmar Tariff Cuts Indo-ASEAN	Number of Product lines along with tariff reduction commitment Deadlines				
	NT-1	NT-2	ST	EL	HSL
HS-8537	4 lines (10%-0%), 31st Dec, 2018  11 lines(1%-0%), 31st Dec 2018  18 lines (1%-0%), 31st Dec 2018		9 lines, tariff remains at 1%  15 lines, tariff remains at 1%	All lines	
HS-8544				1 line	
HS-8526				26 lines	
HS-8504					
HS-8536					

Source: Compiled by Author from official document of AIFTA

No tariff concession is being offered by Myanmar in HS-8537(Board Panels) which has presently maximum contribution in HS 85 exports, In HS 8544(insulated wire and cable) all lines are under exclusion list. There is little scope in HS 8526(Radar/radio apparatus) as tariff is

being reduction from 10%- 0% in 4 lines, in HS-8536(electrical apparatus for switching), very little tariff reduction will take place. Thus we do not see very high prospects here.



## PHILIPPINES

Exhibit 19 - India's Exports to Philippines 2013-2014

HS Code	Product Name	Value in USD million	Share in total HS 85 exports
HS-8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric	15.6	0.250240616
HS-8504	Electrical transformers, static converters (for example, rectifiers) and inductors	13.41	0.215110683
HS-8536	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. switches relays etc.) For a voltage not exceeding 1000 volts	6.99	0.112127045
HS-8517	Electrical apparatus for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	6.46	0.103625281
HS-8537	Boards panels etc equipped with two or more apparatus of hdg 8535/8536, incl those incorporating instruments/apparatus of ch 90	3.93	0.063041386
		62.34	

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

As we observe in the table above the first two categories are contributing very close to 16% and 13% of total exports to Philippines in 2013-2014.

Exhibit 20 - Philippines Tariff Commitments

Philippines Tariff Cuts Indo-ASEAN	Tariff lines and Commitment Schedule				
	NT-1	NT-2	ST	EL	HSL
HS-8544					
HS-8504				All lines	
HS-8536	4 lines (10%-0%), 31 Dec, 2018			1 line	
HS-8517	11 lines (1%-0%), 31 Dec 2018		9 lines, tariff remains at 1%	26 lines	
HS-8537	18 lines (1%-0%), 31 Dec 2018		15 lines		

Source: Compiled by Author from official document of AIFTA

In the important lines of HS-8544 (insulated wire and cable) and HS-8504 (electrical transformers, static converters and inductors) no concession is being offered,

there could be little scope in HS 8536 (electric apparatus switches/relays/fuses) where tariff in four lines will be reduced from 10%-0%

## VIETNAM

Exhibit 21 - India's Exports to Vietnam

HS Code	Product Name	Value in USD million	Share in total HS 85 exports
HS-8504	Electrical transformers, static converters (for example, rectifiers) and inductors	13.82	0.258462689
HS-8501	Electric motors and generators(excl generating sets)	6.75	0.126239013
HS-8517	Electrical apparatus for line telephony/telegraphy, including telephone sets with cordless handset carrier-current line system; videophone	6.45	0.12062839
HS-8537	Boards panels etc equipped with two or more apparatus of hdg 8535/8536,incl those incorporating instruments/apparatus of ch 90	6.43	0.120254348
HS-8535	Electrical apparatus for switching/protecting electrical circuits etc. (e.g. Switches,fuses,lightning arresters etc)for a voltage exceeding 1000v	5.46	0.102113335
HS-8538	Parts suitable for use solely/principally with the apparatus of hdg no.8535,8536/8537	4.05	0.075743408

Source: Compiled by Author from Directorate General of Foreign Trade, Export-Import Data Bank.

Let us see the tariff cuts offered by Vietnam in these main sectors-

Exhibit 22 - Vietnam Tariff Commitments

Vietnam Tariff Cuts	Tariff lines and commitment schedule				
	NT-1	NT-2	ST	EL	HSL
HS -8504	1 line( 15%-0%), 31st Dec 2018, 8 lines, (5%-0%),31st Dec2018			27 lines	
HS-8501	12 lines, (10%-0%), 31st Dec 2018, 5 lines, (5%-0%), 31st Dec 2018	1 line,( 30%-0%). 1 line (25%-0%) 31 Dec 2021		15 lines	
HS-8517	21 lines, (10%-0%), 2 lines from 20%-0%, 3 lines from 5%-0%				
HS-8537	1 line (15%-0%), 2 lines (18%-0%), 2 lines (30%-0%), 3 lines (10%-0%)				
HS-8535	4 lines from (15%-0%), 2 lines (5%-0%)			6 lines	
HS-8538	2 lines from (20%-0%), 2 lines (10%-0%), 4 lines (15%-0%), 2 lines (5%-0%)				

Source: Compiled by Author from official document of AIFTA

In HS 8504 (electric transformers, static converters, conductors) there are few lines in NT 1 and others are in excluded category. HS 8501(electric motors and generators) could prove to be a potential sector in case of Vietnam. HS 8517 (Telephone, handsets, mobile sets etc) has all lines under NT 1; here India could increase its market access. HS 8537(board panels and HS 8538(parts for boards and switches etc) also has all lines under NT 1, thus tariff reduction will be seen here also and the contribution from this segment could rise in future.

**FINDINGS AND CONCLUSION** - India and ASEAN have become important trading partners with India's exports and imports rising over the 10 year period under analysis. Singapore is the most important nation for India's HS 85 exports followed by Indonesia and Malaysia.

India could increase its market access to Malaysia in HS-8538(electrical parts and accessories), HS-8536((electric apparatus for switching/electric circuits), HS-8535(electric apparatus switches/relays/fuses), HS

8523(media for sound recording) and HS 8544(insulated wire and cables). India's exports to Indonesia doesn't see much benefit as several product lines in which India is exporting are placed under the Sensitive Track but HS 8504(Transformers and convertors) could be an important category for increasing exports in future. India's exports to Thailand could increase in HS-8504(electric transformers/static convertors/inductors), HS 8511(electric ignition), HS 8512(electrical lighting and signalling) and HS 8536 (electric apparatus for switching/electric circuits). In case of Myanmar limited gains will be realized in HS 8526(Radar/radio apparatus). Philippines offer little concessions to India in most of the categories. No concession has been given in HS-8544(insulated wire and cable) and HS-8504 (electrical transformers, static convertors and inductors) though there could be little scope in HS 8536(electric apparatus switches/relays/fuses). India could improve its exports to Vietnam as huge tariff cuts are being given here. Important categories to look at are HS 8517 (Telephone, handsets, mobile sets etc) , HS 8537(board panels and HS 8538(parts for boards and switches etc).

### **COUNTRY WISE CONCLUSION AND AGENDA FOR FUTURE RESEARCH**

We see gains in Indonesian Malaysian and Thailand

markets. Not much gain are seen for Philippines and Myanmar. Vietnam could emerge as a single most important market for Indian Exports in HS 85. After analysing the exports to ASEAN 7 in HS 85 for 2013-2014, we conclude that the most important export sub sectors emerge as HS 8517(Telephone, handsets, mobile sets etc) followed by HS 8504 (electric transformers, static converters, inductors). In case of Philippines the maximum contribution comes from HS 8544 (insulated wire, cables). Other important categories are HS8536 (Electrical parts for switch boards), HS 8507 (electric accumulators) and HS 8537(board panels). Thus we conclude that based on the tariff cuts offered to India under AIFTA in HS-85 sector, India could boost its exports to Indonesia, Thailand, Malaysia and Vietnam. Vietnam is presently lacking in India's exports but huge tariff cuts are being offered in select segments. Besides the lines in which India already has a substantial share new lines could be unearthed where substantial cuts are being offered and India has an RCA advantage. To get a complete picture the study of RCA, IIT( Intra industry trade index) and unit prices to understand the competitiveness of the sector should be done .Tariff lines examination at HS 8 levels will provide concrete results, this could be agenda for future research.

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#### Appendix - ASEAN and Major Developments

YEAR	MEMBERS
1967	Thailand, Indonesia, Malaysia, Philippines, Singapore.
1984	Brunei joins the group
1992	Formation of AFTA, India becomes a dialogue partner
1995	Vietnam joined ASEAN
1996	India becomes member of ASEAN regional forum.
1997	Laos And Myanmar joined ASEAN
1999	Cambodia joined ASEAN
2000	Signing of the Indo-ASEAN FTA
2003	Indo-ASEAN framework agreement on comprehensive economic cooperation
2010	Indo-ASEAN FTA comes into force



# *Comparative Analysis of Loyalty of 2G and 3G Mobile Technology Customers in Dhaka City*

**Key words:** *Loyalty, Corporate Image, Trust, Switching Cost, 2G Mobile Technology, 3G Mobile Technology*

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## **ABSTRACT**

This paper examined the relationship between independent variables like switching cost, corporate image, trust and dependent variable like customer loyalty. The study design involved survey of 3G technology users with a sample size of 150 respondents. Results of this study, which was conducted on 3G technology users, show strong association of the three variables, namely, trust, switching cost, and corporate image with the dependent variable, customer loyalty. However, the study found that corporate image reflects more association with customer loyalty than the other two variables. The study is useful in identifying the variables that affect customer loyalty most when it is possible that the variable affecting most varies with the change of technology.

## **INTRODUCTION**

Telecommunication sector has emerged from basic voice exchange system and currently it is a compact solution for almost everything. This sector is showing an inspiring growth in last few years. It is expected that Bangladesh will be the third biggest telecom market in Asia after China and India (Hasan, 2008). Actors in this industry are seeking the most profitable markets throughout the world. The telecommunication industry is well-established now in Bangladesh in this 21st century. Telecommunication industry is currently one of the fastest growing industries in Bangladesh. In the telecommunication industry of Bangladesh, 3G mobile technology has been introduced by the state-owned Teletalk in 2012. In 2013 Banglalink, Grameenphon, Robi, and Airtel also introduced 3G technology and

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converted themselves from 2G technology to 3G mobile technology. This study tried to investigate whether the factors that influence customer loyalty varies significantly between different technology offers of the same company.

Customer loyalty is a serious concern for telecom industry as established by Ramneck and Preety (2009). Ramneck and Preety (2009) list several findings in order to highlight the importance of customer loyalty in telecom sector. According to this study, about two-third of the total income of a typical company comes from its existing customers; keeping an existing customer happy costs 5 times lower than the cost of finding a new customer; a single bad service can outweigh the benefits derived from 12 good service experiences; more than two-third of the customers who switch to the competition do so because of poor service; 9 out of 10 unhappy customers never wish to return back; and one unhappy customer relays his or her bad experience to a at least 9 persons in their circle.

The high cost of finding a new customer makes the importance of keeping existing customer obvious in light of the competition. With the increase in competition, companies look for ways to keep customers loyal to them and trust, switching cost, and corporate image could be instrumental in pursuing this goal. This lays the rationale of this study that explores whether there are satisfactory relationship between these variables. Besides, in the context of Bangladesh and to the best of our knowledge, we did not find considerable research works in these mentioned areas of the 3G mobile technology era (Up to November 2014). Along this line of thinking, this study aimed at examining the association of corporate image, switching cost, and trust on customer loyalty among the 3G technology users in Bangladesh.

This rest of this paper is organized as follows. Section 2 presents an overview of telecommunication operators in Bangladesh; Section 3 reviews relevant literature and lists hypotheses considered by this paper; Section 4 outlines the conceptual framework, data and methodology used; Section 5 presents and discusses the results; Section 6 points out managerial connotation of this study results and finally, section 6 presents a conclusion.

## **OVERVIEW OF FOUR TELECOMMUNICATION COMPANIES OF BANGLADESH**

### **GRAMEENPHONE**

Grameenphone, widely known as GP, is the leading mobile phone operator in Bangladesh. This was also the first company which introduced GSM technology in Bangladesh. Twenty-four hour Call Center to support the subscribers was also established first by Grameenphone. Slogan of Grameenphone is “Stay Close”, which aims at

providing affordable telephony to the entire population of Bangladesh.

### **BANGLALINK**

Banglalink is now considered the second largest mobile phone operator in Bangladesh. In 2012, the growth rate of subscribers of Banglalink is the highest, as high as 257 per cent and its total subscriber base now stood at 3.64 million.

### **ROBI**

Robi Axiata Limited (formerly known as Aktel) is the third largest mobile phone operator in Bangladesh. Although Robi has fewer subscribers than the other two, but it has the widest international roaming service in the market; as it connects over 500 operators across 207 countries. It is also the first operator in the country to introduce GPRS.

### **AIRTEL**

Airtel Bangladesh Ltd. is a GSM-based cellular operator in Bangladesh managed by India's Bharti Airtel Limited. This company is also offering 3G mobile technology services but is lagging behind far from its' other major competitors.

## **LITERATURE REVIEW**

In a study with 2G mobile technology Islam (2010) finds that switching cost, corporate image, and trust have certain degree of relationship with the dependent variable, customer loyalty, and only trust has the strongest relationship with customer loyalty. This study mainly inspired planning and implementing this study to examine the similar relationships but with 3G mobile technology.

Porter (1998) defined switching cost as the cost involved in changing from one service provider to another. Switching costs is measured not only in monetary costs, but also in terms of time and psychological effort, and also the risk associated with a new service provider. (Dick and Basu, 1994; Guiltinan, 1989). Jackson (1985) e shows switching cost as a sum of economic, psychological cost, and physical costs. Transaction cost can also increase the switching cost. (Klemperer, 1995; Kim et al., 2003). Switching cost is made up of investment of time, money and effort (Gremmler and Brown, 1996).

All customers do not incur the same switching cost. (Shy, 2002) as psychological cost varies from customer to customer (Sharma, 2003). The definition use by this study for switching cost will follow definition provided by Porter (1998)

In business studies, building and maintenance of long-term relationships are critically dependent on trust

(Geyskens et al., 1996; Rousseau et al., 1998). Trust is built when one party believes that actions of other party is beneficial for him (Anderson et al., 1990). Therefore, Trust can be viewed as one of the most relevant antecedents of long-term relationships.. Likewise, Moorman et al. (1993, p. 82) defined trust as “a willingness to rely on an exchange partner in whom one has confidence”.

Perception of an organization in consumer memory is defined as image (Keller, 1993). According to the service marketing literature, evaluation of service and company depends critically on this image (Bitner, 1991; Gummeson and Grönroos, 1988; Grönroos, 1984). Corporate image does not build upon by chance; it is the result of a systematic process (MacInnis & Price, 1987). Corporate image is what comes to the mind of a customer when they hear the name of a firm (Nguyen, 2006).

Customer loyalty is difficult to be defined and is measured by repeat purchase, and referred to other customers (Heskett et al., 1994). Customer loyalty may also be represented by the feeling a customer carries or becomes aware of regarding a brand (Duffy, 2003). It is widely believed that customer loyalty results in positive and measurable financial results.

### RELATIONSHIP BETWEEN SWITCHING COST AND CUSTOMER LOYALTY

Several studies suggested that the extent of switching cost may have a bearing on customer loyalty in a given industry. (Anderson and Fornell, 1994; Fornell, 1992; Dick and Basu, 1994; Gremler and Brown, 1996). Empirical support was also found on the effect of high switching cost on customer loyalty (Andreasen, 1982; 1985).

From the literature review, the following hypothesis is posited that there is a positive relationship between the level of switching costs and customer loyalty.

*H1: Switching costs and customer loyalty are positively related.*

### RELATIONSHIP BETWEEN CORPORATE IMAGE AND CUSTOMER LOYALTY

A general notion is that when a customer perceives a company as a truly service oriented, then he or she would be reluctant to switch away from that company or in other words, will tend to be loyal to that company. This perception of the company as a true service oriented constitutes the corporate image and thus this corporate image plays an important role in influencing customer loyalty. (Kandampully and Hu, 2007; Reynolds et al., 1974-1975). Therefore, companies may find building corporate image as instrumental in maintaining market position by keeping customers loyal. (Korgaonkar et al., 1985; Granbois, 1981). Corporate image could be considered as an outcome of customer attitude towards the company (Johnson et al., 2001). At this point, this study proposes the following hypothesis.

*H2. Corporate image and customer loyalty are positively related.*

### RELATIONSHIP BETWEEN TRUST AND CUSTOMER LOYALTY

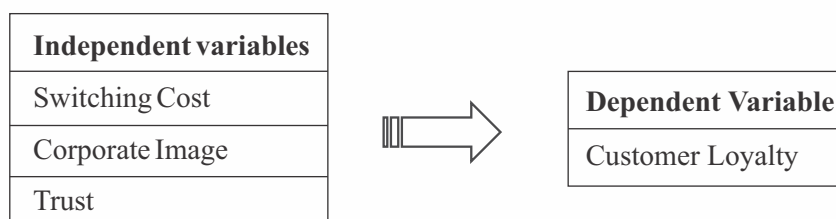
Trust is a critical variable in relationships, as suggested by the marketing literature (Moorman et al., 1993; Morgan and Hunt, 1994). It is quite logical that customers who find difficulties in trusting a vendor would not wish to be loyal. Various authors such as Lim et al. (1997), Garbarino and Johnson (1999), Chaudhuri and Holbrook (2001), Singh and Sirdeshmukh (2000), and Sirdeshmukh et al. (2002) have emphasized to role of trust in a relationship. In conclusion the following hypothesis is presented.

*H3. Trust and customer loyalty are positively related.*

### CONCEPTUAL FRAMEWORK, DATA AND METHODOLOGY

The core study design of this paper is based on the assumption that the variables under study are related to each other. This core assumption can be expressed in terms of the following conceptual framework.

**Figure 1: Research Model of Independent Variables and Dependent Variable**



Both primary and secondary sources have been used to conduct the study. Primary data have been collected from 150 respondents from different areas of Dhaka Metropolitan area. All these respondents were users of 3G technology. Convenient sample selection technique was used in this study. Reason for using convenient technology is due to the fact that at the time of the study,

3G technology users were not widely available.

The results of this research on 3G mobile technology are compared with the result of the 2G mobile technology which is done by the article “The Analysis of Customer Loyalty in Bangladeshi Mobile Phone Operator Industry by Md. Sohel Islam, 2010”

## RESULTS AND DISCUSSIONS

### DESCRIPTIVE STATISTICS

**Table 1- Percentage of Users of 3G Mobile Technology of Four Mobile Companies**

Operators	Frequency	Percent
AIRTEL	18	12.0
BANGLALINK	25	16.7
ROBI	24	16.0
GRAMEENPHONE	83	55.3
Total	150	100.0

Source: Authors' own Computations.

The Table 1 indicates that the percentage of using 3G connections of four mobile companies. It is evident from Table 1 that Grameenphone shares the highest percentage which is 55.3%; Airtel has the lowest percentage which is 12%. Banglalink has 16.7% and Robi has 16%.

### RELIABILITY TEST

The Cronbach alpha value of independent variables and dependent variable are given below:

**Table 2 - Cronbach Alpha Values of Independent and Dependent Variables**

Name of Variable	Variable Type	Cronbach alpha	N of Items	Name of Items
Switching Cost	Independent	0.661	6	<ul style="list-style-type: none"> <li>• changing to a new operator</li> <li>• the service offered by the new operator might not work</li> <li>• billing of a new operator</li> <li>• comparing all operators</li> <li>• takes a lot of energy, time and effort</li> <li>• some services are new</li> </ul>
Corporate Image	Independent	0.779	5	<ul style="list-style-type: none"> <li>• logo of the operator</li> <li>• slogan of my operator</li> <li>• lucrative advertisement</li> <li>• meaningful advertisement</li> <li>• service quality of my operator</li> </ul>



Trust	Independent	0.703	6	<ul style="list-style-type: none"> <li>• rely on my operator</li> <li>• my operator serve well</li> <li>• belief on the billing system</li> <li>• having faith on my operator will not try to cheat me</li> <li>• concerned about the customer's interests</li> <li>• dissatisfied with my operator</li> </ul>
Loyalty	Dependent	0.849	6	<ul style="list-style-type: none"> <li>• don't recommend people to use this operator for 3G service</li> <li>• prefer the operator in my repeat purchase decision</li> <li>• recommend and patronize the operator (brand) to my family and peer groups.</li> <li>• have a positive attitude towards my service provider</li> <li>• hard-core loyal subscriber to the operator</li> <li>• not willing to pay the operator a price premium to be committed</li> </ul>

Source: Author's computations

The value of Cornbach's alpha presented above was obtained after exclusion of two items of switching cost and loyalty, which are given below:

**Table 3 - Name of Excluded Items**

Name of Variable	Exclusion of Items Name
Switching cost	<ul style="list-style-type: none"> <li>• concerned about the people who would dial my previous number and couldn't reach me</li> </ul>
Loyalty	<ul style="list-style-type: none"> <li>• bought a new GSM line</li> </ul>

## PEARSON'S CORRELATION TEST

**Table 4 - Significance Value and Pearson Correlation of Three Hypotheses**

Model No	Name	Significance level	Correlation Coefficient
1	Switching Cost-Loyalty	0.004	0.70
2	Corporate Image-Loyalty	0.000	0.85
3	Trust-Loyalty	0.008	0.84

From the Correlations Table 4, for model 1, switching cost- loyalty, the correlation coefficient (r) equals 0.702, which indicates a strong relationship and also indicates that the coefficient is significantly different from 0 ( $\alpha < 0.05$ ). For model 2, corporate image - loyalty, the correlation coefficient (r) equals 0.852; this also indicates

a very strong relationship and that the coefficient is significantly different from 0 ( $\alpha < 0.05$ ). For model 3, trust- loyalty, the correlation coefficient (r) equals 0.836, indicating a strong relationship and indicates that the coefficient is significantly different from 0 ( $\alpha < 0.05$ ).

## RESULTS OF REGRESSION ANALYSIS

## TRUST-LOYALTY

Step wise regression analysis has been used in this paper and the results are presented in Table 5.

Table 5 - Model Summary of Trust and Loyalty

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836 a	.699	.696	.30610
a. Predictors: (Constant), TRUST				

The value of R is .836 which represents a strong linear relationship between trust and loyalty. The R<sup>2</sup> value indicates that 69.9% of the total variation can be explained, which is large.

Table 6 - Coefficients of Trust and Loyalty

Coefficients <sup>a</sup>							
		Unstandardized Coefficients		Standardized Coefficients			Collinearity statistics
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	2.440	.192	7.704	.000		
	TRUST	.281	.059	.836	4.803	.008	1.000 1.000
a. Dependent Variable: CUSTOMERLOYALTY							

Table 6 shows that the t value for trust is 4.803 and significance level for the trust is .008. So it suggests that the result is significant.

## TRUST AND CORPORATE IMAGE-LOYALTY

Here, Loyalty is the dependent variable and Trust and Corporate Image are independent variables

Table 7 - Regression Analysis of Trust, Corporate Image and Loyalty

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.935 a	.876	.873	.30671
a. Predictors: (Constant), CORPORATEIMAGE, TRUST				

Table 6 - Coefficients of Trust and Loyalty

Coefficients <sup>a</sup>							
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	2.494	.210		11.857	.000	
	TRUST	.289	.060	.378	4.819	.008	.953 1.049
	CORPORATEIMAGE	-.026	.040	.650	1.643	.000	.953 1.049
a. Dependent Variable: CUSTOMERLOYALTY							

The R value here is .935 which represents a very strong linear relationship between Corporate Image, trust and loyalty. In this case, 87.6% of the variation can be explained by this model, which is very large. From the coefficient table, the t value is found 4.819 for trust and 1.643 for corporate image and significance level for the corporate image is respectively .000 and for trust is .008. So it suggests that the result is significant.

### TRUST, CORPORATE IMAGE AND SWITCHING COST-LOYALTY

Here, Loyalty is the dependent variable and Trust, Corporate Image, Switching Costs are independent variables.

**Table 8 - Model Summary of Trust, Corporate Image, Switching Cost and Loyalty**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.948 a	.898	.897	.30729
a. Predictors: (Constant), CORPORATEIMAGE, SWITCHINGCOST, TRUST				

**Table 9 - Coefficients of Trust, Corporate Image, Switching Cost and Loyalty**

Coefficients <sup>a</sup>							
		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	2.589	.254		10.198	.000	
	TRUST	.299	.062	.390	4.837	.008	.904 1.106
	SWITCHINGCOST	-.036	.053	.553	5.670	.004	.956 1.055
	CORPORATEIMAGE	-.028	.041	.654	2.688	.000	.956 1.055
a. Dependent Variable: CUSTOMERLOYALTY							

From Table 9 it is evident that VIF value is quite low which indicates that the model is free from multi-collinearity problem. From the coefficient table, the t value is found 4.837 for trust and 2.688 for corporate

image, 5.670 for switching cost and significance level for the trust is respectively .008, .000, .004. So it suggests that the result is significant.

### SUMMARY OF REGRESSION ANALYSIS AT A GLANCE

**Table 10 - Summary of Regression Analysis at a Glance**

Model (Predictors)	R	R Square	Adjusted R Square	Std. Error of the Estimate	Dependent variable
(Constant), TRUST	0.836	0.699	0.696	0.30610	Customer Loyalty
(Constant), CORPORATE IMAGE, TRUST	0.935	0.876	0.873	0.30671	Customer Loyalty
(Constant), CORPORATE IMAGE, SWITCHINGCOST, TRUST	0.948	0.898	0.897	0.30729	Customer Loyalty

### ANALYSIS OF THE RESEARCH HYPOTHESES

Switching cost ( $r = 0.702$ ,  $\alpha < 0.01$ ) has a positive, strong and significant relationship with customer loyalty in the context of 3G mobile technology of mobile phone

operators in Bangladesh (Table 4). The result of stepwise regression (Table 9) also shows that there is significant association between switching cost and customer loyalty in the context of using 3G mobile technology of mobile

phone operators in Bangladesh. However, the degree to which variability in customer loyalty is explained by the variations in switching costs is not much. Perhaps switching cost is not very high for mobile phone customers in Bangladesh due to many factors like low price of SIM, wide availability of all kind of SIMs, similarity of services offered by all operators, etc. In the previous study (Islam, 2000) which is done on the 2G mobile technology era, there was also the same influence on the customer loyalty.

Corporate image ( $r = 0.852$ ,  $\alpha < 0.01$ ) has a very positive, strong and significant relationship with customer loyalty in the context of 3G mobile phone operators in Bangladesh (Table 4). Same is supported by the results of stepwise regression analysis (Table 7 & Table 9). This might be due to the reason that customers place greater weight on corporate image in order to decide their loyalty. It seems that most customers are concerned about corporate image. After launching the 3G technology people are becoming highly concerned about the corporate image such as for logo, attractive advertisement, and meaningful advertisement etc. Customers are very much concerned about using the 3G mobile technology by comparing with the brand's name.

In the previous study (Islam, 2000), In the period of 2G mobile technology it was found that corporate image has less importance than other variables in the dependent variable such as the correlation analysis of corporate image was ( $r = 0.841$ ,  $\alpha < 0.01$ ) but this study finds that it has increased because of using 3G technology. Perhaps, consumers are more concerned about corporate image when the service technology is at a higher level and that is why corporate image were more significant for 3G than for 2G. These analyses lead us to conclude that although all these three variables, namely, trust, switching cost, and corporate image influences customer loyalty; however, corporate image influences it most.

According to Table 4, trust ( $r = 0.836$ ,  $\alpha < 0.01$ ) has a positive, strong and significant relationship with customer loyalty in the context of mobile phone operators of 3G mobile technology in Bangladesh. Thus, the result of the correlation analysis supports this hypothesis. The result of stepwise regression indicates that there is significant association between trust and customer loyalty in the context of 3G mobile technology of mobile

phone operators in Bangladesh. However, trust alone can explain only 69.9% of the total changes in customer loyalty.

The result of previous research of correlation analysis illustrated that trust ( $r = 0.836$ ,  $\alpha < 0.01$ ) was highly correlated with the customer loyalty. In that study, trust alone explained 69.9% of the total changes in customer loyalty. But now in the research it is found that companies achieve their trustworthiness by establishing their brand's name.

## MANAGERIAL CONNOTATION

The managers of service firms can use these results to evaluate their existing marketing strategies and subsequently develop better strategies in order to attract more customers to the buy services. The managers should consider factors that influence repeat purchase that eventually lead to customer loyalty. As this study has pointed out that in the context of using 3G mobile technology in Bangladesh, corporate image among the consumers regarding the service provider is very important in influencing customer loyalty.

Last but not the least, what is most interesting for managers here is that in a previous study conducted on 2G technology showed TRUST as the most dominant influencing variable on LOYALTY whereas our study on 3G technology shows that CORPORATE IMAGE has the most dominant influence on LOYALTY. This should help managers keep in mind that with further change of technology they would require to study specifically which variable has the most dominant effect on loyalty with respect to the new technology.

## CONCLUSION AND IMPLICATIONS

This study conducted on 150 users of 3G mobile technology reconfirms that trust, corporate image and switching cost are strong influencers of customer loyalty. However, the study also reveals that in case of 3G technology, the most influencing variable is different from the most influencing variable in case of 2G technology. This opens up scope for finding answers to questions like what are the factors that contributed to this difference. Future studies also may address the issue of predictability of factors that might determine which variables would become most influencing with offer of a new technology by the same firm.

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# *Influence of Social Media Marketing on Higher Education Branding*

**Key words:** *Higher Education Branding, Social Media Marketing, Organizational Visibility.*

**Niharika Bharti\* & Harsh Purohit\*\***

## **ABSTRACT**

The higher education sector in India has witnessed a remarkable growth in past few years, attracting large number of private players and thereby increasing the competition in the market. Like the businesses compete for talented workers and customers, universities and colleges are also fiercely competing for the talented prospective students and finding the methods to improve the conversion rate of accepted to enrolled students. The answer to this challenge faced by the universities is to build world class brands just like the smart businesses tend to do. Social media is being extensively used in higher education industry by students, researchers and the institutions. Social media provides a platform to the institutions to communicate to a wider audience and to increase its visibility. This paper proposes to empirically analyze the role of social media in higher education brand building. The study is conducted on four premier universities of North India and the results show that there

is a positive influence of social media marketing in higher education branding.

## **INTRODUCTION**

In the view of its large population, the country serves as an exciting higher education market in the world. The higher education sector in India has witnessed a remarkable growth in past few years, attracting large number of private players and thereby increasing the competition in the market.

With the growing number of internet users in the country and their easy access to the information available on the Internet, it is clearly evident that the future of digital marketing in India is very bright. With the advent of Internet era, consumers find any type of information at hand and this has tremendously increased the awareness level of modern consumer. In order to sustain their survival in the long run, businesses have to trap the immense potential which the Internet provides to them.

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Social media marketing provides a platform to the businesses to interact with their customers and share information and feedback which further enhances the brand building activity of the businesses.

Like the businesses compete for talented workers and customers, universities and colleges are also fiercely competing for the talented prospective students and finding the methods to improve the conversion rate of accepted to enrolled students. The answer to this challenge faced by the universities is to build world class brands just like the smart businesses tend to do. Brand building is becoming the latest trend in the marketing of higher education. Higher educational institutes need to be ascertain that the brand development and positioning strategy includes much more than a slogan or a logo. This paper aims to explore the role of social media towards the brand building of universities.

## LITERATURE REVIEW

Social Media Marketing involves use of various social channels like Facebook, Twitter, You Tube, LinkedIn, Instagram etc for creating and managing the image of a brand. This technique has become very popular in the recent years with the increasing number of social networks along with increasing presence of businesses on social media. Now-a-days, Marketers can utilize social media in their direct marketing strategy to communicate and interact with their customers and to acquire their valuable feedbacks.

With the growing number of internet users in the country, the popularity of social media has also increased among the Indians. According to the Comscore's MMX service (August 2012), approximately 25.2% of all online minutes in India are spent on social networks, representing one in every four minutes. Facebook has become quite popular in India and is regarded as one of the best social networking sites. Recently, India has become the second largest user of Facebook after United States surpassing Indonesia. Seeing the trend the marketers are also spending largely on social media websites for their brand building and promotion. A study by ASSOCHAM (October, 2011) revealed that Indian companies spent over 1200 crores on social media marketing.

"The new-world order of communications today incorporates the whole of the way people are interacting with the brands right now"

*-Sarah Hofstetter, President of 360i*

Few years back, social media marketing was viewed as an expense and not a way to generate or expand new business or to satisfy customers. But now the things have turned entirely different in favor of social media marketing (Newman, 2014). Now-a-days, the online

presence of business world and academia is quite evident. Social media now incorporates nearly every industry and no industry can be kept away from it (Dano, 2015).

The customers play an important role in generating organizational visibility in case of service organizations through word-of-mouth communication (Richins, 1983). Higher education is considered to be an industry where the customers find it difficult to objectively evaluate the service quality as they are under informed about it and thus the organizational branding becomes highly dependent on the word-of-mouth practices (Jongbloed, 2003). Positive word-of-mouth from the customers results in influencing the decisions, awareness, image and interest of the prospective stakeholders (Ozcan & Ramaswamy, 2015).

Higher education branding also helps to attract prospective students as the recent studies found that those logged on to social media platform of the university have higher probability of applying to that university (Hayes, Ruschman, & Walker, 2009). It has been found that the social media use increases the visibility of its users (Constantinides & Zinck Stango, 2011). And this visibility leads to success and better performance (Schindler & Bickart, 2005).

Recent studies confirm the use of social media by higher education institutions as a medium to communicate to current as well as prospective students, society and alumni (G., 2002) (Helgesen, 2008). Over the past few years, a major shift is witnessed in the role of marketing in educational sector. In the wake of tough competition, the universities have started showing their presence in the world of marketing to communicate the unique value proposition of their brand. Apart from traditional advertising, a recent growth is witnessed in the use of digital marketing as a part of brand building strategy of universities.

## RESEARCH METHODOLOGY

Self designed structured questionnaire was used to collect the data from the respondents. The questionnaire was divide into two parts, Part A and Part B. Part A consists of the information related to demographic profile of the respondents while Part B consists of questions related to social media marketing measured on five-point Likert scale. Sample size for the study was 936 which included students (both male and female) from four reputed private universities of North India. Data was collected over a period of six months from august 2015 to January 2016.

A pilot survey was conducted to check the validity and reliability of the questionnaire based on the responses of 50 participants. The suggestions from these participants were recorded and the modifications were made in final questionnaire.

## DATA ANALYSIS AND FINDINGS

The data collected through questionnaire was analyzed using SPSS 20. The results of reliability test indicated the

value of Cronbach's alpha to be 0.841, which according to (Nunnally, 1978) is considered acceptable as the value is above 0.7.

S.No.	No. of Items	Cronbach's Alpha
1.	39	0.841

## DEMOGRAPHIC PROFILE

The following table shows the demographic profile of the respondents. Out of total 936 respondents 49.5 percent are male and 50.5 percent are female. Maximum numbers

of respondents fall in the age group of 18-20 years (46 percent) and 21-23 years (43 percent). Around 59 percent of respondents are undergraduates while 39 percent respondents are post graduate.

**Table 1 - Demographic Profile of Respondents**

Variable		Frequency	Percentage
Gender	Male	463	49.5
	Female	473	50.5
Age	18-20 Years	429	45.8
	21-23 Years	403	43.1
	24-26 Years	86	9.2
	27 Years And Above	18	1.9
Educational Qualification	Under Graduate	551	58.9
	Post graduate	360	38.5
	Doctorate	25	2.7

Source: Primary data

**Hypothesis H<sub>01</sub>:** There is no linkage between social media marketing and brand building of north Indian universities.

**Table 2 - Correlation between Social Media Marketing and Brand Building of Higher Education Institutions**

	University's presence on social media	Latest event updates through social media	Information and feedbacks shared through social media	University's presence on social media is a matter of proud for its students	Regular visits by students on university's page over social media	Brand building
Universities presence on social media	1.000	.516	.361	.306	.498	.449**
Latest event updates through social media		1.000	.400	.362	.515	.480**
Information and feedbacks shared through social media			1.000	.458	.480	.466**

University's presence on social media is a matter of proud for its students				1.000	.513	.301**
Regular visits by students on university's page over social media					1.000	.559**
Brand building						1.000

Source: Primary data

Social media marketing is supported by following five statements with the responses measured on five-point likert scale ranging from 'strongly disagree' to 'strongly agree': University's presence on social media; Latest event updates through social media; Information and feedbacks shared through social media; University's presence on social media is a matter of proud for its students; and Regular visits by students on university's page over social media.

The values observed depict the positive and significant correlation between different elements of social media marketing and brand building. The result shows that, the total number of visits on university's page over social media is the prominent factor towards brand building (.559), followed by latest event updates shared through

social media (.480) and information and feedback shared through social media (.466). The proud associated with the presence of university of social media is found to be the least significant factor contributing towards brand building of north Indian universities.

### MULTIPLE REGRESSION ANALYSIS

Dependent variable: Brand building

Independent variables: University's presence on social media; Latest event updates through social media; Information and feedbacks shared through social media; University's presence on social media is a matter of proud for its students; and Regular visits by students on university's page over social media.

**Table 3 - Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699a	.489	.487	.759

Table 3 shows the strength of relationship between dependent and independent variables. The 'R' is the correlation coefficient between variables. The value of 'R' is .699 which depicts positive and significant

correlation between social media marketing and brand building. The R square of .489 indicates that 48 percent of the variance in dependent variable can be explained by the independent variables.

**Table 4 - ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	512.695	5	102.539	177.989	.000 <sup>b</sup>
	Residual	535.194	929	.576		
	Total	1047.889	934			

The ANOVA table measures the significance value to be .000 (less than .05) which indicates that the model can accurately explain variation in the dependent variable.

This explains that the probability is very low that the variation explained by the model is due to chance.

**Table 5 - Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.352	.143		2.462	.014
	X1	-.124	.043	-.097	-2.920	.004
	X2	.232	.037	.193	6.214	.000
	X3	.213	.034	.193	6.284	.000
	X4	.182	.033	.166	5.459	.000
	X5	.416	.033	.397	12.631	.000

a. Dependent Variable: brand building.

### REGRESSION EQUATION

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$$

$$y = .352 + (-.124 * x_1) + (.232 * x_2) + (.213 * x_3) + (.182 * x_4) + (.416 * x_5)$$

where, y = the dependent variable, a = the intercept, b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub>, b<sub>4</sub>, b<sub>5</sub> = the slope for independent variables, and x<sub>1</sub>, x<sub>2</sub>, x<sub>3</sub>, x<sub>4</sub>, x<sub>5</sub> = independent variables- University's presence on social media; Latest event updates through social media; Information and feedbacks shared through social media; University's presence on social media is a matter of proud for its students; and Regular visits by students on university's page over social media respectively.

### DISCUSSIONS AND CONCLUSION

The findings of the study indicate that there is positive correlation between social media marketing and higher education brand building. With the increase in total number of Higher Educational Institutions in the country and rise in fierce competition, Higher Education branding has become the need of the hour. The use of social media by the higher educational institutions is contributing towards their branding practices and helping them to

maintain their status and build good reputation among their stakeholders. With the advent of web 2.0 brand building is no longer a one way communication where only the businesses communicate with their customers. Now-a-days customers are equal participants in the communication process sharing their views and feedbacks. This two way branding idea can only be adopted when the businesses go online harnessing the potential of social media to communicate with their customers are build a positive image in their minds.

The study supports the idea of replacing traditional branding practices with digital marketing for higher education branding using the social media platforms. Social media not only provides the HEIs to showcase their positive features to attract stakeholders but also provide the stakeholders with transparency and freedom to generate and share their opinion through the same platform. Social media not only allows the institutions to communicate and promote their services among the stakeholders but the feedbacks generated also allow them to decide future course of action. Social media can be a innovative breakthrough in the area of branding but at the same time it should be used wisely without overlooking its negative and disastrous consequences for a business.

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# *Factors Influencing Buying Behavior of Customers of Sports Items in Karimganj District of Assam*

**Key words:** *Buying Behavior, Sports goods, Sports Activities, Product Promotion, Developing Economy*

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## **ABSTRACT**

Sports goods, we all know, do not fall under the category of necessary items for a large population, especially in a society which is a part of developing economy. Sellers of the commodities like sports goods, in the countries like India, are to manage on many fronts when it comes to increase the sale profitably. On the one hand they have to understand the changing needs and requirements of the existing customers of sports goods while partly they need to undertake all such measures which, if possible, can help in turning the non-customers into customers. In other words they have not only to concentrate to offer the brands of choice to the customers of sports goods on the conditions they want but also, through show casing, for example, lure the ones who till the other day were not interested in engaging themselves in sports activities. Promoting a brand, we know, is not that much a difficult task as promoting a product and that too for such items which are not considered necessary by a large section of

the people in the society, specially the one which is in the stage of only a developing economy. Thus being able to sell such items which are not much in demand, as pointed out above, will certainly require a seller to be extra skillful. This paper dwells on the issues as mentioned above and covers factors and their relative importance in the area of sports marketing in emerging sports centres of India.

## **INTRODUCTION**

A large number of sports are now being played in India and this has increased retail opportunities. In the past, members of royal families and wealthy Indians played sports like golf and cricket, but the involvement of the general public in these sports was limited. At present, cricket is a common man's game and a large number of people working in the corporate sector play golf. This has increased the market for sports retail in these segments.

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India is among the largest sports goods manufacturers in Asia after countries like China and Japan. Although its share in global trade is only around one per cent, it is a niche player in manufacturing. For instance, inflated balls produced in India are largely hand stitched and, therefore, have better bounce than the machine-stitched balls from China; this gives them an advantage over China in European markets where hand-stitched balls are preferred.

In India, Jalandhar has grown as the major centre of India's sports goods industry. Meerut in Uttar Pradesh is second and Gurgaon in Haryana is the third cluster of sports goods manufacturing. India is one of the largest producers of football and other inflatable balls. The products such as cricket bats, cricket balls, footballs and nets are getting fame all over the world steadily. Indian sports goods industry produces more than 300 items. The Indian sports goods industry has grown substantially ever since independence in 1947, particularly during the last decade. Major items that are exported include inflatable balls, hockey sticks and balls, cricket bats and balls, boxing equipments, indoor games like Carom and Chess boards and different kinds of protective equipment.

Most of India's sports goods are exported to United Kingdom, United States of America, Germany, France and Australia. The Indian sports goods industry is highly labour intensive and provides employment to the weaker sections of the society and also employs a large number of women workers. Sports goods industry has remained not only one of the important livelihood avenues but also has been the savior of various traditional skills that have been inherited by the workers over generations. The unique and high-skill oriented processes for the production of exquisite sports products helped the industry to survive the onslaught of automated production system.

The country has a comparative advantage in low-cost, skilled manpower vis-à-vis developed countries like the US and Italy, which enable it to produce sports goods of international standards at a lower cost. Global brands such as Reebok, Adidas, Puma, Wilson and Yonex are sourcing their products from India. Retailers entering the sports segments can source many products from the domestic market.

Also, new products and clothing such as yoga mat/block, fit ball, rubber bands and yoga/dance outfits have been developed because of increasing awareness of health and beauty has led to the popularity of indoor exercise such as yoga, kick boxing, aerobic and Latin dance. Meanwhile, more children are taking part in sports classes. Thus, formerly a traditional domain of males, sporting goods has now extended its clientele to include more females and child

## STATEMENT OF THE PROBLEM

Sports goods, we all know, do not fall under the category of necessary items for a large population, especially in a society which is a part of developing economy. Sellers of the commodities like sports goods, in the countries like India, have to manage on many fronts when it comes to increase the sale profitably. On the one hand they have to understand the changing needs and requirements of the existing customers of sports goods while partly they need to undertake all such measures which, if possible, can help in turning the non-customers into customers. In other words they have not only to concentrate to offer the brands of choice to the customers of sports goods on the conditions they want but also, through show casing, for example, lure the ones who till the other day were not interested in engaging themselves in sports activities. Promoting a brand, we know, is not that much a difficult task as promoting a product and that too for such items which are not considered necessary by a large section of the people in the society, specially the one which is in the stage of only a developing economy. Thus being able to sell such items which are not much in demand, as pointed out above, will certainly require a seller to be extra skillful.

The selection of the sports goods for the purpose of the study was sheer a matter of convenience. So was the case of the selection of the town i.e., Karimganj in Assam which has got only three shops selling sports goods. Nonetheless the reasons stated above made the commitment of the researcher stronger to devote her efforts to not only find out the relative worth of the product attributes of the sports goods which ordinarily are in demand in a tiny district of India but also to know the degree of influence, on a five point scale, each of these product attributes may have.

## OBJECTIVES OF THE STUDY

1. To identify the product attributes which ordinarily influence the buying behaviour of the customers of sports item.
2. To find out the relative worth of each of these product attributes in influencing the buying behaviour of the customers buying sports items in Karimganj district.
3. To find out the degree of influence, on a five point scale, each of these attributes had on buying behavior of the customers buying sports items in Karimganj district of Assam.

## REVIEW OF LITERATURE

In order to get acquainted with the factors influencing customers' preference for purchasing sports goods,

substantial literature on the concerned subject was reviewed. The excerpts of finding of some of the related literature that were reviewed in the process of study are reproduced below:

Applebaum (1950) conducted a study on customers' behaviour in retail stores to ascertain who buys where, what, when and how. In addition, such studies endeavor to learn about customers' response to sales promotion devices. Buhler and Nufer (2006) conducted a study on the nature of sports marketing and therefore seek to contribute to the ongoing discussion as to whether sports' marketing is any different from principle of marketing or just a modified version. The paper concludes with a summarizing concept of sports marketing that illustrates the very special nature of sports marketing both verbally and graphically. Candemir and Zalluhoglu (2012) examined the factors affecting the sports related consumer expenditure. Six factors obtained from the factor analysis depending on the respondents' attitudes towards sporting activities were examined for their effects on sport related expenditures of the consumers. Fernandes and et.al (2013) conducted a study to examine the relationships between sport commitment and three types of sport consumer behaviors: participation frequency, sporting goods and media consumption. A survey was conducted among sport participants of both individual and team sports, fitness and outdoor activities (n= 900). The survey included questions related to demographic information, measures of sport commitment and sport consumption behavior. The results analyzed through structural equation modeling showed that the sport commitment influences positively the participation frequency, sporting goods consumption and media consumption. Implications of these results are discussed and suggestions for future research on sport consumers are provided.

Derakhshida and Emadzadeh (2012) conducted a study on evaluating youths' buying behaviour towards branded sports shoes (Adidas). Data has been collected from the Isfahan University students who are Bachelor's level and Master's level students wearing sports shoes. The result of the study shows that the concept of youths' buying behaviour towards sports shoes that is Adidas becomes profitable services.

## RESEARCH METHODOLOGY

In order to attain the first objective of the study i.e., to identify the product attributes which ordinarily influence the buying behaviour of the customers buying sports goods initially the dependence was made on the available concerned literature. In addition to this, a 'pilot survey' with the help of a structured questionnaire was conducted which on the one hand entailed in it all those product attributes which prima-facie looked to be relevant to sports goods but also provided this opportunity to add in

the given list.. This exercise proved to be a useful one as the respondents (customers of sports items) of the questionnaire for pilot survey added/moderated many such attributes which otherwise would have been difficult to be imagined. Lastly three traders engaged in selling sports goods were shown the list of attributes which was prepared after completing the exercise of pilot survey. These traders too added a few in the list and also offered better terminology for the ones which were suggested by the respondents of the questionnaire used for pilot survey. What emerged at last was the list of 25 product attributes which ordinarily are capable of influencing buying behaviour of the customer of sport goods. The same were put under four major factors as follows:

- (A) Price and Payment Related
- (B) Product Related
- (C) Sales Promotion Related
- (D) Ease of Availability Related

With this three pronged strategy the first objective of the study was achieved.

In order to address the second and the third objectives a questionnaire was prepared in which all those 25 product-attributes were included which were the outcomes of the exercise to identify the product attributes. The second and the third objectives were achieved by knowing from the respondents the degree of influence, on a five point scale, each of these attributes had put on them in their buying behavior. The selected customers i.e., the respondents were asked through the questionnaires to share their opinion about the degree of contribution of the listed attributes in influencing their behavior buying sports items.

## Population and the Sample

The size of the population of the customers buying sports goods in Karimganj district was unknown. Having a nature of the time bound study which provided a very short span of period i.e., five months it was decided to have a sample of 10% of the customers visiting two major shops selling sports items in Karimganj town. The exercise of collecting data i.e., getting the questionnaires filled up was carried on and completed in a week's time in the month of April, 2014. During this period some 400 customers visited the two shops for purchasing sports items. Since the target of collecting samples was 10% of the customers visiting the two shops a sample of 40 customers was had as respondents. The method of sampling was convenient sampling. The samples for the study were collected by standing on the doors of the shops selected for the purpose.

## Tools and Techniques

After having a systematic scan of the filled up

questionnaires, the data were fed in an excel sheet and a descriptive analysis of the same was then made in order to determine the relative priority of each of the factors influencing customers' preference for purchasing the sports goods in Karimganj district. The tools of analyzing the data collected were Mean and Ranking of Components on mean values, in addition to Standard Deviation.

The criteria to know the relative worth of each of the factors was the value from the averages of the range of the degree of influence through each of the factors. The higher the mean score of the factor/component the more was the priority assigned to the factor and vice versa.

### SCOPE OF THE STUDY

In a highly competitive market it is always useful to any seller to know the priorities of the customers, be it among the products or the product attributes. The studies of this nature may be capable of helping the sellers in making them known the priorities of the customers in relation to the attributes like Price of the product, Product itself, (Sales) Promotion of the product and Ease of availability of the product. In fact it is not the sellers alone who are going to be benefited by the research exercises of this nature, the other players in the game like manufacturers and middlemen also will learn about those aspects of the matter which relate to them respectively. Once all the parties and players learn their respective angles of the matter they will naturally try to improve to the extent possible. Once all of them improve their performance the customers are going to be natural beneficiaries by getting the desired quality and quantity of the product on a reasonable price at a time they want. The study this way may be helpful to the parties and players as mentioned above.

### LIMITATIONS OF THE STUDY

It may be relevant here to point out the limitations of the study which may be as follow:

1. The study is based on selected 25 factors capable of affecting the preference of the customers buying sports goods.
2. The data was collected during the month of April, 2014. Since some of the sports goods are a matter of season it may happen that the responses are influenced by the seasonality factor.

3. The data was collected from a shop selling sports goods in a small town of Assam viz., Karimganj. The inferences drawn on the basis of such a data may not be capable of reflecting fully the relative priorities of the customers of sports goods over various attributes related to the sale of sports goods.
4. The data was collected by standing on the door of only one shop and, therefore, the views of some such customers might also have been included in the study that belong to such a category which is loyal or committed to buy only from that shop.

### DATA ANALYSIS AND INTERPRETATION

In order to address the second and third objectives of the study i.e., to find out the relative worth of various product attributes in influencing the buying behaviour of the customers buying sports items in Karimganj district of Assam and to find out the degree of influence, on a five point scale, each of these product attributes had on the buying behavior of the same set of customers, the responses of all the 40 respondents over the matter were divided into four broad categories i.e., Price and Payment related attributes, Product related attributes, Sales Promotion related and Ease of Availability related. After dividing the responses in four categories the degree of influence the factors under each of the four heads had put/are capable of putting on the buying behavior of customers of sports items has been measured with the help of a five point scale using the terms like –Full, High, Moderate, Low and Not at all. Based on their scores of influence their order of preference over all the 25 determinants of buying behavior divided into four categories has been noted down, analyzed and interpreted. The responses of the respondents have been put, analyzed and interpreted from a few more angles based on their demographic identities in a summarized form. The descriptions of the same will be self explanatory which have been included in this chapter itself.

### PROFILE OF THE RESPONDENTS

The details of the respondents' personal profile were also obtained keeping in mind that the same will be used for establishing correlation. This profile includes their Age and Gender. The table 5.1 entails in it all these information related to respondents.



**Table1 - Profile of the Respondents of the Customers of Sports Items in Karimganj District.**

Demographic factors	Number of Respondents	Percentage of Respondents
<b>Age (in years)</b>		
Below 20	6	15
Between 20 – 30	22	55
Above 30	12	30
Total	40	100
<b>Gender</b>		
Male	35	87.5
Female	5	12.5
Total	40	100

Source: Field survey

Table 1 shows the age wise breakup of the respondents. Out of 40 respondents of sports items, 6 respondents are found below 20 years of age, 22 respondents are found between 20 to 30 years of age and 12 respondents are found above 30 years of age.

Table 1 shows gender wise preference for sports goods in Karimganj district. Out of total 40 respondents of sports goods, 35 were male and only 5 were female.

#### **DEGREE OF INFLUENCE ON THE FACTORS INFLUENCING THE BUYING BEHAVIOR OF CUSTOMERS OF SPORTS ITEMS IN KARIMGANJ DISTRICT**

**Table 2 - Price and Payment Related Factors Influencing Buying Behavior of the Customers of Sports Items**

Sl. No.	Price & Payment Related Factors	Mean score	Rank	Standard Deviation
1.	Price	3.80	1st	1.229
2.	Discount/Rebate	2.83	3rd	1.070
3.	Price range	3.30	2nd	0.781
4.	Credit facility	2.60	4th	1.020
5.	Mode of payment	2.53	5th	1.024
6.	Money back facility	2.53	5th	1.378
	Average	2.93		

Source: Field survey

The table above exhibits that the factor Price is the highly influencing factor in motivating the buying behavior of the customers of sports items, as the mean score of the same is the highest i.e., 3.80 among the six attributes related to Price and Payment, whereas the two attributes Mode of Payment and Money back facility are the nominally influencing factors under this category as the mean scores of the two are the least i.e., 2.53 each. To put the same submission in a different manner it can be said that the factor Price ranks 1st among the list, whereas Mode of Payment and Money back facility both rank 5th.

The table portrays that the value of standard deviation (0.781) for the factor 'Price Range' is the lowest which implies that the opinion of the respondents is more concentrated in favor of this factor, whereas the value of the standard deviation (1.378) in favor of the factor 'Money Back Facility' since is the highest it denotes that the tilt of the views of the respondents is bent more towards this.

The fact, based on the finding, that the Price is the highest influencing factor can be interpreted in a way that a large



number of buyers of the sports items in Karimganj district either probably belong to lower middle class whose purchasing power is comparatively lower and therefore they are more price conscious or they have comparatively bigger size of families to support and therefore have a reduced amount of disposable income or the expenditure on sports items is not a high priority for them or they are more interested to save for future curtailing their present expenditures on the commodities like sports.

Coming over to reasons i.e., why the factors Mode of Payment and the Money back facility are least capable of

being able to influence the customers, the explanation largely remains the same as it was applicable for the Price being the highest influencing factor. A good number of customers, it seems, feel that being Price of the items less is more important for them than the facilities like convenient Mode of Payment or Money Back facility, as they will have to pay less. It is immaterial for them that they get the facilities like convenient and liked modes of payment and/or money back facility but with a condition that they are to pay a comparatively higher price.

**Table 3 - Product Related Factors Influencing Buying Behavior of the Customers of Sports Items**

Sl. No.	Product Related Factors	Mean score	Rank	Standard Deviation
7.	Quality	4.20	1st	1.077
8.	Durability	3.85	3rd	1.038
9.	Trendiness	3.70	4th	0.812
10.	Variety of product	3.38	5th	0.857
11.	Branded product	4.15	2nd	0.963
12.	Exchange of product	3.05	7th	1.117
13.	Reliability	3.28	6th	0.922
14.	Variety of brands	2.98	8th	0.987
	Average	3.23		

Source: Field survey

The table above exhibits that the factor Quality is the highly influencing factor in motivating the buying behavior of the customers of sports items among the eight attributes related to Product, as the mean score of the same is the highest i.e., 4.20, whereas the attribute Variety of brands is the one which influences least under this category as the mean scores of the same is 2.98. To put the same submission in a different manner it can be said that the factor Quality tops the list of eight, whereas Variety of brands ranks 8th.

The table portrays that the value of standard deviation (0.812) for the factor 'Trendiness' is the lowest which implies that the opinion of the respondents is more concentrated in favor of this factor, whereas the value of the standard deviation (1.117) in favor of the factor 'Exchange of Product' since is the highest it denotes that the tilt of the views of the respondents is bent more towards this.

The fact that the Quality is the highest influencing factor can be interpreted in a way that the experience says that the class of customers belonging to lower middle class in a developing economy generally emphasizes more on

Quality of the product probably for the reason that if the product is of high quality then they will have to replace the same comparatively later than otherwise, thus being able to spend less. Since a large number of buyers of the sports items in Karimganj district belong to lower middle class, whose purchasing power is comparatively lower, they are more conscious about the quality. If put in other words it can be said that poor affordability in many cases pushes the customers for looking towards the quality, translating into durability, aspect of the commodity more than the attributes like trendiness, which in some cases costs more to customers. This feature seems to have applicable on the customers of Karimganj buying sports items.

Coming over to reasons of the above discussed preferences i.e., why the factor like Variety of Brands is least capable of being able to influence the customers, the explanation largely remains the same as it was applicable for the Quality being the highest influencing factor. A good number of customers, it seems, feel that being quality of the items better or the best is more important for them than the features like Variety of Brands as this is one

such attribute which in relation to sports items is paid more attention in the societies where sports activities are older more and also the sports competitions are intense. Since Karimganj district does not carry in it such features

in its 'sports society' it seems to be natural if the customers are less concerned about Variety of Brands of sports items.

**Table 4 - Promotion Related Factors Influencing Buying Behavior of the Customers of Sports Items**

Sl. No	Promotion Related Factors	Mean score	Rank	Standard Deviation
15.	Advertisement	2.83	4th	1.302
16.	Seasonal offer	2.60	6th	1.261
17.	Online shopping facility	2.08	7th	1.034
18.	Store appearance/assortment	2.98	3rd	1.129
19.	Personal relationship with customers	3.23	2nd	0.961
20.	Product demonstration	3.30	1st	0.980
21.	New product information	2.80	5th	0.812
	Average	2.83		

Source: Field survey

The table above depicts that the factor Product Demonstration is the highly influencing factor in motivating the buying behavior of the customers of sports items among the seven attributes related to Promotion of the Product, as the mean score of the same is the highest i.e., 3.30, whereas the attribute Online Shopping Facility is the one which influences least under this category as the mean scores of the same is 2.08. The same matter if put differently can be found that the factor Product Demonstration tops the list of seven, whereas Online Shopping Facility is 7th in the ladder.

The table portrays that the value of standard deviation (0.812) for the factor 'New Product Information' is the lowest which implies that the opinion of the respondents is more concentrated in favor of this factor, whereas the value of the standard deviation (1.302) in favor of the factor 'Advertisement' since is the highest it denotes that the tilt of the views of the respondents is bent more towards this.

The fact that the Product Demonstration is the highest influencing factor can be interpreted in a way that it is only on the expected lines that the customers of sports

items in Karimganj district, being not that much exposed to mainstream modernity especially when it comes to leisure activities like sports, would certainly like to first know about the functions, attributes, usages and other such niceties attached to sports items. A commonly known fact that a sizeable population of the Karimganj district is dependent on the primitive activities like agriculture which is yet to get exposed to industrialization also advocates the interpretation that Product Demonstration, for the reasons discussed above, must be the highly influencing factor.

Coming to understand the reasons behind Online Shopping Facility being least capable of influencing the customers, the explanation largely remains the same as it was applicable in the case of Product Demonstration being the highest influencing factor. Given the background of Karimganj district, it is expected that a good number of customers, either do not have internet connection or do not have the knowledge of operating internet system, in addition to, of course, poor interest in knowing about the product or its variety/functions

**Table 5 - Ease of Availability Related Factors Influencing Buying Behavior of the Customers of Sports Items**

Sl. No	Ease of Availability Related Factors	Mean score	Rank	Standard Deviation
22.	Location of business	3.51	2nd	1.258
23.	Home delivery facility	2.33	4th	1.170
24.	Quickness in service	3.00	3rd	1.140
25.	Availability	3.63	1st	0.913
	Average	3.12		

Source: Field survey

The table above exhibits that the factor Availability is the highly influencing factor in affecting the buying behavior of the customers of sports items among the four attributes related to Ease of Availability, as the mean score of the same is the highest i.e., 3.63, whereas the attribute Home Delivery Facility is the one which influences least under this category as the mean scores of the same is 2.33. The same submission if put differently it can be said that the factor Availability ranks 1st, whereas the Home Delivery Facility ranks 4th.

The table portrays that the value of standard deviation (0.913) for the factor 'Availability' is the lowest which implies that the opinion of the respondents is more concentrated in favor of this factor, whereas the value of the standard deviation (1.258) in favor of the factor 'Location of Business' since is the highest it denotes that the tilt of the views of the respondents is bent more towards this.

For the people who know the demographic and social character of Karimganj it may not be difficult for them to explain the reasons of the low preference of the factor Home Delivery Facility among the four, of the nature of Ease of Availability. Ordinarily such a facility is not provided by any of the four sellers of sports items in Karimganj town. Of course when this facility is provided and availed that becomes costlier to buyers more than their counterparts in comparatively bigger towns in the country. In addition to this reason one more which may be at work is the fact that the buyers of sports items in Karimganj district are more concerned about the Price than any other facility and since this facility costs them more this becomes the preference of only a few of them. To the question that why do sellers charge higher prices for providing the facilities like Home Delivery, the explanation that owing to poor transportation system and also willingness to have this facility by only a few buyers, which raises per customer cost, can be easily offered and accepted.

**Table 6 - Four Main Factors Influencing Buying Behavior of the Customers of Sports Items**

FACTORS	Mean Score	Rank
PRICE AND PAYMENT	2.93	3rd
PRODUCT	3.23	1st
PROMOTION	2.83	4th
EASE OF AVAILABILITY	3.12	2nd

Source: Field survey

The table reveals the degree of variation in the mean scores of the four broad factors influencing buying behavior of the customers of the sports items. As it is clear from the table, the variation in the mean score of the four influencing factors is not very high. The highest mean score is 3.23 which is in favor of Product Related Attributes. Owing to highest mean score this broad factor ranks first among the four broad factors in being able to influence the buying behavior of the customers. The second rank is grabbed by the broad factor Ease of Availability, as the mean score of the same is 3.12 which of course is not much less than that of the first one. Price and Payment interestingly occupies third rank as the mean score of the same is 2.93, which too is not very far from the one which has been ranked second. The fourth rank, which happens to be the last one also, is had by the broad factor Promotion Related. Here again the difference between the one which has been ranked third and the one pushed to fourth is only nominal.

Having a glance over the data in the table one can reach a conclusion that even though the differences are there in mean scores of the four awarding these four different ranks, the difference is not substantial. However, the fact remains that the broad factor Product Related Factors

influence the buying decision of the customers of the sports items and the Promotion Related factors the least. It is quite convincing too, as in a market where the reach of the customers itself is a challenging task, owing to poor communication and transportation and adverse weather conditions, the availability of the desired product is a great achievement. The fact that Promotion Related Factors are least influencing is also acceptable on the ground that such factors influence those customers more who have got more choices of brands/sales outlets and are more aware about the components of this factor. Since a good number of customers under discussion do not enjoy these facilities and possess these characteristics it is obvious that this factor influences them least.

## CONCLUSION

The first objective of the study was to identify the factors influencing buying behavior of the customers of sports items in Karimganj district of Assam. The same was achieved and finally a list of 25 factors got emerged which was divided into four categories viz., Price and Payment Related Factors (6), Product Related Factors (8), Promotion Related Factors (7) and ease of Availability Related Factors (4).

After having identified the factors capable of influencing the buying behavior of the customers buying sports items the second and the third objectives of the study i.e., to find out the relative worth of each of these factors under the concerned categories in addition to the relative worth of the categories of influencing factors and also the degree of influence each factor is capable of putting in view of the customers were achieved and the salient feature of the findings of the same are presented here in a summary form.

The findings of the study reveal the highest as well as the least influencing categories of factors along with the factors under each of these four categories on the basis of the Mean Values of these categories of the factors and the factors. Depending on the responses of the respondents, the ranks were calculated to find out the relative worth of these categories of the factors as well as the factors. The factors which ranked highest as well as the ones which ranked lowest are grouped under two different tables.

#### **FINDINGS ABOUT THE FOUR CATEGORIES OF THE FACTORS INFLUENCING BUYING BEHAVIOR**

**Table 7 - Mean Scores and Their Ultimate Ranks on the Basis of the Mean Score of the Four Categories of the Factors Influencing Buying Behavior**

Categories of Factors	Mean Score	Rank
Price and Payment	2.93	3rd
Product	3.23	1st
Promotion	2.83	4th
Ease of Availability	3.12	2nd

Source: Field survey

The table above delineates that the customers of sports items are more concerned about the Product than the remaining three categories of factors. Their poorest concern is the marketing aspect of the sports items which

in academic language is known as Promotion.

The details about the preference over the Price and Payment Related factors:

**Table 8 - Relative Influence of the Factors and its Ranks Calculated on the Basis of its Mean Scores**

Sl. No	Price & Payment Related Factors	Mean score	Rank
1.	Price	3.80	1st
2.	Discount/Rebate	2.83	3rd
3.	Price range	3.30	2nd
4.	Credit facility	2.60	4th
5.	Mode of payment	2.53	5th
6.	Money back facility	2.53	5th
	Average	2.93	

Source: Field survey

As per the table the factor Price ranked 1st among the 'Price and Payment related factors' which means it influences most out of the six factors under this category of factors. Mode of payment and Money back facility

both ranked 5th, which means it influences least under this category of the factors.

The details about the preference over the Product Related factors:

**Table 9 - Relative Influence of the Factors and its Ranks Calculated on the Basis of its Mean Scores**

Sl. No	Product Related Factors	Mean score	Rank
7.	Quality	4.20	1st
8.	Durability	3.85	3rd
9.	Trendiness	3.70	4th
10.	Variety of product	3.38	5th
11.	Branded product	4.15	2nd
12.	Exchange of product	3.05	7th
13.	Reliability	3.28	6th
14.	Variety of brands	2.98	8th
	Average	3.23	

Source: Field survey

As per the table the factor Quality ranked 1st among the 'Product related factors' which means it influences most out of the eight factors under this category. Variety of Brands ranked 8th, which means it influences least under

this category of factors.

The details about the preference over the Promotion Related factors:

**Table 10 - Relative Influence of the Factors and its Ranks Calculated on the Basis of its Mean Scores**

Sl. No	Promotion Related Factors	Mean score	Rank
15.	Advertisement	2.83	4th
16.	Seasonal offer	2.60	6th
17.	Online shopping facility	2.08	7th
18.	Store appearance/assortment	2.98	3rd
19.	Personal relationship with customers	3.23	2nd
20.	Product demonstration	3.30	1st
21.	New product information	2.80	5th
	Average	2.83	

Source: Field survey

As per the table the factor Product demonstration ranked 1st among the 'Promotion related factors' which means it influences most out of the seven factors under this category. Online shopping facility ranked 7th under this

category of the factors, which means it influences least.

The details about the preference over the Ease of Availability Related Factors:

**Table 11 - Relative Influence of the Factors and its Ranks Calculated on the Basis of its Mean Scores**

Sl. No	Ease of Availability Related Factors	Mean score	Rank
22.	Location of business	3.51	2nd
23.	Home delivery facility	2.33	4th
24.	Quickness in service	3.00	3rd
25.	Availability	3.63	1st
	Average	3.12	

Source: Field survey



As per the table the factor Availability ranked 1st among the 'Ease of availability related factors' which means it influences most out of the four factors under this category. Home delivery facility ranked 4th, which means it influences least under this category of factors.

#### **DIRECTION FOR FUTURE RESEARCH**

This research is done in one district of South Assam which is different in its demographic and cultural scale of upper Assam in particular and other districts of the country in general. Therefore, conducting the same research in other parts of Assam or India will reveal the demographic and cultural determinants of sports marketing.

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# *CRM Applications in Banking*

**Key words:** *Banking, Customer Relationship Management, CRM Applications, Bank Marketing, Customer Information*

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## **ABSTRACT**

Customer Relationship Management (CRM) can be simply understood as creative use of available customer information for acquisition, retention, better service of customers. It also implies insight based segmentation of customer across diverse parameters and behaviour patterns to develop strategies for raising profitability of each customer segment for bank on adopting segment based offerings and pricing. The paper is an effort to illustrate how different banks have deployed the CRM concept and utilized customer data, by means of technology to gain customer loyalty and business growth.

The paper is based on secondary research. The main finding is that CRM presents diverse ways to leverage on customer data for bank's benefit. Different banks have approached it differently and philosophy when matched appropriately with strategy realizes the benefits to both banks and customers.

## **INTRODUCTION**

Banks today are strategizing to gain more market share by attaining and retaining customers through relationship oriented marketing. An important strategic initiative in this respect is Customer Relationship Management (CRM), which is a combination of technology, processes and people to develop and maintain profitable relationships with prospective and present customers in a proactive manner. According to Philip Kotler and Kevin Keller "CRM is the process of carefully managing detailed information about individual customers and all customer 'touch points' to maximize customer loyalty. A customer touch point is any occasion on which the customer encounters the Brand and Product from actual experience to personal or mass communications to casual observation. Jagdish Sheth and Atul Parvatiyar describe CRM as, "Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to

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create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.” Similarly Simon Knox et al view CRM as “CRM is an organization wide process, which focuses its activities on treating different customers differently to increase value for both customer and organization.”

In the present banking scenario, customer centricity has assumed utmost importance in policy planning and framework for business growth. Banks are looking for ways and means to achieve differentiation, customer loyalty and increased business in the competitive environment. Hundred per cent CBS implementation has been achieved by Indian banks. As a result of this banks are having access to huge database of customer information which has a potential for business growth, by means of systematic dissemination and analysis. This availability of customer data, which is demographic, transactional, usage behavior and product related, has to be leveraged for excellent service, cross selling, deepening relationships and increasing share of wallet. At the present juncture, only a few banks actually have achieved a small proportion of available possibilities. The paper analyses ways in which the same has been done by banks worldwide. An understanding of these existing practices, will be helpful in charting out a course of action towards development of CRM strategy for banks respective to their model and process factors.

## LITERATURE REVIEW

There is an increasing interest in Customer Relationship Management and a shift in emphasis of marketers from acquisition, to nurturing and retention of customers and towards maximizing customer life time value. (Rust, Zeithaml et.al, 2000)

In quest of transition to customer centricity marketers have made substantial investments in CRM projects to attain customer loyalty and profitability. (Reichheld F. F, 1996)

Success of Customer Relationship Management is based on its focus on deeper customer understanding and integrating this with the organization's strategy, people, technology and business processes. (Fox and Stead, 2001)

CRM enhances loyalty towards organization by helping in identification of best customers, and efficiently satisfying their needs. The customers in turn remain loyal, and increase profitability for the organization. (Thomas and Sullivan, 2005)

In order to develop customer loyalty, designing valuable customer experiences is essential, and CRM enables this

by organizing the processes around customer life cycles through availability of customer information at all touch points, supported by information technology to enable customer centric interactions. (Ed Peelen, Kees van Montfort et.al, 2006)

Benefits of effective CRM are - focus on profitable customers, cross channel integration, improved customer service and customized marketing efforts (Richard and Jones, 2008).

Information technology forms the backbone to CRM initiatives. Many CRM applications like data warehousing, sales force automation, and Campaign Management etc. have been developed. Integration of these different applications to share and utilize relevant customer information across the organization helps the organization manage customer relationships profitably, (Bitner, Brown and Meuter, 2000). The effective utilization of customer information across touch points with help of Information technology applications leads to enhanced customer satisfaction. (Mithas Krishnan and Fornell, 2005)

Ang and Buttle (2006) studied the relationship between CRM applications and business performance, and they suggested a positive relationship of CRM with return on investment and company profitability.

In addition to studying CRM conceptual framework, CRM technological dimensions, relationship between CRM adoption and profitability, customer centricity and life time value as described above briefly, some studies have focused on CRM implementation, CRM as a base for segmentation and specific applications of CRM, etc. (Zam, Lam and Chow, 2009; Bhaskar, 2004; Stone & Ozimek, 2010)

Study by Gartner group mentioned the worldwide revenues from CRM software solutions to be \$ 9.15 billion, indicating the rising magnitude of CRM investments by firms. (Gartner Group 2009). Studies have also indicated skepticism about CRM success, as noted by the rate of success of CRM-projects to vary between 30 and 70 % (J. Kerstetter, 2016). Some studies report that only one third of all CRM projects experience significant improvements in performance. This means that two thirds of the companies that started a CRM initiative either suffered losses or had no bottom-line improvement in company performance. (Jan U. Becker, Goetz Greve and Sönke Albers, 2010).

Literature on CRM in Banking services also cover impact of CRM on profits and cost, implementation case studies, and applications of CRM concept. For instance Ahmed and Bhat examined the relationships between variables constituting CRM model and reported that CRM dimensions have a positive effect on customer loyalty and competitive advantage of bank (Bhat and Darzi)

Similarly, Krasnikov, Jayachandran, and Kumar (2009) established a positive impact on profit efficiency (but a negative impact on cost efficiency) in a study of U.S. banks.

Some literature highlights the CRM development and operation in particular organizational contexts, like framework design, development and application of CRM system in a major bank as done by Lindergreen and Antiocho (2006). Similarly actual design and implementation of CRM in a Greek Bank was analyzed by Blery and Michalakopoulos (2006).

Salazar, Harrison, and Ansell (2007) studied the utilization of existing customer data for segmentation and prediction of future purchase of financial services. Thus there seems to be attention of researchers on diverse issues related to CRM in banking. CRM being a wide and diverse concept, and recently gaining increased importance as a result of information technology advancements in banking, there is a need to understand the ways in which CRM adoption helps bank attain customer centricity and marketing advantages. The paper attempts to document CRM applications, practices, and pay offs in a number of banks. The main objective is to showcase the diverse ways in which CRM has been utilized for Bank marketing.

## CRM APPLICATIONS IN BANKING

CRM applications in banking are described in the section with the help of case studies of different banks, each displaying a unique way in which the CRM concept has been applied to strengthen bank's marketing initiatives.

### First Direct

First Direct Bank, UK utilized its customer base to identify customers eligible for personal loans, customized credit cards, high interest deposits and stock exchange products. Credit scoring and campaigns designed after comprehensive test and run trials, were utilized to target the customers with optimum propensity. The outcomes of the strategy were double response rates, higher sales volume and identification of highly profitable customers.

### Capital One

Capital One, a major global credit card issuer, generates over 4,000 promotional campaign annually and tests the effectiveness of each one by extracting key data from its data marts. This type of activity shows that CRM can be effective – perhaps most effective – in solving specific, well-defined problems. Further, the data contained in data warehouses and data marts can be valuable in determining when to make an offer. Timing is everything and is often based on changes in a customer's life stage or life cycle. This type of CRM-based promotion is based on a future-looking (predictive modeling) view of the

customer's profile potential as opposed to projections based on an historic view of past transactions.

### Alberta Treasury Banks

Alberta Treasury Banks (ATB), a full-service Canadian Bank having 144 branches throughout the province of Edmonton Alberta, and a Customer Contact Centre (CCC) was facing, coordination and customer service issues. When customers contacted their local branch by telephone, their calls got redirected to CCC, where the functionality of viewing customers' transaction histories was lacking. This would lead to delays and poor responses. ATB installed a software package which captured customer interactions across all touch points viz ATM, Internet, Branch, and Interactive Voice Response Unit). This information was made available to CCC representatives. As a result, when customer calls of customers from any branch were received by CCC representative, a profile of the customer was available, giving all relevant information about him, as well as his last contact with Banks. Such a system has resulted in prompt and better service to ATBs customers.

### How Wells Fargo Gathers and Uses Metrics to Improve Customer Service

Wells Fargo has 9,000 "stores" (i.e., retail branches) and monitors the productivity of each. However, just looking at total branch performance may mask problems. By looking at individual customer data. Wells Fargo management can see if a branch is doing a good job or not. Consequently, metrics are used to evaluate individual branch performance and to make comparisons across all branches.

To do this, Wells Fargo supplements customer behaviour information gathered through its CRM systems with traditional marketing research survey results. Wells Fargo calls 40,000 customers per month and asks about their banking experience, their intentions regarding the use of Wells Fargo services in the future, and whether or not they would recommend Wells Fargo to a friend. In addition, Wells Fargo correlates survey results regarding channel usage with customer retention and profitability. Metrics allow Wells Fargo to keep customer service personnel informed regarding changes in their customers' attitudes, intentions, and behaviours.

### Midland Bank

Midland Bank approached Customer segmentation and targeting by utilizing and analyzing customer data. They first ran several promotion campaigns and developed scoring formula which related purchase inclination with individual data. They used this formula for targeting on a small scale, and later on to a large scale. Such a strategy, test evaluated and enabled the Bank to offer the optimum offers to identified customer groups. Thus the bank



received better targeted and feasible sales offers matched to customers' propensity and taste.

### **Royal Bank of Canada**

The Royal Bank of Canada (RBC) is one of Canada's largest banks. It has been successful in demonstrating that use of CRM systems can lead to enhanced customer focus and profitability. One of its concern was improving customer experience by being quick and relevant in responses to customer queries and service requests. Customer requests coming from different channels were earlier routed to complex systems across geographies and service fulfillment groups. This resulted in greater turnaround time and customer inconvenience as well as suboptimal customer service levels.

Research by RBC indicated that loyalty is a driver for growth and improved customer experience had significant impact on profitability. RBC employed sophisticated technology to simplify the client interaction across multiple channels and provide superior service experience. Service staff was trained to use the system by use of step by step prompts, and help them document and resolve client problem more quickly and effectively. Service staff was able to access supporting customer information to help handle the request in more optimum way, backed by valuable information on the customer in question. Based on loyalty and profitability segment, the request or query was routed to the best suited Representative, support team or geography. This resulted in reducing the turnaround time to a large extent, in some cases from 5 days to 30 minutes, for instance. The manpower costs reduced significantly and staff could be deployed for more value added tasks. RBC's customer satisfaction scores grew consistently, cross selling increased, as well as market share and profitability.

### **Co op Bank, UK**

Co op Bank, UK has taken an extra step to share its customer's passions. The bank regularly polls its customers on their social agenda and then lobbies lawmakers to support these agendas. By doing so, the bank shares its customers' passions and forges stronger relationships that last. The bank no longer just a provider of financial services, but a partner in their customers' personal lives.

### **American Express: Profiting from Variety**

American Express provides financial services primarily in the form of credit cards. The company, however, adapted its experience to each customer segment and wrapped it with additional services and prices to match the desired experiences:

- Green Card with Rewards Programme is for the mainstream customer who seeks free gifts.

- Small Businesses are linked to the Open Network, which is a referrals and services network of many other small businesses. These customers also receive valuable expenses management services.
- Corporate Charge Card allows companies to manage their expenses across thousands of employees.
- Black Card target the super rich who are willing to pay a significant premium to be recognized. This is a by-invitation-only card.
- Platinum Card attracts the wealthy customer who is seeking Luxury Service, and American Express delivers Departures – a high-end, topical special magazine – and discounts to leading hotels around the world, as well as concierge services.
- Blue Card is for the cost-conscious customer who is seeking refunds up to 5%.
- Rewards Cards offer incentive programmes for corporations via prepaid cards.

Each of these cards delivers basic credit services, but each is priced separately and delivered with completely different experiences and price points. This way American Express ensures that every experience is profitable and relevant to each customer segment.

By tailoring the experiences and making sure that no experience will touch the others, they live up to the promise of treating different customers differently and getting away with charging different rates for it. In an environment of tough competition with Visa and MasterCard, when the average credit card brings in about \$55 as an annual fee, American Express often gets away with \$300 or more. The key to this success is segmentation and different treatment of different customers.

### **The Bank of Nova Scotia (Scotiabank)**

The Bank of Nova Scotia (Scotiabank) regularly monitors customer activity and contacts individual customers with large transactions that may indicate important life events. For example, a large deposit may be due to the fact that a customer has received an inheritance, is about to be married, or has experienced some other major life event. In these cases, a bank representative will contact the customer to confirm that an important event has occurred and understand its nature. Where appropriate, the bank representative will act quickly to recommend products that would be useful to meet their new financial situation. These targeted contacts are one of the reasons that Scotiabank is rated highly for customer service.

### **NatWest Card's**

NatWest Bank's card segment achieved increased



profitability on implementation of CRM Programme. The primary focus was utilizing customer data to send customized communications based on customer segments. Customer data was analyzed to understand the factors contributing to customers' loyalty and satisfaction. Segmentation criteria followed was customer characteristics, preferences and their long term value. Particularly, the segments were created considering spending and borrowing volumes, preference for typical promotional offers and type of card. For each segment, drivers of customer value like retention, additional products, borrowing etc. were identified. Relationship between these drivers and value from each customer was determined and suitable marketing strategy was adopted. Further this enabled customization of products, statement messages, promotion media etc. These CRM strategies resulted in customer retention, increased card spending and increased customer value to the Bank.

### **Garanti Bank, Turkey**

Garanti Bank based in Turkey adopted CRM, for segmentation of customer and designed the service delivery levels to match the segments in such a way that enhances satisfaction and convenience to customers and rationalizes banks operational costs in serving customers. It developed a "Customer Profit Model" to identify individual customer profit to bank, based on parameters like revenue, number and type of transaction, and maintenance costs. Customer segments were developed using data on age, education level, wealth, life stage, transaction pattern and average balance held. The marketing efforts, promotion and service levels to each of these 9 segments so developed are differentiated and more focus is given to top 4 more profitable segments. Analytics indicated that there is a top profitable segment which is 6.5% of bank's customer base, but contributes to 56% of profits. Next segment is also profitable and there is the lower tier customer base which is less profitable. The Bank adjusted its offering, focus and service levels to manage these segments. It designed Mass market products and branches for the less profitable segment and encouraged them to adopt low cost alternate channels. This enabled spending more marketing effort and superior service levels for upper tier customers. CRM strategy, has led to increased profits as well as satisfied customers for Garanti Bank.

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### **Bank of Montreal, Canada**

Bank of Montreal recognized the importance of analyzing customer information and make strategic marketing decisions. It designed a comprehensive Customer Relationship Management Program and aligned the marketing practices to increase customer profitability and value. Customer Data analysis revealed important information about customer taste, behavior, product ownership and related value metrics. This information was utilized for marketing decisions like pricing, product bundling, service levels, and channel strategy and campaign management. Based on knowledge of customer propensity to offers, customers are offered tailored offers and communication. Pricing variations according to customer segments are made to encourage loyalty and customer value management. Retention campaigns for bank's best customers are organized and portfolio management for such customers is done to help them have an optimum product mix. The Bank has received very good return on investment on such campaigns.

### **CONCLUSION**

The paper has attempted to showcase a few practical examples of how banks invested in CRM and witnessed the pay offs of the same. It can be seen that there are numerous ways to implement the basic philosophy of CRM in the Bank. It may be making strategies based on overall customer profitability, or obtaining quality leads and effective campaigns. Some banks have saved on the operational costs while attaining superior customer satisfaction, by way of matching service levels with customer segments. Some were able to strengthen call centre abilities in marketing and customer service by providing supportive customer information instantly, while some have benefited by retention of high value customers.

Thus we can conclude that CRM applications in banking are diverse and potential of the concept is huge. By use of enabling technologies the CRM can help the bank in many ways in almost all the marketing challenges right from product development, across sale, customer acquisition, retention to cutting edge customer service and satisfaction.

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# *Sources of Motivation for Purchases/Purchase Requests Made by Children and Effects of TV Ads on Buying Products*

**Key words:** *Children's Buying Behavior, Purchase Requests, TV Ads, Motivation Sources for Purchase*

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## **ABSTRACT**

This study identifies the various sources of motivation for purchases/ purchase requests made by children and kinds of products that children generally buy after watching TV ads. Also, the frequency of buying products/asking parents to buy after watching TV ads was determined. Sample size comprised of 400 children from reputed private schools catering to middle and upper socio-economic strata. The study is confined to the state of Punjab. Findings revealed that children's purchase decisions or requests to parents are governed by 'real needs', followed by 'peer or social group' and 'TV ads'. Children most often buy or request 'clothes or footwear', followed by 'stationery/books/CDs etc. It is also seen that many times ads do not yield a purchase or purchase request from children.

## **INTRODUCTION**

TV provides role models and information which influence behavior, attitude and lifestyles of children. TV has long been the predominant medium world over which advertisers have chosen for reaching to consumers to market their products. TV advertising is an important pragmatic element of a child's development and it has a pervasive presence in their lives. Advertisers also give special importance to children. This is because in the modern society, children accompany parents on shopping trips, ask and suggest parents for the purchase of products, do shopping and spend independently on their own. Also, children are not only a potential market but nowadays they are becoming customers at earlier ages than in the past.

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## REVIEW OF LITERATURE

Frideres (1973) studied the influence of toy advertising upon children and buying patterns of their parents. It was found that TV produces desires for toys among young children. The data reveals that on the spot buying was generally geared towards low price toys while more expensive toys were bought on the basis of child's desire and parents most often use the child's desire as a reason for purchases.

Goldberg and Gorn (1974) studied the children's reaction to television advertising. It was found that by seeing a single ad for a valued toy developed more favorable and motivated behavior to obtain it, but further exposure to the ad did not increase such effects. The findings revealed that children valued those reward which seems to get easily. Watching TV with high expectancies leads to greater efforts to obtain that toy.

Caron and Ward (1975) conducted a study on 'Gift Decisions by Kids and Parents.' Results revealed TV as the main source of gift ideas, followed by friends for making gift requests. Older children cited TV and catalogues as the idea source than friends, whereas; younger children asked for more gifts than older children. Middle class children prefer non-interactive toys, whereas; upper class children request more competition games. Middle class parents were slightly respond negatively on children requests than upper class which revealed that family environment play a role of mediator of TV advertising's effects.

Atkin (1975) assessed self-reports of request by 738 children ranging from pre-schoolers to V graders to measure frequency of requests. A strong correlation was found between TV ads and requests. It was found that 1/6th of children report arguing with their mothers "a lot" and 1/3rd "sometimes" after denial of their request for toys. Levels of arguments and anger were lower for cereals. Atkin reported a slight tendency for arguments and anger to increase with age and with more TV exposure.

Donohue (1975) surveyed 162 black first to third graders in an urban school system to determine the perceived influence of TV ads on consumer values of black children in the areas of health care and nutrition. He found that TV ads were an important source of information and persuasion for food and toys, but that parental influence was slightly greater than TV in affecting children's ideas about what to do when illness or health problems occur. Commercials, however, were clearly suggesting the prescription of some medicine or pill to solve almost any health related problem.

Popper (1979) examined the range of responses a mother might give to her child's purchase requests and the relationship of these responses to the product asked for

and the location of the request. Other variables he examined included the child's general behavior prior to the request and whether children specifically mention TV advertising, seeing the product at a friend's house or other reasons as the basis of their request. The overwhelming determinant of the mothers' response was the product requested. Mothers were quite likely to agree to child's request for a cereal but become increasingly reluctant to yield as the monetary out lay increased (e.g. toys). The child's recent general behavior (i.e. whether or not he has been "good" lately) was a more important determinant of the mother's response than whether or not TV advertising was mentioned as the basis of the request.

Heslop and Ryans (1980) studied the effects of advertising to children on the desire for a cereal product, product requests, and product selection. Sample size comprised of 280 and their parents. Age was found significant factor for choosing cereal brand for their home. Older children and their mothers more preferred test cereal.

Moore and Lutz (1999) conducted two studies, one using experimentation and the other using depth interviews, to examine the uses of advertising's impact in conjunction with children's product usage experiences. Results indicated that both product trial and advertising have influences, but influences differ between older children (10 – 11 year olds) and younger children (7-8 years olds). It was found that younger children were influenced directly by product trials. Younger children's attitudes were influenced by advertisements of brands. It was found that advertisements for some products leave a strong impact on children.

Fan & Li (2009) investigated children's buying behaviour in China. Sample size comprised of 155 children aged 10-13 years. TV commercials and in-store experiences were found to be the primary sources of new snack foods. Parents found to be the most credible information source for Chinese children. TV advertisements and celebrity endorsements were found higher in food purchase decision making.

Oyewole et al. (2010) examined the influence of children in their parents' purchase decision-making in Malaysia. Findings revealed no gender difference between boys and girls in the extent of their influence on parental purchases. It was found that products requested by girls when shopping with parents generally vary from requests made by boys. Pressure tactics, rational persuasion and upward appeal were the tactics followed by children to get their requests fulfilled.

The tactics mostly used by these children to get their requests accorded were found to be

Priya et al. (2010) studied the impact of TV ads on children's buying behaviour. Survey was conducted on



children of 5 - 11 years old. Findings revealed high impact of advertisements on children's attitude for the advertised products. The changes among the different age groups also results, variation in the attitude children towards the advertisements.

Dilogini & Shivany (2015) examined the impact of TV ads on children's product requests and level of children's attention on television advertisements. Study consists of parents aged between 25 to 45 years with at least one child aged between 4 to 12 years. Parents believed that child's product requests are influenced by color full TV advertisements. Findings also revealed that children in Jaffna are not habitual of watching TV ads all the time, they watch commercial TV ads without blinking an eye and immediately request some products and also remind the parents at the purchase places.

Sunita (2015) investigated the influence of celebrity endorsement on children's attitude and their buying behavior. Sample size comprised of 200 respondents from Rewari city (Haryana). It was found that children purchasing behavior carrying 8-12 years of age group were influenced by celebrity endorsement as compared to 4-8 years age group and respondents of rural area was found more affected by celebrity endorsement whereas, no significant differences were found among male and female responses so far as impact of celebrity endorsement on their buying behavior is concerned.

### OBJECTIVES OF STUDY

1. To identify the various sources of motivation for purchases/purchase requests by children.
2. To identify kinds of products that children generally buy after watching TV Ads.

3. To determine frequency of buying products/asking the parents to buy after watching TV ads.

### UNIVERSE OF THE STUDY

The sample size comprises of children from reputed private schools from three cities of Punjab namely--- Amritsar, Jalandhar and Patiala. The cities represent traditional, geographical and cultural categorization of Punjab: Majha (Amritsar), Doaba (Jalandhar) and Malwa (Patiala). The effective sample came out to be 400 children. Convenience sampling techniques is used in the study. Suitable statistical techniques are used: weighted average scores (WAS), students' unpaired t-test, Z test and Correlation Coefficients (r-value).

There are 206 (51.50 %) boys while the remaining 194 (48.50 %) are girls. Four age categories were chosen, i.e. 8 to 10 years, 10 to 12 years, 12 to 14 years and 14 to 16 years. The highest percentage of them (30.00%) belongs to the age group of 12 to 14 years, while the lowest (22.50%) of them belongs to the age group of 14 to 16 years old.

### DATA ANALYSIS & DISCUSSION

#### Sources of Motivation for Purchases/Purchase Requests

Children usually make requests to their parents to purchase various items. The item may or may not be required as a utility, but the request is there nonetheless. The children were asked to state whether these requests were motivated by TV ads or some other sources. They were asked to rank the options provided to them according to their preference: 1st, 2nd, 3rd and 4th and the weights 4, 3, 2 and 1 respectively were assigned to these ranks for the calculation of weighted average scores.

**Table 1 - Sources of Motivation for Purchase Requests made by the Children**

Sources of Motivation	Ranking Order				WAS	Overall Ranking
	1	2	3	4		
TV advertisements	73 (18.25)	103 (25.75)	199 (49.75)	25 (6.25)	2.50	III
Attractive display at the stores	65 (16.25)	106 (26.50)	136 (34.00)	93 (23.25)	2.13	IV
Real needs	232 (58.00)	87 (21.75)	57 (14.25)	24 (6.00)	3.26	I
Social/Peer group (friends, siblings, cousins)	88 (20.00)	161 (40.25)	122 (30.50)	29 (7.25)	2.70	II
F-ratio	11.37***					

\*\*\* Significant at 1 %; Figures in parentheses indicates percentage

It can be seen from the Table 1 that majority of the children (58%) gave 1st rank to the 'real needs'. This is followed by 'social/peer groups' (20%), 'TV ads' (18.32%) and 'attractive display at the store' (16.25%). The option 'real needs' has been given 1st rank by most of the children and the same has been given 4th rank by the lowest percentage i.e. only 6 per cent of them.

The overall weighted average score of ranking indicates 1st rank for 'real needs' (3.26), which is similar to the individual 1st place ranking. This was followed by 'peer groups' (2.70), 'TV ads' (2.50), and 'attractive display at the stores' (2.13) in that order. Thus in comparison with other sources of motivation, 'TV ads' did not emerge as an important source. According to children the 'real needs' are the most important source of motivation for making purchases/ purchase requests by them. The F-ratio (8.85) obtained through ANOVA confirms that differences amongst weighted average scores (of different sources of motivation for purchases/ purchase

requests) are significant at 1 per cent level. Priya et al. (2010) also found that there are other potent factors apart from advertisements, which result in the requests for a product or brand.

Gender-wise analysis in Table 2 reveals that 'real needs' (WAS= 3.96) is an important source of motivation for most of the female children in comparison with the male children (WAS= 2.60). This difference is found to be significant at 1 per cent level of significance; as revealed by the t-value (3.57). 'Social groups' and 'TV ads' are stronger sources of motivation for making purchases/ purchase requests for female children (WAS = 3.05 & 2.85 respectively) as compared to male children (WAS = 2.37 & 2.17 respectively). The t-values (2.38 & 2.47 respectively both at 5% level of significance) substantiate that the differences between both the genders are significant regarding 'Social groups' and 'TV ads' as sources of motivation for purchases/purchase requests.

**Table 2 - Weighted Average Score (WAS) of Sources of Motivation for Purchase Requests made by the Children**

Sources of Motivation	Overall	Gender			Age Group (in years)				
		male	female	t-value	8 to10	10 to12	12 to14	14 to16	F ratio
TV ads	2.50	2.17	2.85	2.47**	3.24	2.39	2.34	2.06	5.84***
Representation at store	2.13	2.28	1.97	0.98	1.99	2.11	2.18	2.23	1.22
Real needs	3.26	2.60	3.96	3.57***	1.96	3.18	3.70	4.12	5.26***
Social/Peer groups	2.70	2.37	3.05	2.38**	2.39	2.56	2.84	2.99	1.89

\*\*\*: significant at 1 per cent level; \*\*: significant at 5 per cent level

Age-wise analysis in Table 2 shows that amongst the four age groups, 'real needs' as a source of motivation for purchases/purchase requests gains significance as children grow in age. The weighted average scores rise remarkably from as low as 1.96 in 8-10 years age group to as high as 4.12 in 14-16 years age group. This is supplemented by F-ratio (5.26) which is significant at 1 per cent level. 'TV ads' lose importance as the children become older; the weighted average scores being 3.24 in

8-10 years age group and falls to 2.06 in 14-16 years age group, which is substantiated by significant F-value (5.84) at 1 per cent level of significance.

#### **KINDS OF PRODUCTS CHILDREN GENERALLY BUY AFTER WATCHING TV ADS**

The respondent children were enquired about the kind of product(s) they generally buy after watching TV ads. The information in this regard is given in Table 3.

**Table 3 - Kinds of Products Children Generally Buy after Watching TV Ads**

Kinds of Products	Number of Respondents								
	Total	Gender		Z value	Age-Group (in years)				r-value
		Male	Female		8 to10	10 to12	12 to14	above 14	
Toys/games	81 (20.25)	42 (20.39)	38 (18.45)	0.20	30 (31.91)	24 (25.00)	16 (13.33)	10 (11.11)	-0.973**
Clothes/ footwear	142 (35.50)	77 (37.38)	65 (31.55)	0.81	49 (52.13)	42 (43.75)	28 (23.33)	24 (26.67)	-0.991***
Eatables/ food products	55 (13.75)	29 (14.08)	26 (12.62)	0.20	15 (15.96)	14 (14.58)	16 (13.33)	10 (11.11)	-0.909***
Stationery/ books/ C D's etc.	94 (23.50)	41 (19.90)	53 (25.73)	1.75*	16 (17.02)	22 (22.92)	30 (25.00)	26 (28.89)	0.982**
Soft drinks/ health beverages	61 (15.25)	34 (16.50)	27 (13.11)	0.72n	15 (15.96)	16 (16.67)	18 (15.00)	12 (13.33)	-0.854
Toiletries	84 (21.00)	34 (16.50)	50 (24.27)	2.27**	13 (13.83)	17 (17.71)	31 (25.83)	23 (25.56)	0.940*

\*\*\* Significant at 1 % level; \*\* significant at 5 % level; \* significant at 10 % level; Figures in parentheses indicates percentage

A perusal of Table 3 shows that most of the children (35.50%) buy 'clothes/foot wear' after watching ads on TV. This is followed by those who buy 'stationery/ books/ CDs (Compact Discs) etc.' (23.50%), 'toiletries' (21%), 'toys/games' (20.25%), 'soft drinks/health beverages' (15.25%) and 'eatables/food products' (13.75%).

Gender-wise analysis shows that relatively higher percentages of female children buy 'stationery/ books/ CDs etc.' (25.73%) and 'toiletries' (24.27%) as compared to male children (19.90% & 16.50% respectively) after watching TV ads. Z-values indicate significant differences between male and female children with respect to purchase of 'stationery/books/CDs etc.' and 'toiletries' at 10 and 5 per cent level of significance respectively. Relatively higher percentages of male children buy 'toys/games', 'clothes/foot wear', 'eatables/food products' and 'soft drinks/health beverages' as compared to female children. However these differences are not statistically significant as revealed by insignificant Z-values.

In Table 3, results reveal that age has an important bearing on the purchase of products by the children. The percentages of children among different age groups increase/decrease considerably across specified product categories as shown by positive/negative r-values (except for 'soft drinks/health beverages'). More of the younger children as compared to the older ones buy 'toys/games' after watching TV ads. The decreasing pattern amongst age groups is significant as confirmed by the negative value of coefficient of correlation ( $r = -0.973$ ) at 5% level of significance. Similar trends have also been found in

case of purchase of 'clothes/foot wear' and 'eatables/food products' ( $r = -0.991$  and  $-0.909$  respectively at 1% level of significance). Hence, 'toys/games', 'clothes/foot wear' and 'eatables/food products' are such categories which are more popular amongst younger children. On the other hand, age is positively related with the purchase of 'stationery/books/CDs etc.' ( $r = 0.982$  at 5% level of significance) and 'toiletries' ( $r = 0.940$  at 10% level of significance), which means that as children grow in age, they buy/request more such products, after seeing ads. A relatively higher numbers of female and older children purchase more of 'stationery/books/CDs etc.' and 'toiletries' after watching TV ads as compared to the male and younger children.

#### **FREQUENCY OF BUYING PRODUCTS/ASKING PARENTS TO BUY AFTER WATCHING TV ADS**

Children, being at the most impressionable stage of life, feel the urge to buy themselves or ask from parents for the products which they may find desirous in TV ads. Children were asked how often they buy or request parents to buy the products that catch their attention in TV ads. The frequency of ads-inspired buying has been categorized into 4 options, 'often', 'sometimes', 'rarely' and 'never', which were assigned weights '3', '2', '1' and '0' respectively.

Table 4 indicates that most of the respondents (41%) ask for/buy the products 'sometimes' after watching advertisements. This is followed by those who buy/ask the products 'rarely' (31%), 'often' (15.25%) and 'never' (12.75%) in that order.

In gender-wise analysis relatively higher percentage of male children (19.90%) have stated that they 'often' buy themselves or ask their parents for advertised goods in comparison with female children (10.31%). Both the extreme options; 'often' and 'never' are more opted for by male children (19.90% and 13.59% respectively) as compared to female children (10.31% and 11.86%

respectively). The mid track options 'sometimes' and 'rarely' are more opted by female children (42.78% and 35.05% respectively) as compared to male children (39.32% and 27.18% respectively). However, the differences between overall mean frequencies of male children and female children have turned out to be not significant as indicated by the t-value (1.17).

**Table 4 - Frequency of Buying Products/Asking the Parents to buy after watching TV ads**

Frequency of buying products	Number of Respondents						
	Total	Gender		Age Group (years)			
		Male	Female	8-10	10-12	12-14	14-16
Often	61 (15.25)	41 (19.90)	20 (10.31)	26 (27.66)	14 (14.58)	17 (14.17)	4 (4.44)
Sometimes	164 (41.00)	81 (39.32)	83 (42.78)	34 (36.17)	50 (52.08)	51 (42.50)	29 (32.22)
Rarely	124 (31.00)	56 (27.18)	68 (35.05)	20 (21.28)	18 (18.75)	31 (25.83)	55 (61.11)
Never	51 (12.75)	28 (13.59)	23 (11.86)	14 (14.89)	14 (14.58)	21 (17.50)	2 (2.22)
Total	400	206	194	94	96	120	90
Mean Frequency	1.5875	1.6553	1.5155	1.7660	1.6667	1.5333	1.3889
Percentage frequency	52.92	55.18	50.52	58.87	55.56	51.11	46.30
		t-value=1.17		F-ratio = 4.840; significant at 5% level			

Figures in parentheses indicates percentage

Age-wise analysis depicts that as children grow up there is a rise in percentage of children who 'rarely' buy or ask for products after watching ads (21.28 per cent (8-10 years) to 61.11 per cent (14-16 years)). On the contrary, for the extreme options, 'often' and 'never', the percentage of children opting for these options falls drastically (from 27.66% and 14.89% to 4.44% and 2.22% respectively) as children grow older. A marginal decline is also visible with the increase in age among children, who 'sometimes' buy or ask for products that they watch in TV ads (from 26.17% in 8-10 years group to 32.22% in 14-16 years group). Overall, the age-wise differences are more pronounced (F ratio = 4.840 at 5% level of significance) in comparison with gender-wise differences (t value = 1.17; not significant). Hence, as children grow in age, their frequency of asking parents for products or buying them on their own after watching ads, comes down.

## CONCLUSION & SUGGESTIONS

1. Children's purchase decisions or requests from parents are governed by 'real needs', followed by 'peer or social group', 'TV ads' and 'display or presentation at stores'. So, just advertising won't suffice; manufacturers and marketers should notice or create a need gap in the minds or daily routine of children, for the particular product. Also, social acceptability of the product amongst children would have to be formed. The ads should be focused more around their actual needs and their friend circle. Also, ads and the display at the outlets should reach out to children more effectively.
2. Children most often buy or request 'clothes or footwear', followed by 'stationery/books/CDs etc.', 'toiletries', 'toys/games', 'soft drinks/health beverages' and 'eatables/ food products' after watching ads on TV. Female and older children buy more of 'stationery/ books/ CDs etc.' and 'toiletries'. Young children buy more of 'clothes or footwear', 'toys/games', 'soft drinks/health beverages' and 'eatables/food products'. This can be of consideration for marketers aiming different segments of children for various products.
3. Most of the children (41%) buy/ask for the products 'sometimes' after watching TV ads; followed by those who buy/ask the products 'rarely' (31%). As children grow older, there is a significant rise in



percentage of children who 'rarely' buy or ask for products after watching ads. Hence, it is seen that many times ads do not yield a purchase or purchase request from children. Children are no easy catch for marketers and certainly they become a tougher bet as they grow older. So, there is a definite need for ads to be convincing enough to yield a purchase or purchase request from children.

4. The product related reasons that influence children's product purchase or request behavior are the premium offers on the product followed by the product quality or attributes of the product. So, where the marketer should concentrate on tempting children with premium offers, the parents should counsel children to concentrate on the utility of the product along with the premium offer on it.

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## APPENDIX

### PERSONAL INFORMATION:

My name is .....(if you want to disclose)

I am a boy/girl .....

My class is ..... My school name is .....

My age is            (8 to 10 yrs)            (10 to 12 yrs)            (12 to 14 yrs)            (14 to 16 yrs)

### Which type of family do you live in? Joint family/nuclear family

- 1) Your purchase requests are motivated by (Rank 1,2,&3 in order of your preference)
- |                                     |   |
|-------------------------------------|---|
| a) TV advertisements                | c) Real needs                                       |
| b) Attractive display at the stores | d) Social / Peer group (friends, siblings, cousins) |
| e) Any other (Pl. specify)          | .....   |

### 2) What kind of products you buy after watching an ad on TV?

- |                                |  |
|--------------------------------|--|
| a) Toys, Games                 | e) Soft drinks, Health Beverages                   |
| b) Clothes/Footwear            | f) Soaps, Shampoos, Toothpastes, Cosmetics, Creams |
| c) Eatables, Food products     | g) Any other (Pls. Specify) .....                  |
| d) Stationary, Books, CDs etc. |  |

### 3) Do you buy products or ask your parents for them, after seeing TV advertisements?

Often / sometimes / rarely / never

# *Understanding the Parameters of Employee Satisfaction: A Study on Healthcare Sector*

**Key words:** Satisfaction, Gender, Health, Work Environment, Job Security, Work Life Balance, Career and Development, Relationship Management, Compensation Health Care Sector

**Tanu Goel\***

## **ABSTRACT**

The objective of this paper was to understand the real time factors that affect the satisfaction level of an employee in health care sector. In order to understand the parameters, Employee Satisfaction survey tool was used for the collection of data. Statistical tools like reliability, correlation and Anova were used to analyse the data. The result showed that in an organization setting the employee when works with a satisfied blend of mind become asset to an organization. The employee considers the organization work setting as a crucial part of his life which not only enhance his own skills but also ensures a great career while staying in the organization for long. A satisfied employee looks meaning out of their work and wants to be a valuable contributor for the organization.

## **INTRODUCTION**

To start with employee satisfaction firstly the two words employee and satisfaction needs to be segregated.

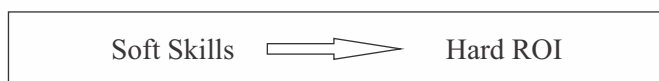
Employee refers to an individual who provides labour to a company or another person. Also, according to the other definition of employee “anyone who is/has agreed to be employed, under a contract of service, to work for some form of payment. But in current era apart from the legal definition there is something more that is meant as employee. Some IT companies say every employee is a hero, while other consider employee as one who contributes his/her ideas, skills and feedback to company.

On the other hand, the word satisfaction implies the extent to which an employee is happy or content with their jobs and work environment. Together the term employee satisfaction is really crucial from the point of view of the employee as well as for organisation. A satisfied employee identifies with the norms and value of the organisation and less inclined to leave. They understand company’s vision and deliver their responsibilities as per the job roles.

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Engagement is much about the deeper insight about how passionate an employee feels about his/her job. They are considered as one committed to the organisation and put discretionary efforts into their work which in turn generated better business results. According to Career Builder Survey, 80% of employees said they were looking of a new job, or would leave their current job if they could. This implies the employees are not particularly engaged. Some are those who basically quit, but stayed with the company which is not favorable. In today's scenario of 21st century, according to a report today employee looks for meaning from a job. About 51% people explore for their work contribution to something meaningful.



An organization and an employee set goals and work towards achieving those goals. Thus, one needs to understand the goal of each other so as to align them and form a track that merges into one. There are different factors both from the point of view of the organization and the employee that varies the satisfaction level

1. **Organization Expectation:** Organization expects their employee to be efficient, effective, profitable for the company, bring ideas and innovation in tasks, productive, act as leaders, honest, customer oriented, early adopters, highly motivated, passionate and creators.
2. **Employee Expectation:** On the other hand, employee expects their organization should render them recognition, respect, financial stability, safety, medical benefits, career and development, empathy, promotions and last but not least work life balance opportunity.

Only when both came into mutual understanding of each other's expectations and goal both can work in harmony and create a path towards success. Thus the satisfaction level of both groups is dependent to a large extent on the above mentioned factors. Also the fluctuation in any of the factor can lead to dissatisfaction. A dissatisfied potential employee can be a huge loss for the company, at the same time a dissatisfied work performance can leads to employment terminations.

In order to retain the potential talent, the organization understands the importance of employee satisfaction and engagement factors. Company's now understands that the role of financial compensation is important, but it is by no means the entire story. Thus to keep employee satisfied and actively engaged in the roles, the organization works strategically in accordance and have established:

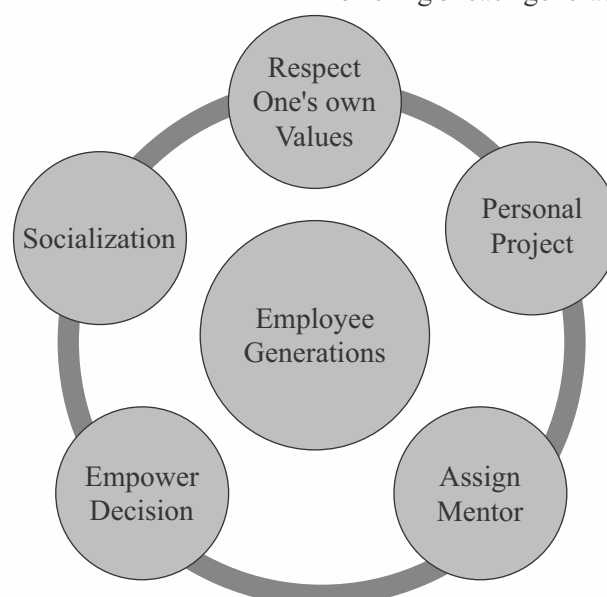
### TYPES OF GENERATIONS AND ASPIRATIONS

According to Harvard Business Review article "Working beyond Five Generations in the Workplace", multi generation environment has become a new diversity challenge that an organization needs to ponder upon. The company now look for new ways in order to relate with the employee of different age groups. Every generation bring their own indicators (cultures, ideas, values and practices) of satisfaction derived from their work.

The Five generation diversity consists of :

1. Gen 2020 (Post 1997)
2. Millennial ( 1977 – 1997)
3. Gen X (since 1965- 1976)
4. Baby Boomers (since 1946-1964)
5. Traditionalists ( 1900-1945)

The following methods are underlined to meet the offering of each generation.



In order to motivate and satisfy each generation needs and aspirations new trends are emerging into the workplace. Companies strive to find ways to recognize employee distinct skill sets and motivate employee to bring different things to the table. Knowing each person individually is very crucial in order to bring collaborative relationships.

## LITERATURE REVIEW

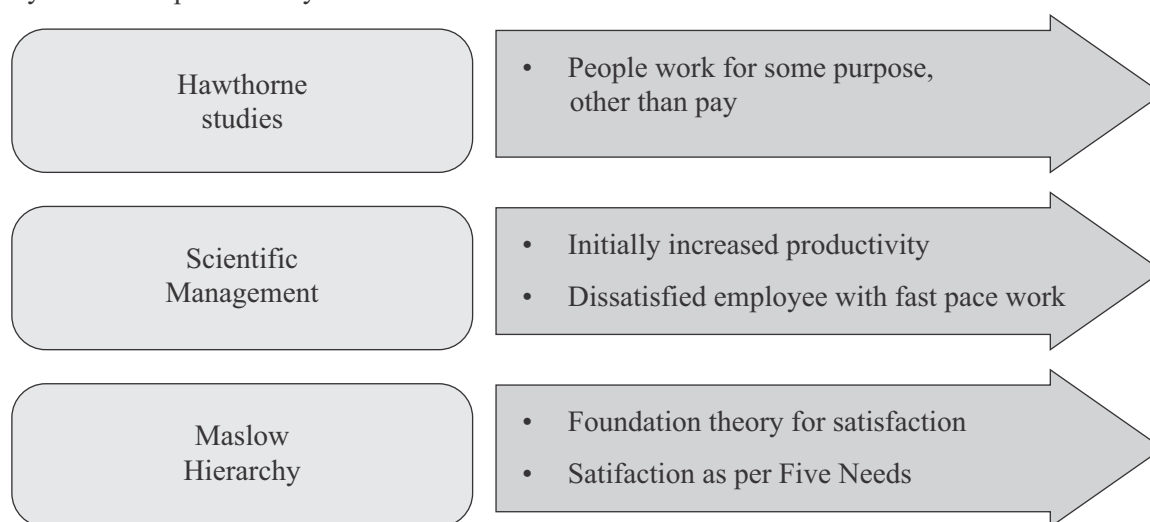
### Employee Satisfaction

The study of job satisfaction started with the study done by Elton Mayo (a psychologist and organizational theorist) in order to find out the effects of different conditions on worker's productivity. Findings conclude that a favorable change in working condition leads to temporarily increase in productivity. However it was later

found out that the increase in productivity resulted not from the new conditions but from the knowledge of being observed.

According to Taylor's principles there is a single apt way to perform any given work. Later, it was observed that employee gets dissatisfied with the force applied to work at a faster pace.

However, some argue that Maslow Hierarchy of needs theory laid the foundation for job satisfaction theory. This theory explains that people seeks to satisfy five specific needs- Physiological needs, safety needs, social needs, self-esteem needs and self actualization need. This model served as a good basis from which early researchers started to develop job satisfaction theories.



## PARAMETERS OF EMPLOYEE SATISFACTION

### Work Life Balance and Satisfaction

According to the research conducted on "Work life balance reflections on employee satisfaction" (Serbian Journal of Management 6 (1) (2011)). The extent to which the employee satisfaction is determined by the career opportunity, pay, recognition, benefits, work-life balance, and superior subordinate relationship were studied. The result highlighted that employee satisfaction has a positive relationship with career opportunity, recognition, work task, benefits, work/life balance and superior subordinate relationship while negatively related with pay.

### Work Environment and Satisfaction

The study done on the "impact of work environment on job satisfaction" (International Journal of Scientific and Research Publications, Jan 2014) indicates that workload, stress, overtime, fatigue, boredom are some of the factors to increase job dissatisfaction among employees. On the other hand good working condition, refreshment & recreation facility, fun at workplace,

health & safety facility increase the level of job satisfaction.

### Career Development and Employee Satisfaction

Study done on 'Impact of Career Development on Employee Satisfaction' (Journal of Management and Social Sciences, 2013) shows that Employees agreed they there are increased chances that they may leave their organization if they feel lack of career development activities. When organizations provide opportunities for growth and development of its employees such as when companies render different courses and educational sponsorships then employees are more satisfied with their jobs. Also when the employees are trained they perform better and get the appreciations for the work done that ultimately leads to increase in the job satisfaction. One of the findings also supports Walia & Bajaj (2012) that there should be a continuous mentoring by the seniors. According to employees, activities like the mentoring sessions by seniors should not be decreased as working experience is going to be increased. Mentoring/ coaching is an activity that is required at any type or level of job regardless of work experience.

## Compensation and Employee Satisfaction

Both financial and non-financial rewards compensation programs were executed to motivate, attract, reward and retain work force. (Berger 2000, 4) To avoid over expensive compensation programs, role of management is to think carefully on the parameters of how to compensate their employees and to keep them motivated. It is crucial to make work force feel that they are important and that management cares for their well being as well. Earlier compensation programs were sought to maximize internal equity in the respective payroll systems. Now companies stress on programs of compensating that are equitable among the employees, externally competitive and personally motivating. Today people tend to differ in views related of their personal compensation compared to the view of the management of the company. Also compensation can be categorized into financial or non-financial.

## Employee Performance and Satisfaction

After the Hawthorne studies (mentioned earlier), researchers started focusing at the critical aspect at the notion that a “happy worker is a productive worker”. In some cases, on organizations, with some managers and HR practitioners concluded that the relationship between job satisfaction and performance was trivial. However, further research disagrees with this conclusion.

## TANGIBLE BENEFITS OF JOB SATISFACTION

Some of the tangible ways in which job satisfaction benefits the organization includes reduction in absenteeism, turnover, terminations and complaints and grievances. Also with increase in job satisfaction there is increase in punctuality, morale of the worker, and an indication for employee longevity.

## MODELS OF JOB SATISFACTION

### Affect Theory

The theory is most famous in job satisfaction model. Edwin A. Locke's Range of Affect Theory (1976) states that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job.

### Dispositional Theory

The theory is a general theory that suggests people have innate dispositions that cause them to have tendencies towards a certain level of satisfaction, regardless of the job. It has been explained that job satisfaction tends to be stable over time and across career and jobs. Another model “The Core Self evaluation Model”, proposed by Timothy A. Judge in 1998 that determine one's disposition towards job satisfaction: self esteem, general and self efficacy, locus of control, and neuroticism.

## Two- Factor Theory

Frederick Herzberg's theory of two factors explains the satisfaction and motivation in the workplace. The theory states that satisfaction and dissatisfaction are driven by motivation and hygiene factors. Motivation factors include achievement in work, recognition, advancement, promotion opportunities. Hygiene factors include working conditions, supervisory practices, and company policies.

## Job Characteristic Model

Hackman & Oldham proposed the Job Characteristic Model, and states that there are five core job characteristics: skill variety, task identity, task significance, autonomy and feedback which impact three critical states: experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results which in turn influence the job outcomes: job satisfaction, absenteeism, motivation.

## RESEARCH METHODOLOGY

### Research Design in Study

The research is based upon five major parameters like Work Life Balance, Work Environment, Benefit, Career and Development, Relationship Management, Compensation and Perquisites and Overall Satisfaction. Design proposed for this study is descriptive in nature where it is concerned with factor affecting the satisfaction level of different individuals under the given situation.

### Data Collection

#### Primary Data

As the objective of this paper was to understand the real time factors that affect the satisfaction level of an employee a Questionnaire method has been used as the primary data tools for the collection of data. Under this method, set of questions were framed and survey has been conducted among the employees of the organization. Also in few cases direct personal interview was taken and a notepad is used to write the answers.

#### Secondary Data

For secondary data Company Standard Operating procedures (SOP), policies, web pages and books are referred to collect the required data.

Methodology used: Questionnaire [structured]

Sampling size – 457 respondents

#### Sampling Scale

Employee satisfaction survey questionnaire was prepared on the basis of certain parameters. Likert scale was used with the rating 1 to 5 represents strongly agree and represents strongly Disagree



### Mode of Survey

A designed Questionnaire was used for doing the survey. Apart from the likert scale method, the questionnaire also includes an Open Ended Question asking for the feedback.

Doctors were approached for the survey in the ICU, OPD and doctor's room.

For nurse employee, all the ICU, OT, day care, paediatric ICU, dialysis and LDR room, were approached for the survey filling.

The managers were approached at their respective departments like Finance, Operations, Administration, Housekeeping, IT, Marketing, HR, Security, Billing and Front Office.

For the staff employee they were approached in their respective departments, Cafeteria, CSSD, and Linen, technicians at Dialysis, ICU front office and call centre staff.

### Hypotheses for the Present Study

**Hypothesis 1:** There is significant relation between healthy work environment in the organization and employee satisfaction.

**Hypothesis 2:** Job security and work recognition has a positive relation with employee satisfaction.

**Hypothesis 3:** A healthy Relationship and communication with the senior/ Supervisor has a direct positive correlation with employee satisfaction.

**Hypothesis 4:** The timely rendering of pay and performance appraisal has a positive impact on employee satisfaction.

**Hypothesis 5:** High employee satisfaction leads to high job involvement and work productivity.

### DATA ANALYSIS & INTERPRETATION

In order to check whether the assumptions (Hypotheses) taken in the beginning of the study were correct or not, the information collected through employee satisfaction survey has been analyzed and corresponding interpretation is done using the SPSS Software.

The data obtained through survey is classified; coding is made followed by tabulation. Incomplete forms received are not considered for analysis. Forms received are kept in proportion of sampling plan. Using SPSS as a tool, the data has been entered and the respective tests have been performed like Correlation, Reliability, Independent t test and Anova

### INTERPRETATION & RESULT

#### Correlation

The table shows the analysis of the parameters of the employee satisfaction. 1 denotes a perfectly positive correlation between the same variable diagonally. Coefficient correlation lies between -1 and 1. It implies a perfect positive and perfect negative correlation. While correlating WLB with overall satisfaction and overall satisfaction with WLB shows same values.

**Table 1 - Descriptive Statistics, Correlations and Reliabilities**

Variables	No. of items	Mean	SD	Overall	WLB	WE	BE	CD	RM	COM	SAT
Overall	412	3.6845	.82683	1							
WLB	431	7.5522	1.42125	.149**	1						
WE	405	11.6420	2.36470	.534**	.275**	1					
BE	428	6.9790	1.91066	.420**	.261**	.519**	1				
CD	442	8.2081	2.37659	.288**	.181**	.292**	.274**	1			
RM	430	11.9419	2.55364	.508**	.254**	.445**	.396**	.269**	1		
COM	377	9.7294	3.81849	.479**	.269**	.612**	.443**	.252**	.430**	1	
SAT	313	55.9840	9.75056	.651**	.436**	.767**	.697**	.576**	.712**	.833**	1

### Reliability Analysis

The variables considered for the reliability analysis are Motivation, Pressure, Equipment, Safety, Job Security, Paid Leaves, Medical Benefit, Growth, Work Delegated, Recognition, Guidance, Communication, Compensation, Perks, and Performance Appraisal

**Table 2 - Reliability Statistics**

Cronbach's Alpha	N of Items
.834	15

**The Cronbach's Alpha:** It has value of .834 means the value is closer to 1 shows it is more reliable. Above .8 is considering being optimal. Thus it is acceptable and high level of reliability.

### Independent T-Test

All the variables taken in the correlation test are considered under the Independent T Test with respect to marital status. The difference in the mean satisfaction confidence scores for married and unmarried employee is studied under this test. The table shows in the first case of Work Life Balance that there are 233 Married employees and 170 unmarried employees.

Mean for married employee is slightly higher than the mean for an unmarried employee under the Work Life Balance

### Independent Samples Test Table

The Levene's Test for equality of variance the significant value under WLB is .476. The value .476 is higher than 0.05 so null hypotheses is not rejected.

**Table 3 - Relationship Between the Study Variables and Gender**

Variables	Gender	N	F Value	P value	T value
WLB	Married Unmarried	233 170	.509	.476	1.692
WE	Married Unmarried	218 160	5.011	.026	1.072
BE	Married Unmarried	236 166	.416	.519	.040
CD	Married Unmarried	237 176	1.590	.208	-1.955
RM	Married Unmarried	236 165	.020	.886	.590
COM	Married Unmarried	214 142	.519	.472	-.270
SAT	Married Unmarried	177 120	1.155	.283	.368

### One Way ANOVA

Anova table shows the analysis of the variance, analysis the variability amongst the mean and compares it

amongst the variability within each mean in terms of the individual within each group.

**Table 4 - Relationship Between the Study Variables and Employee Category ANOVA**

		Sum of Squares	Df	Mean Square	F	Sig.
WLB	Between Groups	23.769	3	7.923	4.005	.008
	Within Groups	844.806	427	1.978		
	Total	868.575	430			
WE	Between Groups	53.050	3	17.683	3.214	.023
	Within Groups	2206.036	401	5.501		
	Total	2259.086	404			
BE	Between Groups	85.841	3	28.614	8.237	.000
	Within Groups	1472.969	424	3.474		
	Total	1558.811	427			
CD	Between Groups	2.877	3	.959	.169	.917
	Within Groups	2487.974	438	5.680		
	Total	2490.851	441			

RM	Between Groups	58.882	3	19.627	3.053	.028
	Within Groups	2738.664	426	6.429		
	Total	2797.547	429			
SAT	Between Groups	825.372	3	275.124	2.948	.033
	Within Groups	28837.548	309	93.325		
	Total	29662.920	312			
COM	Between Groups	64.448	3	21.483	1.479	.220
	Within Groups	5417.955	373	14.525		
	Total	5482.403	376			

We can see that the significant level is greater than 0.05 (p- value) in the first parameter of work life balance, therefore there insignificant (no significant) difference between the Employee category and work life balance between the groups.

**Table 5 - Relationship Between the Study Variables and Employee Department-ANOVA**

		Sum of Squares	Df	Mean Square	F	Sig.
WLB	Between Groups	235.018	54	4.352	2.639	.000
	Within Groups	572.166	347	1.649		
	Total	807.184	401			
WE	Between Groups	485.753	54	8.995	1.806	.001
	Within Groups	1613.677	324	4.980		
	Total	2099.430	378			
BE	Between Groups	437.416	54	8.100	2.720	.000
	Within Groups	1027.522	345	2.978		
	Total	1464.938	399			
CD	Between Groups	120.441	54	2.230	.350	1.000
	Within Groups	2296.041	360	6.378		
	Total	2416.482	414			
RM	Between Groups	58.882	3	19.627	3.053	.028
	Within Groups	2738.664	426	6.429		
	Total	2797.547	429			
SAT	Between Groups	825.372	3	275.124	2.948	.033
	Within Groups	28837.548	309	93.325		
	Total	29662.920	312			
COM	Between Groups	64.448	3	21.483	1.479	.220
	Within Groups	5417.955	373	14.525		
	Total	5482.403	376			

We can see that the significant level is greater than 0.05 (p- value) in the parameter of Career and development, therefore there insignificant (no significant) difference between the Employee department and Career and development between the groups.

## DISCUSSION

The result shows that in an organization setting the employee when works with a satisfied blend of mind become asset to an organization. The employee considers the organization work setting as a crucial part of his life which not only enhance his own skills but also ensures a great career while staying in the organization for long. A satisfied employee looks meaning out of their work and wants to be a valuable contributor for the organization. An organization culture, policies and standard operating procedure defines how an employee with behave and operate in a formal setting and as the associated parameters like work life balance, equal opportunity for recognition and rewards are made keeping the employee needs and aspirations in mind, employee feels more engaged. Engagement not only gives better results in terms of performance but also employee work an extra mile when he/she is not being observed by his/her immediate boss.

In a healthcare industry where customers are the patients the employee (Doctor, Nurse) are the one associated highly to an individual life. Not only has the skill to operate the patient by also to show empathy towards them built the customer trust and feeling of security. When we talk about the managerial employee in a healthcare industry they are equally important to be satisfied with the work since they work as the pillar of a strong building.

All the parameters like motivation, handling of work Pressure, availability of Equipments, Safety and Security of Job, policies for Paid Leaves, Medical Benefit, Growth prospects, responsibility of work delegation, timely recognition, availability of guidance and communication, proper Compensation, Perks and timely performance appraisal are the key parameters associated with preparing the employee base which is not only productive but also align the organization goal with their personal goal. Fulfillment of the associated parameters of employee satisfaction creates a sense of belongingness with the organization.

The research conducted in a formal workplace setting where employee categories (Doctor, Nurse, Managers, and Staff) are surveyed. During the survey not any stone left unturned which gave more validated results at the end of the survey. Also other associated variables like Employee Age, Gender, Category, Department, Experience, Qualification and Marital Status gave an insight about each employee individual blend of mind with respect to each parameter of satisfaction. This also

helps to avoid skew of result for only a particular category but gave a wider perspective of different employee with a specified department, designation and experience. Also open ended question included in the questionnaire gave employee an opportunity to give feedback and suggestions with respect to their job.

The multi generation environment has become a new diversity challenge. The company now looks for new ways in order to relate with the employee of different age groups. Every generation bring their own indicators (cultures, ideas, values and practices) of satisfaction derived from their work. As the research conducted has surveyed employee of different age groups the results and feedback says need for serving each employee individually whether related to the number of hours on the job or providing a medical benefit. The feedback encompasses employee satisfaction, dissatisfaction and suggestions where for few it is the work culture, recognition for works matter the most while for other salary, infrastructure and quality of meal are important.

As mentioned in the literature about the Hawthorne study, Theory of scientific management and Maslow hierarchy survey results are inclined with the study in some way or the other. As in the case of Taylor's study of scientific management Taylor believed that all workers were motivated by money, and thus the idea of "a fair day's pay for a fair day's work." was promoted, similarly the survey shows the implication of the same in the parameter associated with compensation and perks. Also as per the feedback the employee claims the right to have timely salary and to be adequate as per seniority.

The research study validates all the associated parameters for the satisfaction. All the primary and secondary data collected shows a favorable implication on the tests conducted on SPSS. The hypotheses considered are met with the SPSS results depicting a significant correlation between variables.

## CONCLUSION

Employee satisfaction plays a key role in an organization and thus this project has been carried out in order to understand the satisfaction level of employees at each level in the organization. The key variables/parameters that were part of this study are work life balance, work environment, medical and leave benefits, Career and development and relationship management. The study conducted proves that absence of any of the parameter causes dissatisfaction among employees.

The research conducted confirms the hypothesis made for the study was in right direction. Also the parameters taken were taken after thorough study and the results show the impact of each of them in real time working environment. Also an open ended feedback received from

employees shows the employee interest in sharing their opinions and suggestions to the management at the higher level.

Summing up, the outcome of this study has helped to understand the employees individually. Also the

feedback shared by the employees can be considered as a trigger for change and all the corresponding gaps can be plugged for smooth functioning of the organisation and to enhance employee involvement and relationship.

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Organizational Behavior by Robbins and judge

### Magazine

People Matters edition (Apr, May, June editions)



# Case Study

## *Branding Opportunities and Challenges for Sports Management Programme in India in 21st Century*

**Key words:** Sports Management, Branding, Segmentation & Kolkata.

Supriyo Patra\*

### ABSTRACT

Sports and games helps in the all-round development of an individual's personality. Sports and games have come a long way from the amateurish set up to the modern day professional approach. It is offering career opportunities both on and off the field. It teaches us to be modest in victory and generous in defeat.

A leading educational group in the Eastern part of India initiated a three year full time Bachelor Degree program in Sports Management in 2005 under the affiliation of West Bengal University of Technology. The primary goal of this course was to churn out professionally trained sports manger to manage and run Indian sports in a more professional manner.

However, even after 10 years from its inception, the course did not receive the kind of response it was expected to get. This case study will first help in analyzing the Segmentation, Targeting & Positioning (STP) strategy adopted by the college. Thereafter, identify the reasons for low intake in Sports Management

Course and the reasons why the college failed to take the "First mover advantage" and finally suggesting a Branding strategy the college should embrace to promote the sports management course.

### INTRODUCTION

A foremost education group in Eastern India established in the 1920's was imparting different technical and vocational courses with an objective of providing employment opportunity to students belonging to middle class and lower middle class families.

In the beginning of the 21st Century a professional degree college was set by the same group under the affiliation of West Bengal University of Technology (WBUT) now known as Maulana Abul Kalam Azad University of Technology (MAKAUT) to conduct professional undergraduate courses like Bachelor in Business Administration (BBA), Bachelor in Computer Application (BCA), Bachelor in Hospital Management (BHM), Bachelor in Media Science (BMS), Bachelor in Travel and Tourism Management (BTM) etc. and MBA.

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This college got the distinction of being the first college to conduct a three year degree course in BBA and BCA under WBUT. Within a span of few years other undergraduate courses were also started. There were huge demands for BBA, BCA, BHM courses among prospective students.

### **MARKETING INITIATIVES**

The college authorities in their marketing communication endeavor mostly resorted to print advertising in English and regional language dailies prior to the admission season. In terms of Geographic segmentation apart from Kolkata and other districts of west Bengal, the authorities concentrated on other states from Eastern part of India like Bihar, Jharkhand as well as North eastern states like Manipur and Assam.

Even neighboring countries like Bangladesh, Nepal and Bhutan were also targeted. They also participated in various career fairs to promote the courses.

In order to connect with their target audience, the college representatives personally went to the above mentioned locations for students counseling and admission process. The college was achieving its goal of fulfilling the sanctioned seats as per university norms by adopting the above mentioned strategies.

### **SPORTS MANAGEMENT COURSE - LAUNCH & PRESENT STATUS**

Sports instill in us a spirit of “healthy competition, team work, managing stress and handling pressure”. In case of team game it brings out leadership qualities hidden in a player. It also teaches us to be “modest in victory and generous in defeat”.

It is clearly evident from across the globe that competitive sports are managed and run in a professional manner. However, in our country the concept of sports management has just started to make its presence felt.

In Indian context, on the academic front, professional degree courses on Sports management have been launched both at the undergraduate level as well as at the master’s level.

In the year 2005, the college once again got the distinction of being the first college in eastern India to start a three year full time Bachelor Degree Program in Sports Management under the affiliation of WBUT. It was a brain child and vision of the Director of the College to start the Sports Management course.

In the first year around 15 students were admitted in the course although the sanctioned intake as per university norms was 30 students. The course fee for three years was approximately Rs.1,00,000. The course was started with an objective of producing professionally trained sports managers to run and manage Sports and Games in India in

a more professional manner.

Apart from theoretical knowledge as per University syllabus, practical exposure were given to the students at different international sporting events like the Women Tennis Association Sunfeast Open, AFC Youth Football Championship, Commonwealth Games Summit, FIFA World cup Trophy Tour and national sports events like the IPL, IFA shield football tournament, Visit to the Tata Football Academy etc.



**Sports Management Students in Front of Tata Football Academy.**

Interactions with sports management experts from companies like Gameplan (Event partner of KKR during 2008 IPL), Globo Sports (owned by Mahesh Bhupathi), Celebrity Management Group (brought Maradona to Kolkata) were also organized. Interactive session with the Indian Football team was also organized in Kolkata.



**Sports Management Students in an Interactive Session with Sunil Chetri Captain of the Indian Football Team.**

The apex bodies that are running different sports in India have also realized the importance of introducing professionalism in their organization. When it comes to cricket, we are aware how Indian Premier League (IPL) is managed in a professional way by BCCI since its inception in 2008. Franchise based leagues have also come up in India in the recent years like the Hero Indian Super League for Football, Pro Kabaddi League etc.

The need for professionally trained sports manager is on the rise to successfully organize and manage sporting events of such magnitude. They will be required to wear multiple hats and take care of different activities starting from pre event planning, during the event organizing, coordination to post event prize distribution ceremony and cleanup activities and even looking after marketing, sponsorship issues and maintaining media relations.

In spite of all said and done, during the last 10 years the student intake never crossed 15 although the sanctioned limit is 30 as per University norms. For some years it even came down to a single digit figure.

### **QUESTIONS FOR CRITICAL THINKING**

1. Analyze the case and comment on the Segmentation, Targeting & Positioning (STP) strategy adopted by the college.
2. Why the college failed to take the “First mover advantage”? Identify the reasons for such low intake in Sports Management Course.
3. Suggest a Branding strategy the college should adopt to promote the sports management course in order to improve the student intake in the next academic session.

## *Book Review*

# *Consulting Start-up and Management - A Guide for Evaluators and Applied Researchers* by Gail V. Barrington

*London: SAGE Publishing, 2012. 296 Pp.  
(ISBN 978-1-4129-8709-7)*

**Binny Rawat\* & Madhuri Jha\*\***

In this competitive world, the businesses only want to focus on their core business rather than divert their resources in other minor areas. Therefore organization hires independent consultants for outsourcing peripheral activities of the business. The need for the consultants is hence arising at a fast pace. The book serves as guidance for setting up an organized consultancy business. Gail V. Barrington in the book talks about setting and managing new research consultancy business. Book discuss about the business aspect of the consultancy. It has explained very well the definition of consultants, how they manage their business, how they get business in the market.

This book is divided into three parts and subdivided into seventeen chapters. First part of the book is sub divided into five chapters explaining various types of skills required in the consultancy business.

Under first chapter the book discusses about the role of the consultants, the profile and recent trends in the market. According to the author consulting is one of the fastest growing industry under which employment rate would be increasing by 83% between the years 2008-

2018. Business and government have found it cost effective to hire consultants having experience and training in their respective fields. The author believes that the challenges faced by the consultants are like of Mickey Mouse swinging precariously on a vine over a group of hungry alligators.

Second chapter highlights personal characteristics of a consultant that is important to run a consultancy business: intellectual capacity, self confidence, adaptability, endurance and moxie.

Chapter three discovers some essential values that an independent consultant should have like an ethical stance: the ability to take decision in ethical dilemma, a social justice perspective, authenticity, collaboration: the benefit of collaboration is the creation of more opportunities and to enhance the reputation in the market and finally the lifelong learning: The approach of being never too late to learn.

The fourth chapter talks about five most important political skills that a consultant should be aware of:

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knowledge about the players, policy environment, and political dimension, power of communication and importance of time. The power of communication here refers to the timely updating the clients about the research project.

The chapter five talks about the survival of a consultant in the challenging world including four essential skills: be a reflective practitioner; nurture your inner artist i.e. Identify your creativity, conduct research for yourself something that interests you. Getting involved in your community is also a survival strategy pointed out by the author because that would be an excellent place to start with.

In the second part author has explained that skills required alone will not work for the consultancy, some major entrepreneurial skills are also required to start on your own. This part is divided into 6 chapters from six to eleven.

Sixth chapter is mentioning about how to get started with your business. It focuses on whether a consultant should initially have/not have an office (home office, separate office, shared space, leased space, small business incubator sponsored by a local chamber or a university or a business agency). The critical part in starting off a business is to define a name for your business.

Before initiating the actual business, Chapter seven focuses on a clear and flexible business plan. The author explores the ten topics that need to cover in the business plan: Title, Executive Summary, Industry overview, Business Venture, Market analysis (Target market), Marketing, Management, Operating, Financial plan, References which include key business advisors and finally appendices.

In chapter eight the author determines the very important dimension which shows the direct relationship between work and money. It highlights the calculation of fees for the project from the client, the number of hours for billable time, overhead expenses, start up cost, other monthly expenses, salaries of personnel and profit planning.

Chapter nine focuses on managing time so that a consultant can differentiate between billable and non billable time. For accurate time records, a day book, spreadsheet work book and project time sheets can be maintained.

The tenth chapter discovers the two important marketing secrets that states that a) many of the marketing activities may not result in obtaining a project and b) the independent consultants get most of the work through informal channels. Further the chapter unfolds the five different informal ways to get work, the eight different business networks. The chapter discusses the importance

of the referrals for the business generation. The author further allows the reader to learn to build the strategic alliances and encourage the repeat business, its advantages and disadvantages.

Here in chapter eleventh the author tries to bring out what happens before the consultant is hired. The author throws light on what client wants from a consultant, elements of a proposal and the critical component. She further discusses the types of proposal: the letter and the formal proposal. The readers get an idea about how to go ahead for a proposal, what steps they need to follow and what are the major areas that needs to be taken care of.

The third part of the book talks about developing the business management skills like managing money, managing people etc. Third part has 6 chapters from chapter twelfth to chapter seventeen

The twelfth chapter focuses on the financial aspect of the business. The reader would be able to understand the financial basics, ways to manage accounts payable and receivables and ways to prepare for a loan. The reader gets an idea about how to prepare a loan proposal and what are the key things that the banks will focus on.

The next chapter discusses the four ownership structures: sole proprietorship, partnerships, corporation and nonprofit corporation, their advantages and disadvantages.

In chapter 14, author discusses the five areas of risk that the independent consultants face: Risk associated with running a business, with property, with the negligence of duty, with quality of work and with health. The author further gives the guidance to manage these risks. In the later part, the author talks about the types of insurance to cover the critical risks according to the risk type stated earlier.

The fifteenth chapter highlights the difference between hiring contractors and full time employees. The two types of contracts are noted: verbal and written contracts, issues associated and reasons for using either of the contracts. The later part of the chapter discusses the major problem in contracts and ways to manage them, the mistakes that the consultant may make and the risk associated with it.

The most important thing for a business is the people. Sixteenth chapter gives the reader the idea to assess as to what they require in terms of the staff support, or in case whether they need staff or not. It further points out if at all they require the staff, what option they can consider: hiring contract based or full time staff, steps in the hiring process, ways to manage the present and new staff, identify the reasons as to why the employees leave and finally learn how to part with the employees on a good note.

Most of the firms are dependent on the ability to use



resource effectively and efficiently. Therefore knowledge management is necessary and would help if it is quantified. In the final chapter the author helps the reader to know about the benefits of the knowledge management, steps involved in developing a knowledge management system and the ways to translate this knowledge in the utility mode.

To conclude, the book is an excellent Guide for the start up consultants, where it takes the reader from zero level knowing about the consultancy to various essential skills

of a consultant and finally management of business skills. The author discusses about how to get started, setting of consultancy fees, managing time, money, people and risk efficiently in a simple and easy to understand style. The author has written effectively and not making it complex for the readers. Language is in logical order and in sequence, allowing the readers to understand easily. However, Book could also include the ways and means to attain the skills for setting up the consultancy business mentioned in the first part of the book.

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**In-text reference:** (Michaels & Balling, 2000)

Miller-Rushing, A. J., Primack, R. B., Primack, D., & Mukunda, S. (2006). *The satanic gases: Clearing the air about global warming*. Washington, DC: Cato Institute.

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### **Edited volume**

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Allen, L. (2004, August). Will Tuvalu disappear beneath the sea? Global warming threatens to swamp a small island nation. *Smithsonian*, 35(5), 44-52.

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