

**RESEARCH
PAPER / ARTICLE**

Franchisor-franchisee relationship – An exploratory study in the Indian scenario 1
Prof. Chithambar Gupta V, Dr. M. Hampanna, Bengaluru

Impact of Foreign Institutional Investment on Volatility of NIFTY & Sensex 11
Mr. Jnaneshwar Pai Maroor, Nitte

Correlation between Education & Earning in Mumbai 23
Mrs Seema Ukidve, Mumbai

*Visual Merchandising Demonstration's Outcome on Consumers:
An Appreciated Strength or a Redundant Load for Apparel Stores* 28
Prof. Manikee Madhuri Sharma & Dr S. Harish Babu, Bengaluru

Impact of ATM on Bank Performance 35
Ms. Piyusha Hukeri, Mumbai

Motives to choose Green marketing by Companies - A Conceptual Framework 39
Dr. K Tharaka Rami Reddy, Bangalore

*Impact of Performance Appraisal Method on Employee
Performance in IT enabled UCBs* 45
Prof. Bharti P Jagdale, Prof Gopa Das, Pune

An Insight on Consumer Protection in India 52
Adv. Rohini S Pandit, Mumbai

*Level of Customers' Satisfaction in Public Sector Banks in
comparison with Private Banks* 61
Laxman S. Sanap, Udaipur

**ENTREPRENEURSHIP
ELIXIR**

*Dr. Vithal Kamat Chairperson, Kamat Group of Hotels
in conversation with AIMSRS* 68

*Panel Discussion on Entrepreneurship at Entrepreneurship
Awareness Drive on October 17, 2015 at AIMSRS* 70

BOOK REVIEW

Superpower ? The Amazing Race Between China's Hare and India's Tortoise 72
Poor Little Rich Slum 74

ABOUT US

Aditya Institute of Management Studies & Research offers Post Graduate courses in Management Education like Masters in Management Studies (MMS) and Post Graduate Diploma in Management (PGDM). MMS course is approved by AICTE, DTE and affiliated to University of Mumbai. The PGDM course is approved by AICTE. With marvelous infrastructure, experienced and innovative teaching faculty, institute has entered in its second year with great motivation and enthusiasm.

AIMSR is an emerging and budding Management School with a mission to provide excellent quality of education to students that kindles creativity, encourages innovation and make them business ready managers. Our faculty members facilitate pedagogy through research and contemporary learning tools.

AIMSR envisions to be a research oriented B-School with emphasis on innovation and self leadership.

RANKING

Awarded the "B-School Leadership award" by Vijayavani National Education Leadership Award 2015

Ranked as the 'Top 5th Emerging B-School in India' by Times B-School survey 2015

Awarded as 'Best B-School who Innovates in Teaching Methodology' by DNA & Star Group in '7th Innovative B-School Awards 2015'

Ranked as one of the Best Institute for Innovative Teaching Techniques by Times B-School in a survey 2014 of 1500 Indian B-School

Ranked as one of the 11 reputed MBA Institutes in Mumbai by Mid-Day 'Biz-Whiz 2014'

Listed as one of the promising institutes by Education Times Management Vista 2014 for West Region

VISION & MISSION

Vision

To be globally-recognized international Business School of repute that will be the alma mater of sensible, responsible and ethically strong thought-leaders who will shape the global business arena.

Mission

To provide students with an excellent quality of education that kindles creativity, encourages innovation and makes them suitable for the business world, to provide faculty members with facilities to research, experiment and implement contemporary learning tools.

From the Editor-In-Chief Desk

Dear Reader,

The Volume II, Issue II of SHODHADITYA is a fact. Looking back at the earlier issues we can't be anything but proud.

Large number of manuscripts were submitted and received through a system that functions on a professional level. The members of the editorial board are becoming more aware of their individual tasks and greater plans are being made for the future of Shodhaditya.

This, however does not mean that we are fully developed. Although the evolution has taken with help of faculty members, in the coming days we plan to involve corporate members and students as well. For this, we need help of the fraternity at large as you will make this journal a success by regularly sending in the quality manuscripts and reading the work of fellow members. But let us not forget all the others who read it.

Our aims are unchanged, we want to publish a high quality management journal for all the stakeholders.

'Enjoy the read'. I look forward to your views and valuable contributions!

Prof. (Dr.) Manoj Bhatia
Director
AIMSR

Foreword

Arindam Mukherjee- Director - Banking & Financial Services at Cisco India & S.A.A.R.C.

Congratulations to Aditya Institute of Management Studies & Research for coming out with Volume 2, Issue 2 of “Shodhaditya”. The articles in this journal are a reflection of mingling of academic and theoretical perspectives. This journal will provide the readers an overall knowledge about the recent trends in research across various domains.

I wish the Research Team of “Shodhaditya” all success in their future endeavours.

ADVISORY BOARD

Dr. N Rajendhiran

Dean Humanities and Social Sciences &
Director, Periyar Institute of Management Studies,
Periyar University - Salem, India

Mr. Arindam Mukherjee

Director, Banking & Financial Services
Cisco India & SAARC

Mr. Koushik Majumdar

Director, Industry Strategy & Insight
Oracle India

Mr. Avinash Oza

Head- Activation & Events
Mahindra & Mahindra

Dr. Jyotsna Haran

Royal College of Arts, Science & Commerce
Mumbai

EDITOR-IN-CHIEF

Dr. Manoj Bhatia

Director, AIMSRS

EDITOR

Prof. Baisakhi Mitra Mustaphi

Assistant Professor, AIMSRS

Aditya Institute of Management Studies & Research

Aditya Educational Campus, R.M. Bhattad Road, Ram Nagar,
Borivalli (W), Mumbai 400092

Tel: 022 - 6110 6111/6110 6112, E-mail: research.aimsrs@gmail.com, research@aimsrs.com

Web: www.aimsrs.edu.in

RESEARCH PAPER / ARTICLE

Pg. No.

- **Franchisor-franchisee relationship –
An exploratory study in the Indian scenario** 1
- Prof. Chithambar Gupta V, Dr. M. Hampanna, Bengaluru

- **Impact of Foreign Institutional Investment
on Volatility of NIFTY and Sensex** 11
- Mr. Jnaneshwar Pai Maroor, Nitte, Mangalore

- **Correlation between Education & Earning in Mumbai** 23
- Mrs Seema Ukidve, Mumbai

- **Visual Merchandising Demonstration's Outcome on
Consumers: An Appreciated Strength or a
Redundant Load for Apparel Stores** 28
Prof. Manikee Madhuri Sharma, Punjab & Dr S. Harish Babu,
Bengaluru

- **Impact of ATM on Bank Performance** 35
- Mr. Piyusha Hukeri, Mumbai

- **Motives to choose Green marketing by Companies -
A Conceptual Framework** 39
- Dr. K Tharaka Rami Reddy, Bangalore

- **Impact of Performance Appraisal Method on Employee
Performance in IT enabled UCBs** 45
- Prof. Bharti P Jagdale, Prof Gopa Das, Pune

- **An Insight on Consumer Protection in India** 52
- Adv. Rohini S Pandit, Mumbai

- **Level of Customers' Satisfaction in Public Sector banks in comparison with Private Banks** 61
- Mr. Laxman S. Sanap, Udaipur

ENTREPRENEURSHIP ELIXIR

- **Dr. Vithal Kamat, Chairperson, Kamat Group of Hotels** 68
in conversation with AIMSRS
- **Panel Discussion on Entrepreneurship at Entrepreneurship Awareness Drive on October 17, 2015 at AIMSRS** 70

BOOK REVIEW

- **Superpower? The Amazing Race Between China's Hare and India's Tortoise** 72
- Prof. Srinjay Sengupta, AIMSRS, Mumbai
- **Poor Little Rich Slum** 74
- Prof. Charushil Tayshete, AIMSRS, Mumbai

Franchisor-franchisee relationship – An exploratory study in the Indian scenario

Prof. Chithambar Gupta V
Associate Professor,
School of Management,
Reva University, Bangalore
vcgupta@revainstitution.org

Dr. M. Hampanna
Professor, S K Institute of Management,
Sri Krishnadevaraya University, Anantapur
hampannamudigal@yahoo.co.in

Abstract:

Purpose – This paper attempts to explore the key factors that are responsible for franchisee satisfaction and performance in Retail franchising. The purpose of this exploratory study was to investigate and evaluate the franchisor inputs and the franchisor-franchisee relationship from the franchisees' perspective.

Design – Data was collected using a survey of franchisees in the retail industry in Bangalore. The questionnaire was drawn from a multi-stage process involving extensive review of literature and in-depth interviews. After pilot testing and validation by the experts, it was administered to 58 franchisees that were selected based on convenience sampling.

Findings – The findings suggest seven key franchisor inputs that can contribute for franchisee satisfaction: Brand Value, Training, Operational Support, Communication, Contractual Integrity, Financial Returns and Freedom of Operation. Franchisees were generally positive about franchise brand. It is suggested that franchisors do more of local marketing, promotion & training along with returns.

Implications – Retail franchisors should be able to evaluate the quality of services provided by them and analyze the areas of improvement. The whole study was designed around the franchisee as the epicenter and the franchisor perceptions have not been considered.

Originality – There is a need to do an in-depth study on Franchising in India. This is one such empirical study done in the Bangalore region. It adds to the existing literature on Franchising in India and contributes to the success of franchising as a business model.

Key Words : Franchising, Franchisor-franchisee relationship, Retail, Satisfaction.

1. Introduction

Franchising is one of the world's fastest growing and most lucrative industries. Franchising offers, people who lack business experience, the chance to own and operate a business with a high probability of success. Franchising can be described as a contractually based business arrangement between the franchisor, who develops a product or service, and the franchisee, who buys the right to use the franchisor's trade name and sell that product or service. In a franchisor-franchisee relationship, the franchisee is granted the right to use the franchisor's product / service, system of distribution and trademark (Khan¹, 1992). The franchisors charge fees and royalties, from the franchisees, in exchange for the services provided by them. Franchisees purchase the franchisor's experience in the form of a successful business model.

Franchising is built on an ongoing relationship between a franchisor and a franchisee. The relationship between the franchisor and the franchisee is critical to the success of the individual franchise, as well as to the success of the franchise system. The franchisor-franchisee relationship is formalized by contract, which extends from three to twenty years.

Franchisors hand holds the franchisees in developing business. Franchisors assist franchisees begin their operations by helping with financing, site selection, lease negotiation, training, and store openings. On a continuing basis, franchisors may provide franchisees with data processing, inventory control, retail unit evaluation, newsletters, regional or national meetings, and telephone hotlines. These services are utilized by franchisors to control, monitor, and support franchisees' performance, and in these ways minimize problems in their relationships with franchisees.

Franchisees benefit from the franchisor's business experience. In fact, experience is the essence of what a franchisee is buying from the franchisor. A franchisor has climbed up the learning curve and can share with franchisees the secrets of success that he or she has discovered in the industry. One of the basic tenets of franchising is cloning the franchisor's success.

The ideal franchisor-franchisee relationship is one built on mutual trust, consideration, and cooperation, and is vital for the success of both parties in developing a win-win relationship. The termination of a franchisor-franchisee relationship has many implications both for the franchisor & franchisee. The implications of the franchisor-franchisee have yet to be fully explored, and that a better understanding of the factors that produce a high-quality relationship between franchisor and franchisee would be beneficial to both parties.

Franchising has proved its viability in the U.S economy. In India, Franchising is still in nascent stage and has seen the growth that has been witnessed in western countries. The premise for such a slow growth is that the Indian franchisors are not doing a good job in hand-holding the franchisees and assisting them in a proper way. This study aims to explore the franchisor - franchisee relationship in the Indian context.

2. Brief History

2.1 The Global Scenario

Franchising activities have been very successful in the West, particularly in the US, after the 1960s. Franchising emerged as a significant way of doing business in the second half of the twentieth century, and continued to expand during the 1980s and 1990s, becoming a major force in the United States' economy.

McDonald's is the greatest success story of franchising business model. McDonald's was founded by Ray Kroc in 1955. Including the U.S. and foreign restaurants, McDonald's alone serves 47 million customers daily at its 30,000-plus restaurants, which employ 1.5 million people and earn a total of \$41 billion annually. KFC, founded by Colonel Harlin Sanders, runs over 10,000 outlets.

Today approximately 3000 franchisors operate nearly 3,50,000 franchise outlets in the US. Approximately one in every 12 retail establishments is a franchised business. In fact, a new franchise opens somewhere in the world every eight minutes. Franchises account for 44% of all retail sales, totaling more than \$1 trillion, and they employ 1 in every 16 workers in the US in more than 100 industries.

There are 1.5 million franchised outlets, accounting for approximately one-third of all US retail sales. Franchising is growing at roughly 6% per year, with franchises replacing independent businesses in industries as diverse as fast food, banking and internet services.

2.2 The Indian Scenario

Franchising, as a way of expansion in India was little known till the 1990s. But ever since the liberalization in 1991, in India too, the franchised businesses are increasing both in number and proportion. Multinationals and national players are implementing franchise models to achieve their strategic growth targets in the Indian economy. While franchising in the US was initiated by the fast food industry, in India it was IT Education industry that led to its evolution.

India has a very great potential for franchising in organized retail. Franchising is beginning to assume importance in India. Today, the Indian franchising industry is estimated to be around Rs. 10,000 crore with about 1,500 homegrown franchisors and is growing at a rate of 25 percent annually. (Gaurav Marya², 2012)

Many Indian franchisors have adopted the route of franchising for their expansion successfully.

Few major franchisors in India are Bata, NIIT, Apteck, Apollo Hospitals, Titan Watches, VLCC, & Shahnaz Husain. The other names include Talwalkar's, Delhi Public School (DPS), Euro Kids, Kidzee, planet Kids, Little Millenium, Dr. Batra's Homeopathy, Peter England, John Players, Goli (Vada Pav), Gini & Jony and Planet Kids.

Many multinational companies have started their operations, through franchising, and are also expanding very aggressively. Some of the notable

names include – McDonald’s, Pizza Hut, KFC, Pizza Corner, Domino Pizza, Shell, Reebok, Levis, Lee, Adidas, Pepsi, Coke, Blue Dart, DTDC, DHL, Safexpress, United Parcel Service (UPS), The Sheraton and Ramada Inn.

The major chunk of the franchising cake here is cornered by the education sector at 40%, followed by retailing at 30%, food and beverage at 12%, healthcare at 10%, and professional services at 8%.

3. Need for the Study

In a franchising relationship, both the parties – the franchisor & the franchisee - have different objectives in the relationship. Franchisee satisfaction is vital for the success of the franchise system. To contribute to the success of the franchise, it is necessary to ensure that franchisees are satisfied with the performance of the franchisor.

Because the franchisor is risking his brand reputation, contracts specify the franchisee obligations very explicitly, but may not clearly specify the franchisor’s obligations. There are many cases of allegations of franchisor misconduct or the failure of the franchisor to deal in good faith. Due to dissatisfaction with his franchisor, when contracts expire and the franchisee chooses not to renew the contract, then years of relationship with the franchisor may be destroyed.

With years of experience in the business and an established brand, the franchisor is expected to handhold and mentor his franchisees’, throughout the business cycle. The franchisee looks up to his franchisor for advice, guidance, training, customer network and help in many matters pertaining to business, so that he need not reinvent the wheel, all over again. So, there is a very important leadership role to be played by the franchisor, in helping and taking along all the franchisees’ in the system towards a common successful goal.

With no clear franchise law in India for their rescue, the franchisees are left to fend for themselves in the market place. It is clear that a better understanding of the factors that produce a high-quality relationship between franchisor and franchisee have to be fully explored, especially in the Indian context. There is a need to do an in-depth study on Franchising in

Bangalore. The purpose of the research is to investigate the factors that contribute to the success of franchise systems in the franchising business model.

4. Objectives of the Study

The research objectives of the study are:

1. To analyze the factors that result in the success of the franchisee
2. To determine the franchisees’ perceptions towards Brand Value of the Franchise, Training & Knowledge Transfer & Operational Support among retail franchisees in Bangalore
3. To determine the franchisees’ perceptions towards Communication & Feedback, Contractual Integrity & Trust, Financial Returns & Freedom of Operation
4. To determine the franchisees’ satisfaction levels, financial performance and commitment to the franchise system
5. To determine the franchisees’ perceptions towards the overall relationship as a whole

5. Research Methodology

Both Secondary data and Primary data were used for the above study.

5.1 Secondary Data

Secondary data was collected from published books on ‘Franchising’, recent articles published in International and Indian media, publications, Journals and conferences. The data collected is presented in the form of ‘Review of Literature’.

5.2 Review Of Literature

To date, little research exists on the factors influencing franchisees’ success and determination to continue in the franchise system, in India. Much of the research in this area is done in US and other developed countries. In India, this area is not widely studied yet.

Nerilee Hing³ (1995) based on an empirical study conducted on 127 franchisee owner managers, in Australia, has identified a set of ‘Initial franchisee support services’ and ‘Ongoing franchisee support services’ contributing to franchisee satisfaction. The

study concluded that both initial and ongoing support services by the franchisor contribute to satisfaction & commitment of the franchisee.

An empirical study, by Kimberely A. Morrison⁴ (1997), done on 307 US franchisees in four industries has showed a very strong positive correlation between franchisee satisfaction and performance, organizational commitment, franchisor relations & intentions to remain.

The importance of communication has been emphasized by many research findings. Joseph R. Kane Jr⁵ (2001) has noted that the key to good franchise relations is keeping channels of communication open and receptive to help achieve understanding.

The failure rate of franchisee business units over a three-year period is around 7% whereas the failure rates for non-franchised businesses are reportedly much higher. In a study done in New Zealand, (John Paynter & Tiru Arthanari⁶, 2001) it was found that there is a gap between how the franchisors and franchisees see their systems. The communication gap, between both the parties, can be closed with the use of technologies like internet.

According to a comparative study done between US & Finland Franchisee's satisfaction levels (Franck Wadsworth⁷ et al., 2004), the US franchisees were more satisfied than Finnish franchisees with the financial, entrepreneurial control, communication & franchise contract dimensions. The authors also suggested that cross-cultural differences in different countries should be considered while comparing different countries.

According to a comparative study done between US & Finland Franchisee's satisfaction levels (Franck Wadsworth¹⁴ et al., 2004), the US franchisees were more satisfied than Finnish franchisees with the financial, entrepreneurial control, communication & franchise contract dimensions. The authors also suggested that cross-cultural differences in different countries should be considered while comparing different countries.

In a study conducted in Taiwan, it was discovered (Jyh-Shen Chiou, Chia-Hung Hsieh, and Ching-Hsien Yang¹⁵, 2004) that communication is very

important for the franchisees' satisfaction. The study developed and empirically tested a model examining the factors responsible for franchisees' overall satisfaction and concluded that, 'franchisor competitive advantage' is a very important factor for the success of the franchise system.

Firdaus Abdullah⁸ et al. (2006) conducted a research study on franchisee satisfaction in academic franchising. The study was done in Malaysia over a sample of 68 franchised colleges. The research identified five areas that are important for franchisee satisfaction, in academic franchising. The five factors suggested are: Competence, Assurance, Service support, Financing & social interaction.

A. Berndt⁹ (2009) conducted a research on franchisees satisfaction levels in their current franchise system among food franchisees in South Africa. The study concluded that a majority of franchisees (93.5%) rated their franchise system as average or better. The areas of concern were related to the training offered to the franchisees and financial expectations.

Anil Saraogi¹⁰ (2009) has done a study (among the first studies in the Indian context) about the selection criteria used by the franchisors in the selection of potential franchisees. The study has empirically demonstrated that the franchisors should select the franchisees that are more cooperative and less opportunistic for a successful relationship.

According to Greg Nathan¹¹ (2010), the franchisor-franchisee relationship is both "an art and a science". There are predictable patterns in the franchise relationship and proven strategies that franchises and franchisors can adopt to manage their relationships very effectively.

It was found (William R. Meek¹² et al., 2011) that collaborative communication has a strong positive correlation to commitment and a negative correlation with propensity to leave the relationship.

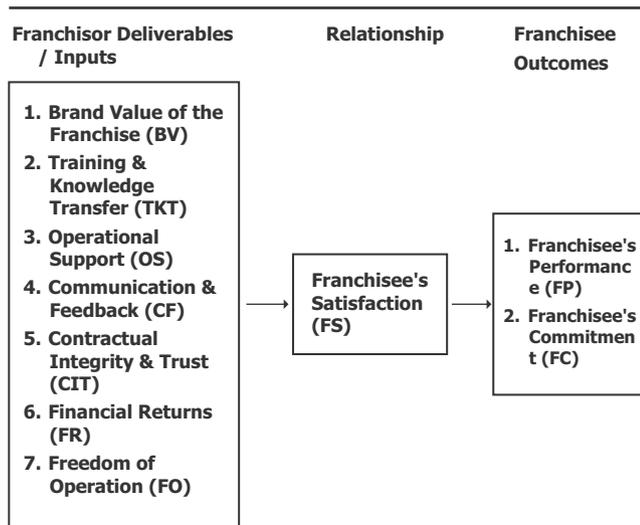
Selection of good franchisees is very important for the franchisors. The franchisors look for the following attributes in their potential franchisees in the same order: Loyalty to franchisor, management capability, willingness to work hard, and previous experience in a related business (J. M. Ramírez-

Hurtado16 et al, 2011)

6. Model

Interviews with subject matter experts comprising Franchise consultants, Franchisors and academic experts were conducted. The exploratory interviews with the franchisees were conducted to solicit the most important services assistance expected from their franchisor. Based on findings in the literature, discussions with specialists, interviews / informal chats with few franchisees / franchisors and suggestions obtained from respondents participated in the exploratory interviews, the relationship model is developed. A conceptual framework was developed with the following 10 factors that are important in a franchisor-franchisee relationship:

CONCEPTUAL FRAMEWORK OF FRANCHISOR - FRANCHISEE RELATIONSHIP



5.3 Primary Data

An exploratory study was conducted to collect primary data using a sample size of 58. Convenience sampling method was adopted for the study. Franchisees contact details were known through personal contacts, network of friends, relatives, students, neighbors and personal acquaintances, in Retail Industry, from Bangalore City.

5.4 Data Collection

Questionnaire Design

Keeping in line with the guidelines by Malhotra¹⁷ (2004) and other prominent authors, the questionnaire instrument of data collection for this survey research was developed. The questions were designed to tap the franchisees' perceptions of the relationship with his franchisor. The questions are framed in very simple, easy to understand language for the respondents. Some of the statements are negatively-phrased so as to break the monotony. The franchisee survey forms measures the 10 factors, with 3 questions framed for each factor, in the model using 30 questions.

The data regarding the respondents profile is contained in the demographic section of the questionnaire. Certain demographic questions like Name, Age, Education, Name of Business, Nature of Business and Age of franchisee outlet were also asked to distinguish the different perceptions of the respondents based on their background profile. Some open-ended questions about likes, dislikes and suggestions are also included in the questionnaire.

Measures

Each question in the questionnaire is written in the form of a statement for which the respondent has to give his level of agreement. The measures tapped the franchisees' perceptions of the relationship with his franchisor. The scale used is a five point Likert scale for all the statements. Respondents were asked to rate each item on a five-point scale ranging from 1, "Strongly Disagree" to 5, "Strongly Agree."

Pre-testing of the questionnaire

Before the formal study, the survey instrument was pre-tested with 10 franchisees to assure that survey questions were clear and were not confusing regarding the wording or descriptions or measurement scales.

Data collection

In this study, the data was collected, predominantly, through personal interviews and also with the use of an electronic (Web-based) questionnaire. Potential respondents (franchisees) were selected, based on convenience, and contacted to ask for their consent and participation. If that franchisee agreed to participate in the study, data was collected by means of face-to-face interviews with the respondents. The

respondents were guaranteed that all answers will be confidential and will be used for academic research only. The data submitted by the respondents was saved in an Excel sheet.

Data Analysis

The survey responses were coded and analyzed using Excel & SPSS. All negatively-phrased statements were recoded in order to facilitate comparison.

Demographic Profile of Respondents

Majority of the franchisees were male (95%) in the age group of 25-45 (mean = 29). The education background of the franchisees ranged from SSLC to MBA with a majority of them (60%) having a bachelors degree. Majority of the franchisees (80%) were into the retailing of fashion apparels, the other (20%) were into the business of retailing footwear. Half of them were dealing with MNC brands while the remaining 50% were dealing with Indian brands. 20% of them were into the business for less than a year were as a majority 40% were in the business for more than 3 years.

Brand Value of the Franchisor

From the responses received it can be seen that, most of the franchisees feel that the franchisor's brand name helps them in their business and are satisfied with the franchisor's brand image (mean = 4.1). But 40% of the respondents believe that they can run the business even if they leave the franchise system (mean = 3.95; SD = 1.01). Many franchisees have a pride in the brand they have chosen. The findings are shown in Table 1.

Table 1:

	Brand Value of the Franchisor	Mean	Standard Deviation
1	My franchisor's brand name helps my business.	4.10	0.89
2	I am satisfied with the image of my franchisor's brand name.	4.10	0.83
3	If I leave this franchise system, our customers will still come back to my store. ®	3.95*	1.01

* recoded

Training & Knowledge Transfer

In general the franchisees are happy about the

assistance they received in designing the facility (mean = 4.00). When it comes to the training provided by the franchisor, 62% of the respondents feel that they have received an excellent training, (mean = 3.86) and 67% feel that they have been instructed how to use the operation manuals (mean = 3.95).

Table 2:

	Training & Knowledge Transfer	Mean	Standard Deviation
1	My franchisor has assisted me in designing the facility & in-store displays.	4.00	0.84
2	My franchisor has offered an excellent training programme to me.	3.86	1.11
3	The franchisor instructs us how to use the operation manuals.	3.95	0.81

Operational Support Services

Respondents were asked questions about the support services they get from their franchisor. Majority of the respondents (43%) were not happy with the marketing and promotion activities done by their franchisor in promoting their brand (mean = 3.62). Overall the support provided by the franchisor was not rated very high by the respondents (mean = 3.33). The findings are presented in table 3.

Table 3:

	Operational support services	Mean	Standard Deviation
1	The franchisor helps with purchasing supplies, assortment & stocking.	3.95	0.92
2	The franchisor helps the store in local marketing & promotion.	3.62	1.11
3	I have to do the business on my own, with no help from my franchisor. ®	3.33*	0.81

*recoded

Communication & Feedback

The franchisees get a prompt response for their phone calls & e-mails (mean = 4.24) and they are also clear about the terms in the contract (mean = 4.38). Regarding the franchisor's feedback on franchisee performance, 33% of the respondents rated it to be

poor (mean = 3.76). The findings are presented in table 4.

Table 4:

	Operational support services	Mean	Standard Deviation
1	The franchisor helps with purchasing supplies, assortment & stocking.	3.95	0.92
2	The franchisor helps the store in local marketing & promotion.	3.62	1.20
3	I have to do the business on my own, with no help from my franchisor. ®	3.33*	1.24

Contractual Integrity & Trust

Franchisees believe that the franchisor always acts according to the terms in the contract (mean = 4.24) and the information provided by the franchisor can be believed (mean = 4.19). Majority of the respondents (85%) had trust in their franchisor that the royalties will be calculated in a fair manner (mean = 4.19). The findings are shown in table 5.

Table 5:

	Communication & Feedback	Mean	Standard Deviation
1	My franchisor gives prompt response to my phone calls and e-mails.	4.24	0.63
2	The franchisor provides us with a lot of feedback on our performance.	3.76	0.76
3	The terms of my franchise contract are clear to me.	4.38	0.59

Financial Return:

Respondents were asked questions regarding their perceptions about their expectations about the financial returns in the system. Franchisees feel that they get a good return with low risk (mean = 3.76) and the advertising fees paid by them are reasonable (mean = 3.81). The findings are presented in Table 6.

Table 6:

	Contractual Integrity & Trust	Mean	Standard Deviation
1	The information provided by the franchisor can be believed.	4.19	0.68
2	The franchisor always acts according to the terms in the contract agreement.	4.24	0.7
3	My franchisor calculates the sales & royalties in a fair manner.	4.19	0.68

Freedom of Operation

Questions regarding entrepreneurial control were posed to the franchisees, and the results showed varied responses. A majority of respondents (50%) say that they cannot utilize their entrepreneurial abilities fully in this business (mean = 2.76). The franchisees also perceive that the franchisor gives them freedom and independence in running the business (mean = 4.38). The findings are shown in Table 7.

	Financial Return	Mean	Standard Deviation
1	My franchisor provides a good return on my investment at a low risk.	3.76	0.77
2	The amount of franchise fees & royalties I pay, are not high.	4.05	0.67
3	The marketing fees and advertising fees are reasonable.	3.81	0.60

Franchisees' Satisfaction

A whopping 95% of the franchisees have a very satisfying relationship with the franchisor (mean = 4.38). Majority of the franchisees' (81%) are happy about their decision in choosing the franchise system (mean = 4.19). The findings are presented in Table 8.

Table 8:

	Franchisee's satisfaction	Mean	Standard Deviation
1	I am happy about my decision to choose this franchise system.	4.19	0.87
2	My franchisor shows a genuine interest in me as a franchisee.	4.33	0.79
3	The overall relationship between my franchisor and me is very satisfying.	4.38	0.59

Franchisees' Performance

A majority of the franchisees (90%) rate their own performance to be very good (mean = 4.33). They perceive that the income from the franchise is more than a small independent business unit (mean = 3.81). The findings are shown in Table 9.

Table 9:

	Franchisee's Performance	Mean	Standard Deviation
1	The amount of income I get from working as a franchisee is what I expected it to be.	3.76	0.89
2	My sales & profits are more as a franchisee than as a similar small independent business.	3.81	0.60
2	I think the quality of my own performance in my business is very good.	4.33	0.66

Franchisees' Commitment

Questions regarding franchisees commitment to the franchise system were posed to the respondents. Franchisees are willing to renew the contract after the expiry of the contract (mean = 4.19), but a considerable 45% of the respondents are not willing to comply with any type of request from the franchisor to keep their contract (mean = 3.57). The findings regarding commitment are shown in Table 10.

Table 10:

	Franchisee's Commitment	Mean	Standard Deviation
1	I am planning to quit this business in the next 1-2 years. ®	3.57*	1.29
2	I would comply with almost any type of request from my franchisor in order to keep my contract.	3.57	0.98
2	I will renew my contract after the expiry of the present term.	4.19	0.93

* recoded

Summary Values in each area

Further analysis was carried on all the factors, by calculating the summary values for all the factors. The reliability of all the factors was measured using Cronbach's Alpha Coefficient. The Cronbach's Alpha Coefficients for the factors were generated using SPSS tool and was found to be above 0.70 for all the factors. The findings are presented in Table 10. The findings show that the franchisees have a high level of overall satisfaction with their franchisor (mean = 4.30). The franchisees are also positive about the factors 'Contractual Integrity & Trust' (mean = 4.21), 'Communication & Feedback' (mean = 4.13), 'Brand Value of the Franchisor' (mean =

4.05). There appears to be scope for improvement in the factors 'Operational Support Services' (mean = 3.63), 'Financial Return' (mean = 3.87) and 'Training & Knowledge Transfer' (mean = 3.94).

Table 10:

S.No	Factors	Mean Value
1	Brand Value of the Franchisor	4.05
2	Training & Knowledge Transfer	3.94
3	Operational Support Services	3.63
4	Communication & Feedback	4.13
5	Contractual Integrity & Trust	4.21
6	Financial Return	3.87
7	Freedom of Operation	3.78
8	Franchisee's Satisfaction	4.30
9	Franchisee's Performance	3.97
10	Franchisee's Commitment	3.78

7. Conclusions & Suggestions

Franchisee satisfaction is vital for the success of the franchise system. The study has identified seven key franchisor inputs that can contribute for their satisfaction:

Brand Value of the Franchise, Training & Knowledge Transfer, Operational Support, Communication & Feedback, Contractual Integrity & Trust, Financial Returns and Freedom of Operation.

Franchisees who participated in the survey have shown a lot of satisfaction with their current franchisor. But some areas of dissatisfaction were observed, which need to be worked upon for the healthy growth of the relationship and the success of franchising as a business model. Franchisees were generally positive about franchise brand. It is suggested that franchisors continue to actively support the brand, as franchisees have high levels of pride in the franchise brand with which they are associated. Franchisors should come up with more product innovations and promote the brand even more aggressively. It has been observed that the franchisees' expectations of the financial return from

the franchise may be unrealistic. Franchisors have to educate their franchisees about the value they receive and also to make the expectations more realistic. Communication between franchisees and the franchisor is vital to keep the relationship in good spirit. Franchisors have to keep all their channel of communication open, frequent and useful with regular interactions. The franchisors should give regular feedback about their franchisees' performance. Communication should remain a focus of all franchisor activities. Franchisors should ensure that the initial and ongoing support services that are provided should be given prime importance for strengthening the franchise system. Majority of the franchisees were not happy with the marketing and promotion activities carried by their franchisor. Franchisors have to support their brand with more advertising and promotional activities, both at the national and local level. Franchisors should also train their franchisees in the business process and ensure complete knowledge transfer.

7. Limitations

1. A limitation in this study is that the validity of the data collected is a consequence of the respondents' understanding of the questions and willingness to answer them honestly. Invalid data may be collected in any survey because the questions may be misunderstood, or the respondents may not be truthful in answering the questions for fear of

disclosure.

2. The scope of the study is limited to the city of Bangalore and the surrounding area and to retail industry.

3. The surveying process will be able to give only a snap shot of how franchisees perceive their attitudes and behaviours. Ideally, a survey seeking information such as this would be longitudinally based with separate surveys taken at different points in time so that past results could be compared over the time.

8. Further Research

1. Due to small number of respondents, a repeat of this study with a larger sample size is necessary to gain a better understanding of franchisee satisfaction.

2. Similar study may also be conducted in other parts of the country and other industries to have comparative observations across geographies and industries.

3. The whole study has been designed around the franchisee as the epicenter. However, it must be recognized that the behaviours of franchisors are also influenced by the behaviours of their franchisees. Evaluation of franchisor's perspective is also necessary in order to have a complete picture of the franchisor-franchisee relationship.

References

1. Khan, M. A. (1992). *Restaurant Franchising*, New York, NY, Van Nostrand Reinhold.
2. Gaurav Marya (2012), *Franchising – The Science of reproducing success*, 5/e, FIHL Publications.
3. Hing, Nerilee (1995). "Franchisee Satisfaction: Contributors and Consequences", *Journal of Small Business Management*, April, vol. 33, no. 2, pp. 12-25.
4. Morrison Kimberley, (1996). "An Empirical Test of a Model of Franchisee Job Satisfaction", *Journal of Small Business Management*, 34(3): 27-42.
5. Joseph R. Kane Jr, (2001). "Communication: The Road to Solid Franchisee Relations", *Franchising World*, January / February, 2001, 28-30.
6. John Paynter and Tiru Arthanari, (2001). "Determinants for Franchise Success", Department of Management Science and Information Systems, University of Auckland, 2001.

7. Wadsworth, Frank H., Mika Tuunanen, and Doug Haines, (2004). "A Comparison of Finnish and United States Franchisee Satisfaction", Chapter in Josef Windsperger, et al. editors. 2004. Economics and Management of Franchising Networks, Springer-Verlag, New York.
8. Firdaus Abdullah, Mohd Rashidee Alwi, Nagarajah Lee, Voon Boo Ho, (2008) "Measuring and managing franchisee satisfaction: a study of academic franchising", Journal of Modelling in Management, Vol. 3 Issue: 2, pp.182 – 199.
9. Berndt, A. (2009) "Franchisee satisfaction among food franchisees: an exploratory study", Southern African Business Review, Vol.13, No.1, pp. 1-20.
10. Saraogi, Anil. (2009). "Exploring Franchisor / Franchisee Relationship: Building a Predictive Model of Franchisee Performance", VISION – The Journal of Business Perspective, Vol. 13, No.1. January-March 2009: 31 – 58.
11. Nathan, Greg. (2010). "The Art and Science of Franchisee Satisfaction", Franchising World, Jan 2010, Vol. 42 Issue 1, p. 101.
12. Meek, William R.; Davis - Sramek, Beth; Baucus, Melissa S.; and Germain, Richard N. (2011). "Commitment in Franchising: The Role of Collaborative Communication and a Franchisee's Propensity to Leave", Entrepreneurship, theory and practice: ET & P.- Nashville, Vol. 35, 2011, 3, p. 559-582.
13. Marko Grünhagen and Michael J. Dorsch, (2003). "Does the Franchisor Provide Value to Franchisees? Past, Current, and Future Value Assessments of Two Franchisee Types", Journal of Small Business Management, 2003 41(4), pp. 366–384.
14. Wadsworth, Frank H., Mika Tuunanen, and Doug Haines, (2004). "A Comparison of Finnish and United States Franchisee Satisfaction", Chapter in Josef Windsperger, et al. editors. 2004. Economics and Management of Franchising Networks, Springer-Verlag, New York.
15. Jyh-Shen Chiou, Chia-Hung Hsieh, and Ching-Hsien Yang, (2004). "The Effect of Franchisors' Communication, Service Assistance, and Competitive Advantage on Franchisees' Intentions to Remain in the Franchise System", Journal of Small Business Management, 2004 42(1), pp. 19–36.
16. Ramírez-Hurtado, J. M.; Rondán-Cataluña, F. J.; Guerrero-Casas, F. M.; Berbel-Pineda, J. M. (2011). "Identifying the franchisee profiles franchisors prefer", Journal of Business Economics and Management 12(4): 567–588.
17. Naresh K. Malhotra, Marketing Research: An Applied Orientation, 6/e, Pearson Education.
18. Gaurav Marya, Franchising – The Science of reproducing success, 5/e, FIHL Publications.

Impact of Foreign Institutional Investment (FII) on volatility of Nifty and Sensex

Mr. Jnaneshwar Pai Maroor

*Assistant Professor and Ph.D Research Scholar
Justice K.S. Hegde Institute of Management
NMAMIT Campus, Nitte, Mangalore
jnan_pai@yahoo.com*

Abstract

The Indian stock market is growing rapidly and it is attracting more number of FIIs. SEBI regulates the FII activities in Indian stock market and it keep records of daily, monthly and yearly FII inflows. Initially there were norms prescribed by SEBI which makes the entry of FII little difficult, but later on SEBI simplified the terms and conditions in order to attract more foreign investors. Government has changed the policy in order to increase the FIIs participation in Indian stock market. FIIs plays major role in enhancing the savings and investment of Indian economy. They contribute for the growth of Indian stock markets. Good experience of foreign investors will enhance the reputation of Indian economy in International context. FIIs are market driven and more volatile, but the risk has to be taken if the country wants to keep steady inflow of foreign capital. This study helps to measure the impact of FIIs on NSE and BSE. National stock Exchange has more number of companies registered in it and the numbers are increasing day by day. It provides nation-wide trading services to investors. The Bombay stock exchange is having more than 5000 companies listed in BSE. There is a huge investments flowing into these stock markets through various sources.

Key words: FII (Foreign Institutional Investment), Sensex, Nifty, Stock Market

Introduction

Foreign Institutional Investors are those registered in one country and invests in another country. FII is a short term investments made by foreign institutions. FIIs started to invest in Indian stock market since 1992. With an increase in the investment by FIIs from mid-2003, they have become major players in the Indian stock market. Generally FIIs buying behavior is determined by number of micro and macro-

economic factors. The influence of these factors on FIIs behavior has increased market volatility. FIIs significantly influence the domestic market because of their fluctuating nature. It is a fact that when the foreign players start selling, the index values begin to fall and when they buy aggressively, market goes up. The impact caused by FII trends can be eradicated by domestic players, local mutual funds and other fund houses. Since FIIs are major players, it is important to study their activities and their relationship with stock market in order to get a complete picture.

This study is conducted to evaluate whether the FII trading activities influence the Index values. This study also covers the number of foreign investors and their investments over the period of time and sector wise investments made by FIIs.

Need for the study

FII inflows have grown in importance and foreign capital flows has been recognized as an important source of funds for the growth of the economy than the domestic savings. This resulted in free inflow of foreign capital and the global investors considered India as a good investment option. In the year 2008 there was a huge fall in the FII investments and BSE Sensex and CNX Nifty also experienced a major fall in values in 2008. Currently there is an increase in FII investments in Indian stock market and also increase in Sensex and Nifty values. So this study reveals whether the FII influences the Indian stock market. This study is conducted in order to understand whether there is any relationship exists between FIIs and Indian stock market. Analysis of past 20 years trading activity of FII is made and the comparison is done with the closing values of Sensex and Nifty.

Statement of the problem

FIIs contribute large volume of capital on Indian stock exchange and it effects the movement of stock market. This research is done to study the

relationship between FII and two major indices. For this purpose two dependent variables are selected i.e. BSE Sensex and CNX Nifty and one independent variable i.e. FII.

Objectives of the study

To identify the impact of Foreign Institutional Investment on volatility of Nifty and Sensex.

Sub objectives:

- To study the variability in BSE Sensex and CNX Nifty due to FII;
- To ascertain the trend of FIIs on stock markets;
- To identify the correlation between BSE Sensex and FII;
- To find out the correlation between CNX Nifty and FII;
- To know the sector wise investments by FIIs;
- To determine whether the FIIs influence on BSE and NSE indices.

Scope of the study

The scope of research is vast but due to constraint of both time and resources this study is focused mainly on identifying the relationship between FIIs and Indian stock market. This study is conducted using the data available on various websites. The data involves past year's performances of both the indices and net investments of FIIs.

Methodology

The study covers two most popular market indices namely BSE Sensex and CNX Nifty. Regression and correlation methods are used for the analysis. For regression technique log is calculated on the data to provide a better picture of the comparison of the data. The sample data includes 1204 observations daily from Jan 4 2010 to Dec 31 2014 of FII net investments, BSE Sensex and CNX Nifty closing values, 120 observations monthly analysis starting from Jan 2005 to Dec 2014 and yearly 20 observations of the financial year starting from 1995 to 2014. There are total 1344 observations used in this study.

The secondary data for this study consists of all the previous studies conducted in this particular area of

study. In this study the data has been collected from various websites such as NSE, BSE, NSDL, CDSL, SEBI and Money control.

Review of literature

Rajesh Chakrabarti (2001) explored that there is a difference between the FII flows before and after the Asian crisis. It was found that after the Asian crisis the returns on BSE Index have become only the driving force behind FII flows. He argued that FIIs are effects of returns rather than cause for it. He also found that changes in country risk ratings for India do not affect the FII flows.

Paramita Mukherjee, Suchismita Bose, Dipankor Coondoo (2002) identified that the FII flows affected by domestic equity returns and returns are not affected by FII flows. They also examined that FII sales are affected by equity market performance where as FII purchase is not affected by such performance. They conclude that FII flows are highly correlated.

Amita Batra (2003) explained dynamics of FIIs and returns in Indian equity market on daily and monthly basis. This study found a positive impact of FIIs trading on daily basis but there was no such evidence on monthly basis. The study concluded that this tendency of FIIs have a steady impact on the equity market.

Sapan Shah and Dhvani Mehta (2009) A study on FII flows in India has observed that the Indian equity market have experienced huge FII flows as a result small investors are scared thinking that markets are manipulated. But the study found that it is the performance of equity markets that cause returns and not the returns cause the performance.

Jayaraj, Mr. V. Murale and Priscilla Christy (2009) research is carried to understand the dynamic relationship between FII and Sensex movement using VAR technique. It was found that FII investment influences the market movements. Rise or fall in the market value is due to FII investments.

A.Q Khan and Sana Ikram (2010) evaluated the efficiency in relation to the impact of FIIs on the Indian capital market. It is observed that there is a significant relationship between FIIs and the two major stock exchanges of India that is BSE and NSE.

There is a low degree of positive correlation because of the fluctuations in the values. There are also macro-economic factors which has an effect on the movement of stock indices.

Ambuj Gupta (2011) describes whether the rise or fall in Indian stock market is due to FII investment. It is evidence that the increase in FII investments brings more inflow of foreign capital however there are certain limits in India. Foreign capital is free and unpredictable and they always look for profits. Therefore increase in volatility of FII investments is resulting in price fluctuations.

Namita Rajput, Meenakshi Gupta and Parul Chopra (2012) the main objective of this research is to find out whether FII's are a cause or an effect of the Indian stock market performance. The study covered the period from 1999 to 2011. FII investments were compared with nifty returns. This study revealed that FII investor decision is based on stock market movements and not the stock market movements are affected by FII movements. FII's are feedback traders and movements in stock markets affect their decisions.

Abhijeet Chandra (2012) investigated bi-directional causality between FII inflows and stock market returns. This study is conducted using Granger causality approach to test the FII flows cause on Indian stock market returns. The results shows that FII

Inflows Granger –cause stock market returns sooner than stock market returns Granger-cause FII inflows.

K. Mallikarjuna Rao and H. Ranjeeta Rani (2013) this research tries to develop an understanding of trading behaviour of FII and their impact on Indian equity market in selected sectors. From the data analysis it is evident that FII inflows in Indian stock market is growing and at the time of recession there has been a decline in FII inflows. A study is made to find out the share of FIIs on different sectors of companies listed in NSE and it shows that FII held the five highest stakes in banks, followed by finance, Media and Entertainment, Information Technology and Service sector. It is also evident that there was an impact of global recession on all the sectors except in IT and FMCG sector in 2008.

Yogendra Singh Rajavat and Amitabh Joshi (2014) attempted to identify the relationship between two dependent variables BSE and FII and independent variable NSE. They observed day wise data of two years. Their study resulted that there is a significant impact of FII and BSE on NSE.

Hemkant Kulshrestha (2014) investigated that largest FII investors to India are from USA. GDP, Inflation and Interest rates are the basic parameters used by FIIs to invest in any countries. They help in economic growth of the country and increase the market efficiency. Study reveals that there also other macro-economic factors which indirectly affects the stock market indices. Hence both the indices BSE Sensex and CNX Nifty move in direction of FII investment.

1. FII trend in India

FII plays an important role in various sectors of the economy thereby influences growth of the economy. FII investment is more in financial services i.e. 25% and 19% in Automobiles and 14% in Pharmaceuticals and 11% in capital goods and also in many other sectors.

TableNo. 1

Period	Purchase (in mn)	Sales	Net Investment
2000-01	7,40,506	6,41,164	99,342
2001-02	4,99,199	4,11,650	87,549
2002-03	4,70,601	4,43,710	26,891
2003-04	14,48,575	9,90,940	4,57,635
2004-05	21,69,530	17,10,730	4,58,800
2005-06	34,49,780	30,55,120	3,94,660
2006-07	52,05,090	48,96,680	3,08,410
2007-08	94,80,196	83,89,304	10,90,892
2008-09	61,45,810	66,03,920	-4,58,110
2009-10	84,64,400	70,37,810	14,26,580
2010-11	99,25,990	84,61,610	14,64,380
2011-12	92,12,850	82,75,620	9,37,250
2012-13	90,48,450	73,64,810	16,83,670
2013-14	90,29,350	96,93,620	4,50,080

2. Analysis of Sensex performance and FII investment

Year	Sensex close	Return %
2001	3262	-17.87
2002	3377	3.52
2003	5839	72.89
2004	6603	13.08
2005	9398	42.33
2006	13787	46.7
2007	20287	47.15
2008	9647	-52.45
2009	17465	81.03
2010	20509	17.43
2011	15455	-24.21
2012	19427	25.7
2013	21171	8.98
2014	27499	29.9

BSE Sensex started in the year 1991 has seen many ups and downs. From the table it is clear that in the year 2006 the value increased from four digits to five digits i.e. from 9,398 (2005) to 13,787 (2006). This change in value is based on many factors like political issues, GDP growth, FII etc. In the year 2008 Sensex closed at 9,647 from the previous year 20287 because of global recession. When the recession got end the Sensex and other market increased in value and at the end of 2010 the Sensex closed at 20,509.

From the above comparison it is found that Sensex gained high returns in 2009 (81.03%) and FII inflow in that year was 84,64,400 mn. From table no.2.1 it is clear that in 2008 the FII were not investing so it shows negative value. Even in Sensex also there was a downfall because of recession.

3. Analysis of CNX Nifty and FII

Year	Nifty Close	Return %
2001	1059	-16.2
2002	1094	3.3
2003	1880	71.9
2004	2081	10.7
2005	2837	36.3
2006	3966	39.8
2007	6139	54.8
2008	2959	-51.8
2009	5201	75.8
2010	6135	17.9
2011	4624	-24.6
2012	5905	27.7
2013	6304	6.8
2014	8283	31.4

From the above table no. 2.3 it is clear that the CNX Nifty has gained higher returns in the year 2003 (71.9%). Similarly in 2008 when there was a recession, Nifty market experienced a down fall in its value i.e. from 6139 (2007) to 2959 (2008) even there was no FII inflows in 2008. There were no FII purchases.

4. Daily analysis of BSE Sensex and FIIs

In regression analysis, daily BSE Sensex has been taken as dependent variable and the daily FII investment as independent variable. There are 1204 observations used to test the hypothesis linear regression model with the technique of OLS (Ordinary Least Square).

From the above table, it is found that correlation between daily BSE Sensex and daily FIIs is 0.137 which shows a very low degree of relationship between daily FII investment and daily BSE Sensex. The positive correlation between these two reveals that daily FII investments have a positive impact on Indian stock market. The variables together establish a relationship nearly 1.9% because the coefficient of

TableNo.4 (a)									
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.137 ^a	.019	.018	.1418192294	.019	22.898	1	1202	.000

a. Predictors: (Constant), FII log

TableNo4 (b)						
Co-efficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.846	.007	0.00	1464.91	.000
	FII log	.007	.001	.137	4.785	.000

a. Dependent Variable: Sensex log

determination r^2 is 0.019 of the total variables in BSE Sensex. This means that whatever changes take place in daily BSE Sensex, FII investment is responsible upto 1.9%. There are also many macro-economic factors which affect the daily BSE Sensex. The t value is 4.785 and significant value is 0.000 which is less than 0.05, therefore the alternative hypothesis is accepted and null hypothesis is rejected. So there is an impact of FII on Indian stock market.

5. Daily analysis of CNX Nifty and FIIs

In regression analysis, daily CNX Nifty is used as

dependent variable and daily FIIs as independent variable. Linear regression model is used to test the hypothesis.

From the above table it is found that the correlation between daily FII investment and daily CNX Nifty is 0.144 and shows a very low degree of relationship. There is a positive relationship between FII and CNX Nifty. It can be observed that all the variables establish a relationship to the extent of 2.1% as the coefficient of determination r^2 is 0.021 and the t value is 5.063 and significant value is 0.000 which is less than 0.05. So we can say that there is impact

TableNo. 5 (a)									
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.144 ^a	.021	.020	.1394356338	.021	25.631	1	1202	.000

a. Predictors: (Constant), FII log

TableNo. 5(b)						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.642	.007	0.00	1307.782	.000
	FII log	.007	.001	.144	5.063	.000

a. Dependent Variable: Nifty log

of FII investment on CNX Nifty.

6. Monthly analysis of BSE Sensex and FIIs

Monthly value of BSE Sensex and FII investments are used for regression method. BSE Sensex is taken as dependent and FII is considered as independent variable for the analysis. There are total of 120 monthly observations involved in this analysis.

From the Pearson correlation test it is clear that there is a moderate degree of positive correlation between BSE Sensex and FII with $R = 0.421$. As the coefficient determination is 0.177 which means there is a relationship between Sensex and FII to the extent of 17.7%.

Table No. 6(a)			
Correlations			
		FII Investments	Sensex Value
FII Investments	Pearson Correlation	1	.421**
	Sig. (2-tailed)		.000
	N	120	120
Sensex Value	Pearson Correlation	.421**	1
	Sig. (2-tailed)	.000	
	N	120	120

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

Table No. 6(b)				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.421 ^a	.177	.170	4512.788

a. Predictors: (Constant), FII Investments

Table No. 6(c)						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14892.85	481.220		30.95	.000
	FII Investments	.165	.033	.421	5.042	.000

a. Dependent Variable: Sensex Value

From the Pearson Correlations test, it is clear that there is a moderate degree of positive correlation between BSE sensex and FII with $R = 0.421$. As the coefficient determination is 0.177 which means there is a relationship between sensex and FII to the extent of 17.7%

7. Monthly analysis of CNX Nifty and FIIs

For this monthly analysis, CNX Nifty is considered as dependent variable and FII investment as independent variable.

Table No. 7 (a)			
Correlations			
		FII Investments	Nifty Value
FII Investments	Pearson Correlation	1	.427**
	Sig. (2-tailed)		.000
	N	120	120
Nifty Value	Pearson Correlation	.427**	1
	Sig. (2-tailed)	.000	
	N	120	120

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

Table No. 7 (b)				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427 ^a	.182	.175	1342.909

a. Predictors: (Constant), FII Investments

Table No. 7 (c)						
Coefficients^a						
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4453.83	143.201		31.102	.000
	FII Investments	.050	.010	.427	5.129	.000

a. Dependent Variable: Nifty Value

From the Pearson test it is found that the impact of FII on CNX Nifty is positive and co-efficient correlation is 0.427, this shows that there is moderate degree of positive correlation and Coefficient determination is 0.182 because there are many other factors which have a significant impact on stock market. The standard error is also very low this signifies that there is a true relation and less possibility of deviation of results.

8. Yearly analysis of BSE Sensex and FII

The yearly analysis of BSE Sensex and FII is done with total of 20 observations from 1995 to 2014.

TableNo. 8(a)			
Correlations			
		FII Investments	Sensex values
FII Investments	Pearson Correlation	1	.821**
	Sig. (2-tailed)		.000
	N	20	20
Sensex values	Pearson Correlation	.821**	1
	Sig. (2-tailed)	.000	
	N	20	20

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

Table No.8(b)									
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.821 ^a	.674	.656	4639.454	.674	37.164	1	18	.000

a. Predictors: (Constant), FII Investments

There is a positive correlation between FII and BSE Sensex and the correlation co-efficient are 0.821 which is high. This means that Sensex has a positive relation with FII and significance is low. The regression co-efficient is 0.674 which reflects 67.4%

variability in Sensex with FII and the level in which FII influence Sensex over the year. The standard error is 4639.454 which is high which means that error in linear relation is high.

9. Yearly analysis of CNX Nifty and FII

For this study CNX Nifty is considered as dependent and FII as independent variable. The data includes 20 observations of yearly Sensex and FII.

Table No.9(a)			
Correlations			
		FII Investments	Nifty values
FII Investments	Pearson Correlation	1	.824**
	Sig. (2-tailed)		.000
	N	20	20
Nifty values	Pearson Correlation	.824**	1
	Sig. (2-tailed)	.000	
	N	20	20

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

Table No.9(b)									
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.824 ^a	.679	.661	1381.818	.679	38.003	1	18	.000

a. Predictors: (Constant), FII Investments

There is a positive effect of FII on Nifty and the correlation co-efficient is 0.824 which is high. So Nifty has positive relation with FII and significance is low. The regression coefficient is 0.679 which reflects 67.9% variability in Nifty with FII and the level to which FII affects the Nifty over the year.

Major Findings

- From the data collected it can be revealed that there is an impact of FIIs on Indian stock market
- The daily analysis reveals low degree of correlation between FII and stock market indices. It means that it doesn't rise with rise in FII's

- The monthly analysis shows moderate degree of correlation of BSE Sensex and FIIs investment and has an influence over the stock prices.
- The yearly analysis shows high degree of correlation among FII and stock market indices
- Also the FII's investments lead to economic growth of the country as they bring in the needed capital.
- FII investment is done in many different sectors mainly in Finance, automobiles and Pharmaceuticals.
- The trend analysis shows that when there is a rise in FII investments there was also rise in Sensex and Nifty values.
- When there were negative FII inflows there was decline in Sensex and Nifty values.
- With the help of sector wise analysis of FII's it can be seen that they are not only concentrating on large and medium sectors but also in small sectors.

Suggestions and Conclusion

From the analysis it is clear that the FIIs are influencing the Nifty and Sensex movements to a greater extent. It is evident that Nifty and Sensex has increased when there are positive inflows of FIIs and there were decrease in Sensex and Nifty values when there were negative FII inflows. The daily analysis shows very low degree of correlation. The relation between FII investments and Stock market is only to the extent of 1.9% and there are many other factors which influence the stock market behavior. The monthly analysis shows moderate level of correlation and yearly analysis shows high degree of

correlation and variability in stock market movements because of FIIs is around 67%. So the alternative hypothesis is accepted. However, there are other factors which influence the stock market, but FII is one of the factors which have an impact.

Much of the perception about the adverse effects of trading by FIIs and volatility is based on hearsay and plausible conjectures, but there have been very few systematic studies of the relationship between FIIs trading and volatility. It was ascertained that that volatility of Nifty and Sensex has increased over a period but volatility has reached maximum during the financial crisis period then it again came down. The volatility of FIIs also has increased over the period particularly during crises period. Correlation analysis revealed that there is moderate low positive correlation between Net FIIs and Nifty and Sensex. So results suggest that volatility of Indian stock market and FIIs has increased over the period of study but the volatility was maximum during financial down turn and then normalized to moderated levels. This study implies that foreign investors monitor the stock market prices. The participation of foreign investors in Indian equity market is more beneficial when it goes hand in hand in expanding economy and growing stock market.

- FII are needed to be encouraged more to enter in Indian market because if there is change in FII inflows it results in huge change in the market.
- Number of FII's also decreasing, may be because of terms and conditions. Simplifying these will help them to invest in India easily.

References

1. Rajavat, Y. S., & D. A. (2014). Econometric analysis of Foreign Institutional Investors, NSE and BSE. *Pacific Business Review International*, Vol.6, Issue 8, 52-56.
2. Kulshrestha, H. (2014). Impact of Foreign Institutional Investors on Indian Capital Market. *IMPACT: International Journal of Research in Business Management*, Vol.2, Issue3, 35-52.
3. Rao, D. K., & H. R. (2013). Impact of Foreign Institutional Investments on Indian Capital Market.

International Journal of Marketing, Financial Services & Management Research, Vol.2, No.6, 94-102.

4. Dr. Namita Rajput, D. M. (2012). Causality between FIIs' Investment and Stock Market Returns: An Econometric Study. Journal of Management and Information Technology, Vol.4, 18-38.
5. Chandra, A. (2012). Cause and effect between FII trading behavior and stock market returns. Journal of Indian Business Research, Vol.4, No.4, 286-300.
6. Gupta, D. A. (2011). Does the stock market rise or fall due to FIIs in india? International Refereed Research Journal, Vol. II, Issue-2, 99-107.
7. Ikram, P. A. (2010). Testing semi-strong form of efficient market hypothesis in relation to the impact of Foreign Institutional Investors' (FII's) Investments on Indian capital market. International Journal of Trade, Economics and Finance, Vol.1, No. 4, 373-379.
8. Dr. Jayaraj, M. V. (2009). An emperical investigation of impact of net FII investment on performance of Indian stock market of BSE. Journal of contemporary research in management, 125-143.
9. Sapan Shah, D. M. (2009). FII flows in India: research on Indian stock volatility, Vol.14. Emerald Group Publishing Limited.
10. Batra, A. (2003). The dynamics of foreign portfolio inflows and equity returns in India. ICRIER, working paper no.109.
11. Paramita Mukherjee, S. B. (2002). Foreign Institutional Investment in Indian Equity Market. ICRA Bulletin, Money and Finance, 85-102.
12. Chakrabarti, R. (2001). FII flows to India: Nature and causes. ICRA Bulletin Money and Finance, Vol. 2, No.7, 61-81.

Correlation between Education and Earning in Mumbai

Mrs Seema Ukidve
L.S.Raheja College
Of Arts And Commerce
Santacruz (W), Mumbai
ukseema17@gmail.com

Abstract

This research paper based on a cross-sectional study analysed whether earnings in India is because of different levels of formal education. The paper illustrated the economic value of education. It explored the relationship between educational attainment and earnings and additionally, demonstrated whether other factors other than education have an effect on earnings.

The research approach of this project is more along the lines of the positive influence of education and other factors on earnings. Quantitative analysis was needed to study the relationships between the variables. Hence, a computer based analysis was performed using the SPSS software package. Pearson correlation and the non-parametric Spearman's correlation were the two tests undertaken.

In conclusion, this research study which is cross-sectional in nature and subject to changes if any further studies are made in the future showed that increase in earnings would be explained by increase in educational level, having technical skills, more experience, working in non-governmental institution and being male in gender.

Key words

formal education, monthly income, correlation, pearsons coefficient

Introduction

What is the benefit of studying further? They decide to go to college for many reasons. One of the most compelling is the expectation of future economic success based on educational attainment. The economic value of education is illustrated is the added value of a secondary school certificate, a diploma or a college degree. The paper explored the relationship between educational attainment and earnings

Review of literature

Income inequality is perhaps one of the most disturbing socioeconomic issues currently faced by developing nations. This issue has become especially significant over the past 25 years. Increasingly, the level of educational attainment has been viewed as one of the key factors linked to income and real-wage growth (Chu 2000; Adsera and Boix 2000; Mehta 2000; and Huang 1999). Gonzalez and McKinley (1997) illustrate that in developing nations, the real-wage growth of lower-income earners is less than that of higher-income earners. Since most employers attempt to pay wages that reflect productivity, and increased education results in increased productivity, individuals with lower educational attainment earn lower incomes than individuals who have attained higher levels of education. Thus, differences in educational attainment are considered by many to be a key factor contributing to income inequalities in developing nations.

Objectives

Statement of our research problem would be as follows:

'What degree of correlation is there between educational level and earnings?'

There is a common belief that the higher your educational level the better the chance to be recruited for a good job. However, many people question what economic value it adds earning an extra degree as hundreds of bachelor degree holders who graduated mainly from local universities are unemployed.

Policy makers usually justify higher educational spending as a highly effective tool for

reducing income inequality. Investment is said to be an addition to capital. Thus investing in human capital is an important factor that will help in

economic growth.

Significance of the study

The success of an education system is manifested in, among other things, the success

of individuals in finding sustainable employment as well as the level of wages that employers are willing to pay for the skills and knowledge that the individual brings to a job. There is a substantial body of evidence that shows that those with higher levels of education are more likely to participate in the labour market, face lower risks of unemployment, have greater access to further training and receive higher earnings on average.

Definition

Educational level: number of years of formal education.

Earnings: By this we mean monthly average disposable income earned from a paid job employment.

Methodology

Data Collection

In this research paper, survey research was the method of data collection devised.

Instrumentation

Questionnaire survey was designed and used. Data was collected from respondents using administered questionnaires where an assigned person helped respondents to fill in and complete questionnaires. I have then identified the target areas or fields that best represented the target

population. These were first categorized on the basis of governmental and nongovernmental.

Then, for the non-governmental institutions I have identified subcategories e.g. profit seeking organizations such as local businesses and private companies and non-profit seeking organizations such as international and local NGOs.

Questionnaires were completed and filled by respondents with the help of someone to

administer in each selected field. Thanks to friends

whom I have requested to help did the job well and as required.

110 persons were interviewed and the data is tabulated

Table 1
Descriptive Statistics II

		Type of Organisation		Total
		Governmental	Non Governmental	
Position	Top	12	4	16
	Middle	14	19	33
	Lower	15	46	61
Total		41	69	110
Gender	Male	22	59	81
	Female	15	14	29
Total		37	73	110
Age	<20 years	1		1
	20 – 30 years	13	41	54
	31 – 40	3	15	18
	41 – 50 years	4	6	10
	50 + years	8	1	9
Total		29	63	92
Schooling Level	No Schooling	5	3	8
	Primary Level	5	3	8
	Secondary Graduate	5	9	14
	University Undergraduate	8	15	23
	University Graduate	10	36	46
	PG	6	5	11
Total		39	71	110
Technical Skills	Yes	17	26	43

Table 2
Schooling Level Vs Monthly Average Earnings

		Monthly Average Earnings					Total
		>10,000	10,000 – 20,000	2,000 – 30,000	30,000 – 40,000	>40,000	
Schooling Level	No Schooling	5	3				8
	Primary Level	5	3				8
	Secondary Graduate	6	5	1	2		14
	University Undergraduate	9	12	3	2	1	23
	University Graduate	1	9	11	22		46
	P.G	1	4		3	1	8
Total		27	36	15	30	2	110

This formula was used

$$SS = Z_2 \times P(1 - P)$$

C_2

Where:

SS = Sample size

Z = Confidence level

C = Confidence interval (Margin of error)

P = Percentage picking a choice

In this case, the confidence interval was kept within 10% and 95% confidence level was used. It was also estimated a 50% proportion of picking a choice (because SS is maximum when $P = 0.5$). Calculating this using the above formula would reveal the need for 110 people in the survey.

Assumptions and limitations

By earning we mean the individual's average monthly received disposable income in a paid job employment. Several assumptions were taken in this report. First, as shown by the table in the analysis section, people in which their earnings lie within the

same range are assumed to get the same pay on average. Second, the data is based one earnings at the time when research was conducted and is not representative of the patterns in previous or future earnings. Third, this small sample size of 96 cases is representative of the larger population and that the results would be generalized to that population. Fourth, there is a strong possibility that some people might not show the truth when filling in questionnaires. However, the data on completed questionnaires was assumed to be the actual one.

On the other hand, there are certain limitations that are worth to mention. First, many factors which affect earnings are not covered in this report. These include continuity of occupation (Career path), motivation and effort put on work, etc. The limited sample of this research precludes their use in the analysis. Occupation, marital status, income requirements and employment rates fall into this category. In addition non-cash or to put it in economics terminology non-labour income is not also considered as part of earnings.

Finally earnings or the amount of monthly pay is

greatly influenced by the type of institution rather than education level. For example, a person working in a governmental

institution will get less pay compared to someone working in an international NGO

regardless of his/her educational level.

Research Findings

Pearson and Spearman's correlations can be seen for each test scenario. Both tests show the existence of positive correlation with correlation coefficients of above 0.5. These findings indicate that education level is positively correlated with earnings.

Considering separately the governmental and non-governmental employees that schooling-earnings correlation is stronger when the 35 cases for governmental employees are considered separately with a correlation coefficient of around 0.7. On the other hand, in non-governmental case, there exists a positive correlation of just below 0.5 indicating that it is not as stronger as that of the governmental case.

Tables 1 and 2 show the summaries of descriptive statistics. The total number of cases were 110, in which 41 of the respondents were government employees whereas the remaining 69 were non-governmental employees

Table 2 summaries and compares respondents schooling level with their monthly earnings. People with no schooling having primary level education earn less than 10000 per month. The model group for monthly average earning is 10000 to 20000. The majority of university graduates can earn more than 30000 per month.

On average the majority of the respondents were 40 years old or younger.

Average schooling level of most of the respondents was from college up to university graduates.

Number of years worked was on average 6 to 7 years.

Weekly average hours worked aggregate was 45.67 hours.

Conclusions

Education has a direct, positive effect on earnings. The only inconclusive data is in regards to those areas where effects of several variables overlap. This research study which is cross-sectional in nature and subject to changes if any further studies are made in the future showed that increase in earnings would be explained by increases in educational level, having technical skills and more experience, working in non-governmental institution and being male in gender.

Recommendations

Is there a correlation between education and earnings?

While the various results cannot directly answer this question, as previously mentioned they do show that education has strong relationship with earnings. Determining a causal relationship is also out of the scope of this project, and therefore has not been done, but provides another opportunity for looking into education and its effects on earnings. Due to the small sample size of 96, all that can be proven is a correlation. At this point, it is still possible for the correlation to be nothing more than a random chance, albeit a small chance. More advanced statistical techniques are required to prove causality.

Toones. It is easier to research a known population with a sampling frame than to research an unknown population.

Finally, this subject deserves more investigation. To get more realistic figures further studies are needed to be carried out and carrying out such studies would require a more extensive complete data set. As for the data provided here in this research paper, few improvements could be made to the analysis, but would also require a larger project.

References

1. Atkinson, A.B. The Distribution of Income in the UK and the OECD Countries in the Twentieth Century. Oxford Review of Economic Policy, winter99, Vol. 15 Issue 4
2. Chu, Hong Yih. The Impacts of Educational Expansion and Schooling Inequality on Income Distribution. Quarterly Journal of Business and Economics, Spring2000, Vol 39 Issue 2 pp 39-49
3. Adsera, Alicia and Boix, Charles. Must we choose ? European unemployment, American inequality, and the impact of education and labor market institutions. European Journal of Political Economy, Nov2000, Vol 16 Issue 4
5. Mehta, Shailendra Raj. Quality of Education, Productivity Changes, and Income Distribution. Journal of Labor Economics Apr2000, Vol 18 Issue 2 pp252-281
7. Huang, Tung Chun. The Impact of Education and Seniority on the Male-Female Wage Gap : Is More Education the Answer ? International Journal of Manpower, 1999, Vol 20 Issue 5, pp 361-374
9. Gonzalez, Diana and McKinley, Terry. Paradox of Narrowing Wage Differentials and Widening Wage Inequality in Mexico. Development and Change, Jul97, Vol28 Issue 3 pp505-530
10. Psacharopoulos and Woodhall, 1985, pp 264-70; Ram, 1989
11. Becker Cheswick (1966) "education and the distribution of earnings" American Economic Review, Papers and Proceedings
13. Education Pays, A Supplement to Education Pays 2004: The Benefits of Higher Education for Individuals and Society, 2005
15. Moretti, E. (2004). Estimating the Social Return to Higher Education: Evidence from Longitudinal and Repeated Cross-Sectional Data. Journal of Econometrics 121:175–212.
17. Bureau of Labor Statistics (2005). Labor Force Statistics from the Current Population Survey.

Visual Merchandising Demonstration's Outcome on Consumers: An Appreciated Strength or a Redundant Load for Apparel Stores

Manikee Madhuri Sharma
Research Scholar, Dept of Business Administration, UoM &
Asst. Prof, Chitkara Business School, Chitkara University,
Punjab
manikeesharma@gmail.com

Dr. S. Harish Babu
HOD, MBA Department, Nitte Meenakshi Institute of
Technology & Research Academy, Bangalore

Abstract

A few shoppers think they just buy items when they make a go at shopping, however over a long period of time they buy the knowledge of shopping also. The knowledge of shopping is profoundly impacted by the visual promoting showcases (otherwise called gimmick territories where stock is displayed) utilized within store. Much has been said in regards to visual marketing showcases and the impact it has on buyer conduct. The way items are shown and pushed in attire retail stores can have an immeasurable effect on customer reactions and the amount stock the retailer offers.

Objective of the Study:

1. The primary exploration inquiry would investigate the impact visual marketing showcases have on customer conduct.
2. Explorative survey would get the estimation of the most suitable target shopper group for this study which will take into account qualitative information gathering.

Centre gatherings were utilized to gather the first adjust of information, where after guileless portrayals were utilized to backing the discoveries. The centre gatherings and guileless representations were dissected by method for topical investigation. The discoveries showed that the visual promoting presentations guide customers toward the items they are looking for and that it likewise manages their choices. The members concurred that their purchasing conduct is affected on a subliminal level, in view of the prominence of the visual marketing presentations, and in addition their individual inclination and gender.

Key words: Visual Merchandising Displays; Retail Industry; Apparel Retailers; Consumer Behaviour; Subliminal Influence; Gender.

Introduction

An address that attire retailers frequently ask is whether the visual marketing presentations utilized within stores are helpful for their clients. Effective visual marketing showcases have an impact on shopper feeling; shoppers off and on again buy items unwittingly relying upon their current state of mind. In this manner, customers may visit a retailer to delight in a disposition evolving knowledge, something that will make them feel great. Clothing retailers can subsequently exploit this human feeling to build their deals by simply improving the nature's domain. Retailers need their stores to draw in shoppers by aiding them to discover the stock they seek and to persuade them to make arranged, unplanned and motivation buys, and to eventually give them pleasant shopping encounters (Levi & Welts, 2009: 509). On the off chance that the visual promoting showcases don't have this sought impact on shoppers, the inquiry whether it has any quality for retailers to invest time and cash on these visual presentations emerges. This study continues from a buyer reaction focused methodology to visual promoting boosts trying to comprehensively consider this zone of the retail business. The study could profit attire retailers in South Africa as the effect visual marketing presentations has on buyer conduct been revealed.

Discussion

1. Consumer Behaviour: The world purchasers live in is rich with atmosphere. At the point when entering an attire retail store, buyers act contrastingly to the sensations and boosts around them; they either give careful consideration to it or they overlook it. Every single message made by an attire retailer is finished considering a particular reason. Nonetheless, shoppers transpire to settle on their own choices by adjusting the message that is made by

specific sensations or jolts, (for example, visual marketing showcases) to fit in with their own particular novel encounters, longings and biases (Canto, Blink & Jubal, 2006: 114). Purchaser conduct might be characterized as "... the investigation of people, gatherings or associations and the courses of action they use to select, secure, utilize and discard items, administrations, encounters, or thoughts to fulfil needs and the effect that these methodologies have on the buyer and society..." (Cant, Van Heeders&Jambi, 2010: 51). Tardines, Cline and Chorley (2011: 8) added to this definition by expressing that customer conduct likewise incorporates the purchasers' expressive, mental and social reactions that lead, create or take after these reactions as exhibited in Figure 1.



Figure I: Consumer Behaviour

Source: Adapted from Tardines, F. R., Cline, T. W. & Chorley, M. L. (2011). Consumer Behaviour: Science and Practice. China: South-Western, p. 8

Figure 1 shows that shopper conduct comprises of purchaser exercises and customer reactions, that both impact one another. In this way, a shopper's expressive, mental and social reactions will have an impact on their purchasing, utilizing and arranging exercises, and the other way around. An expressive reaction uncovers a buyer's ardours, sentiments and their attitude. Moreover, Figure 1 likewise alludes to mental reactions that comprise of a shopper's points of view, judgments, demeanour and values and could incorporate a buyer's inclination to a particular attire retail store. A retailer's store surroundings could likewise impact the customer's buy choice, which is examined underneath. For instance, if a buyer needs to purchase another winter's cover, both delight and uncertainty may structure a piece of his/her expressive reaction because of the different choices that must be made. The shopper will need to settle on

a particular item, store, brand, style and colour, and in addition on instalment system. As a major aspect of the reactions in Figure 1, the customer could envision wearing the cover, making a mental arrangement of aspects the layer ought to have to improve the choice making methodology.

The social reactions, as delineated in Figure 1, incorporate a shopper's evident movements throughout a buy choice. The purchaser will begin by contrasting distinctive stores and brands and each one in turn, giving careful consideration to diverse promotions, attempting on diverse layers, and getting sentiments from companions or gang. On the off chance that a purchaser is not totally fulfilled by the earth, he/she may settle on a mental decision not to enter the store, hence choosing not to buy the layer from that particular store. These activities could have an impact on the way purchasers carry on. Attire retailers need to build how their visual promoting presentations will be seen by the purchasers. It is vital to distinguish what shoppers are really seeing and how they decipher it. By building how visual marketing presentations are seen by the shoppers, it could profit clothing retailers to adjust the inner centre of their visual promoting showcases with the customers' desires.

Displays through Visual Merchandising

Visual marketing showcase is the presentation of stock at its finest. Showcase is the style, the sparkle, the stage, the oomph and shimmer that encompasses a store and makes the buyers stop, look, and purchase what has been put together with consideration and introduced with expertise (Mathew, 2008: 48). These showcases are otherwise called peculiarity territories. Visual promoting showcases use innovative systems to spare both the businessperson's and the customer's opportunity by making shopping smooth. The visual marketing showcase methodology is frequently alluded to as the "quiet salesman" by furnishing the buyers with data through visual mediums, and in addition by suggestive offering - proposals to add things to a customer's unique buy (Barooah&James, 2010: 21). This methodology is frequently alluded to as the visual marketing correspondence process. A lot of correspondence between the retailer and the

purchaser happens through the utilization of visual marketing presentations. The retailer conveys to the shopper by method for their store, the store's inner part plan, format, atmospherics and promoting showcases, as demonstrated in Figure 2.



Figure II: Visual Merchandizing Communication process.

Source: Modified from Bell, J. & Terns, K (2006) Soundless Marketing. 3rd ed., New York: Fairchild Publications, p. 21

Visual marketing presentations are often used to present new items or brand amplifications to purchasers, and to adorn a store. This is an arranged and precise methodology to show the stock that is accessible in the store. Visual promoting presentations perform distinctive capacities in a clothing retail outlet, for example, supporting deals, to help the retail methods, to correspond with shoppers and to support in conveying the style retailer's brand picture (Levi & Welts, 2009: 531; Bell & Turnthus, 2008: 20-22). Showing stock in windows was the first indication of visual promoting presentations; hence it was destined to expand deals by first drawing in customers through the force of window shows and afterward through in-store visual automating showcases. These showcases swayed the shoppers to stay in the store, buy the item, and have a positive retail encounter with the goal they should come back to the same store. Retailers understand that the route in which they utilize visual marketing presentations has the ability to make pictures of the items in the psyche of purchasers. Visual marketing showcases are presently a huge apparatus for retailers keeping in mind the end goal to pull in and lure customers.

Indian Apparel Retail Industry

The Indian clothing retail industry had complete income of \$28,102.6 million in 2009, speaking to a compound yearly development rate (CAGR) of 9.9% for the period spreading over 2005-2009. Offers of menswear demonstrated the most lucrative for the

Indian clothing retail industry in 2009, with aggregate incomes of \$11,864.4 million, equal to 42.2% of the market's general worth.

Key Highlights:

- Current business sector situation of attire retail showcase in India, by income, item sorts, and business players, circulation channels.
- Competitive dissection of the attire retail area.
- Market conjecture of India attire retail showcase, by income work 2014.
- Covered more than 3 organization profiles in the attire retail area coating their execution, key financials, SWOT examination, and speculation dissection.

Venn Research, in relationship to its system of accomplices gives data and examination to many customers around the world. The data gave thus has been acquired from solid sources to give an all-encompassing overview available motion.

In its statistical surveying report, Indian Retail Sector - An Outlook [2005-2010] RNCOS evaluated that the Indian clothing retail industry created income of \$2.0 billion in 2004 with a development rate of 8.2% throughout 2000-04. Thus, this industry in India is second biggest on the planet after China. The Indian clothing retail industry shifts inside even short separations, as the plans of the outfits are focused around the locales design patterns. As per these years Global Retail Development Index India is situated as the heading terminus for retail venture. This emulated from the immersion in western retail markets and we discover huge retailers like Wal-Mart store and Tesco entering into Indian market. AT Kearney has assessed India's aggregate retail advertised at US\$ 202.6 billion which is relied upon to develop at an aggravated 30 percent through the following five years. With the sorted out retail portion developing at the rate of 25-30 for every penny for every annum, incomes from the part are relied upon to triple from the current US\$ 7.7 billion to US\$ 24 billion by 2010. Specialty remote retailers are rushing toward the Indian market. Actually, notwithstanding the FDI arrangement relating to retail being hazy, in excess of 10 remote specialty section retailers have as of late set up or affirmed

their plan to set up shop in India utilizing the franchisee course, with a few others holding up in the wings. Worldwide brands, for example, Zara, Versace, Wrangler, Puma, Killer, Adidas, Lee-Cooper, Beko, Reebok, Calvin Klein, Club Monaco, Common Era, Costume National, Dasani Dada, Ben Davis and Jean Machine have officially constructed a retail vicinity in the nation, while market watchers call attention to that few all the more, for example, Versace, FCUK, Zara, Mother Care, Ikea, Fendi, NEXT, Debenhams, Trussardi, and DKNY have diagrammed a method to enter the Indian market. The majority of the brands entering the business are focused at the premium end. As indicated by evaluations, the premium attire portion in India is esteemed at about Rs 1,900 crore and developing at 20 for every penny. Notwithstanding the examples over, four extra elements which are converting supplier limits in ways that are obscuring the limits between firms creating for the household business sector and those delivering for fares are as takes after:

1. Upgrade of nearby proficiencies in the zone of logistics i.e. warehousing and redid following frameworks.
2. Fascinating rise of configuration as a wellspring of playing point in Indian attire.
3. Developing significance of neighbourhood speculation by Indian attire firms as an approach to counter the prohibition of India from all significant territorial exchange assent ions and the focal point of levy free passage into real markets that huge numbers of India's contenders appreciate i.e. Florida in the US markets, Portugal and Bangladesh in EU markets.
4. Expanding concentrate on local brands.

Prestigious exporters in the nation, for example, Reliance, Arvin, Raymond, Orient Craft and so forth are creating their supply systems and circulation frameworks, looking for unique specialties and by and large staking out their landscape in the local business sector to unite their first mover advantage. Example of overcoming adversity has developed in the provincial attire article of clothing portions for the nearby brands and not constrained to Pantaloons, Lifestyle and West Side just. No big surprise a substantial weight like the Reliance gathering wants

to do a Wal-Mart in India. Presently there is an expanding interest of marked clothing section in the provincial retail advertise for the same peculiarities that are esteemed in requesting fare markets. These movements in retail are fuelling the interest for great quality and in vogue attire, which thusly developing the essentialness of feel and plan in the local business. It is beneficial to say that the ascent of more youthful class of white collar class buyers, brought forth by the blasting BPO and IT segment, has prompted blossoming interest for by regional standards planned, prepared to wear garments in Indian metros. As numerous overviews have built, with great compensations, solid companion weight and the developing accessibility of brands crosswise over item classifications, using in retail is constantly determined by the adolescent fragment in substantial and fair sized metros.

Research Methodology

The degree to which visual marketing showcases influence shopper conduct was considered by method for exploratory examination. Exploratory examination is utilized to watch experiences into the regular nature of an exploration issue (Tustin, Lithely & Martins, and 2005: 84). Because of the way that itemized clarifications, as far as purchaser recognitions, were required, qualitative examination was utilized on the grounds that it runs across the genuine criticalness and new bits of knowledge about the accessible information (Sigmund & Babine, 2010: 131). Non-likelihood, purposive inspecting was utilized where the examples were gathered in a process that did not give all the people in the populace an equivalent shot of being chosen (Tustin et al., 2005: 89). Members were chosen on the premise of their availability and by the purposive particular judgment of the specialist (Sigmund & Babine, 2010: 432). The incorporation criteria for the purposive testing for this exploration study were individuals who are spotted and purchase apparel at clothing retail outlets in Tshwane; individuals who read, talk and comprehend English; individuals who have a cell and have entry to email; individuals who are ready and have sufficient energy to take an interest in the study. The main round of information was gathered by method for two centre gatherings, each with eight members. Innocent representations

were utilized as an auxiliary measure to approve the information gained in the centre gatherings. The gullible portrayals involved open-finished inquiries. Thusly, two types of information were contrasted with each other with addition the most information conceivable from every member. The centre gatherings were focused around the utilization of visual jolt material. Photos from one of Tshwane's most prevalent clothing retail stores were displayed to the members in the centre gatherings. The members were posed a question determined from the examination point. The inquiry used to structure the centre gatherings (the same inquiry was additionally utilized within the credulous representations) was: "Do the visual marketing presentations of a store impact your choice to make a buy?" Because of the way that the study was context oriented in nature, topical examination was utilized to investigate the assembled information. Rehashed information examples were recognized and sorted into topics and classifications (Prejin, 1990: 113). By taking after this methodology, it arranges and depicts information in subtle element (Braun & Clarke, 2006: 82).

Outcomes

The conclusion (discoveries) of the inquiry in the centre gatherings is analysed regarding a topic and its underlying classes, as plot by Tesco's model (topical dissection).

Topic: Participants communicated fluctuated perspectives as far as the impact that visual marketing showcases has on their purchasing choices focused around individual inclination. The subject join with the accompanying destination: To focus the impact visual marketing presentations have on purchaser conduct. The members clarified that their purchasing conduct is impacted to a restricted degree. They kept on saying that the visual marketing showcases guide them toward the items they are looking for and that it controls their item decision. The members concurred that their purchasing conduct is impacted on a subliminal level focused around the nature of the visual promoting showcases and their individual inclination, including sexual orientation. ...there is a qualification between men customers and ladies customers on the grounds that

basically here the men said they don't generally recognize it; on the other hand, the ladies concurred that on the off chance that it's in a connection of what they need to purchase, they will perceive it. On the other hand, Participant X said that he would perceive it, case in point, on the off chance that it is in his connection.

The accompanying three classes rose up out of the subject:

- First Category – The Participants Agreed That Their Buying Behaviour Is Influenced To A Limited Extent. The centre gatherings found that visual marketing presentations help in the last phases of choice making with respect to the acquiring of a particular item. In any case, there are different components, in the same way as value that additionally influences a definite conclusion. At the point when visual promoting presentations are decently planned and consistent, the members had a tendency to be pulled in to the segment of items that were underlined in the showcase. This represents that visual promoting showcases impact purchasing conduct. The accompanying citations were taken from the information to embody the discoveries:

1. I think it impacts me to need it; however I don't essentially purchase it.
2. It draws me towards the area, to that particular segment.
3. On the off chance that I am content with the visual promoting show that can prompt me purchasing the particular item.

- Second Category – Buying Behaviour Is Influenced On A Subliminal Level Based On The Quality Of The Visual Merchandising Displays. The members in the examination study concurred that a visual promoting show that is seen to be of a better quality has the capability than catch the positive purchasing conduct of the buyer. Notwithstanding, if the showcase does not enlist as that of an unrivalled quality for the purchaser, it may make a negative impression of purchasing the item. The accompanying citation accepts this classification:

1. Great visual promoting showcases will make the right environment and setting for me to purchase, while awful visual marketing presentations will

work against my acquiring the item being referred to.

2. Third Category - Buying Behaviour Is Influenced On A Subliminal Level Based On The Personal Preferences Of The Consumer, Including Gender. Despite the fact that the visual promoting showcases are valuable in advertising certain items, if the presentations are generally composed and coherent, the members feel that there are such a large number of other individual inclination to consider for the showcases to have an enduring impact on every customer. There are shades, surfaces, styles, décor, sizes, budgetary stipulations and an assembly of other particular inclination that will influence the purchasing conduct of the customer more than the visual promoting showcase will. The accompanying citations were taken from the centre gatherings to represent this classification:

1. ...in the event that I was a customer, fundamentally, I don't think I would recognize it; it would even now be something or other that I would perceive in the event that it was not there...

2. ...you will recognize it internally.

The centre gatherings likewise found that visual marketing showcases help in the last phases of choice making with respect to the acquiring of a particular item. Notwithstanding, there are different components, in the same way as value, that additionally influence a definite choice.

Conclusion

The members' view of the effect of visual marketing shows on their purchasing conduct fluctuated, as

prove by their consideration or absence of enthusiasm to visual promoting showcases when they initially strolled into a store. Customer conduct is impacted by a restricted degree as visual marketing presentations guide purchasers toward the items and in item decision. Shopper conduct will likewise be affected by their individual inclination and the nature of the showcases. What is recognized by the shoppers, as far as the visual promoting presentations, is generally subliminal (underneath the edge of cognizance) and it is affected by individual inclination, relevant angles, for example, subjects; sort of store and brand or marking; sex, to some degree; nature of the visual marketing presentation and tangible and cognitive viewpoints. It was noted in the centre gatherings that the purchasers' consideration is attracted to specific perspectives, (for example, shade and breathing space in the store) of visual promoting showcases which makes a space where their shopping background could be certain. The members had a tendency to be pulled in to visual promoting shows that are generally planned and consistent. This shows that visual marketing showcases impact purchasing conduct. The exploration study recommends that ladies are more mindful to the complete retail encounter which incorporates visual marketing presentations. In examination, men hunt down signs in a store as to where to discover what they are searching for. The centre gatherings likewise clarified that they perceive sick fitting topics in attire retail saves, regarding whether the things showed are really accessible in store or whether it sends the right message with the supplement of the showcase.

References

1. Ringer, G. & Terns, K. 2006. Quiet Offering. Third Ed. New York: Fairchild Publications.
2. Bhaskar, S. & Kashyap, M. 2010. Visual Marketing. New Delhi: McGraw Hill.
3. Baun, C. & Clarke, V. 2006. Utilizing Topical Dissection within Brain Research. *Qualitative Research in Psychology*, 3: 77-101.
4. Canth, W. C., Blrink, A. & Brijbaslh, S. 2006. Shopper conduct. Cape Town: Juta.
5. Canth, W. C., Van Tai, C. H. & Toyoko, H. C. 2010. Advertising Administration: A South African Perspective. Cape Town: Jota.

6. Khardes, T. R., Cline, T. W. & Chronley, C. L. 2011. Purchaser conduct: Science and Practice. China: South-Western.
7. Levish, M. & Seitz, S. 2009. Retailing Administration. Seventh Ed. New York: McGraw Hill.
8. Matheus, R. 2008. Attire Merchandising. New Delhi: Book Enclave.
9. Detail South Africa. 2010. Mbalo Brief – Educational article on retail exchange. [Online] Available from: Statistics South Africa: [Http://www.statssa.gov.za/bulletins/Mbalo_brief_december_2010.pdf](http://www.statssa.gov.za/bulletins/Mbalo_brief_december_2010.pdf) [accessed: 2011-02-25].
10. Detail South Africa. 2011. Retail exchange deals. Factual discharge P6242.1. December. Pretoria: Statistics South Africa.
11. Detail South Africa. 2012. Retail exchange industry – November 2012. Factual discharge P6242.1. November. Pretoria: Statistics South Africa.
12. Tesch, R. 1990. Qualitative examination dissection tapes and programming apparatuses. New York: Wordsworth.
13. Dustin, T. H., Lethem, A., Martins, J. H. & Van Wick, H De J. 2005. Promoting Research in Practice. South Africa: ABC Press.
14. Sigmund, G. & Babine, B. J. 2010. Investigating Promoting Examination. Tenth Ed. China: South West.

Impact of ATM on Bank Performance

Piyusha Hukeri

Research Scholar, Mumbai University

pidi9@yahoo.com

Introduction

Automate Teller Machine (ATM) was introduced in India by Hongkong and Shanghai Banking Corporation (HSBC) for first time in 1987. Since then, ATM network has expanded wide across the country. Recently, there have been restrictions placed on free transactions on other banks and own banks transactions in metro areas. This note reviews the reason for application fees for these transactions especially when it is said that cost of branch transactions is more while other alternative channels are cheap. So we review the impact of ATM on operating expense, other income and return on assets for different bank groups. We find that while operating expenses are rising its impact of other income shows that they is negative impact while the retrun on asset is not having any significant impact. This implies that the benefits of IT is yet to achieve reduction in operating expenses.

Background

Almost every bank provides ATM facilities to their customers. It has changed the way banking transactions were one as ATMs brought in the concept of 24X7 any where and anytime money. Moreover, the Reserve Bank of India (RBI) has been pursuing a policy of fostering growth of alternative channels of banking. Thus, given the convenience to customers as well as encouraging policy environment, the ATMs have grown substantially over the years. The number of ATMs, which stood at a little over 27,000 as at end-March 2007, has increased to over 1.8 lakh across the country by end-March 2015.

The region wise deployment of ATM given in Table 1 shows that private banks have a large network of ATMs in metro areas while public sector banks have large network in rural areas. These data sets are from RBI website.

Table 1: Region wise deployment of ATMs for the quarter ended March 2015

Bank Name	Metro Centres	Urban Centers	Semi - Urban Centres	Rural Centres	Total
Public Sector Banks	17,374	19,892	18,711	18,712	74,689
SBI Group	11,270	16,247	17,770	8,689	53,976
Private Sector Banks	20,805	14,768	11,698	4,219	51,490
Foreign Banks	835	208	22	32	1097
Grand Total	50284	51115	48201	31652	181252

The state wise distribution of ATM network is as follows

Bank Name	Public Sector Banks	SBI Group	Private Sector Banks	Foreign Banks in India	Grand Total
ANDAMAN & NICOBAR	25	55	19	0	99
ANDHRA PRADESH	3675	3270	1493	25	8463
ARUNACHAL PRADESH	27	146	15	0	188
ASSAM	1046	1738	430	2	3216
BIHAR	2945	2168	826	2	5941
CHANDIGARH	236	47	246	10	539
CHHATISGARH	1151	1240	346	1	2738
DADRA NAGAR HAVELI	32	8	63	0	103
DAMAN	23	36	42	0	101
DELHI	3486	1492	3130	131	8239
DIU	1	6	2	0	9
GOA	465	158	331	2	956
GUJARAT	4668	2847	2914	31	10460
HARYANA	2592	1189	1998	79	5858
HIMACHAL PRADESH	810	570	182	0	1562
JAMMU AND KASHMIR	295	666	1122	0	2083
JHARKHAND	1516	1189	499	0	3204
KARNATAKA	5706	3680	5105	218	14709
KERALA	2490	2804	2708	10	8012
LAKSHWADEEP	13	2	1	0	16
MADHYA PRADESH	3756	3876	1080	8	8720
MAHARASHTRA	8535	4309	7979	296	21119
MANIPUR	48	212	37	0	297
MEGHALAYA	73	222	53	0	348
MIZORAM	29	92	21	0	142
NAGALAND	35	267	32	0	334
ORISSA	2126	2254	972	2	5354
PONDICHERRY	316	106	141	1	564
PUNJAB	3118	2025	1738	8	6889
RAJASTHAN	3140	2771	1568	12	7491
SIKKIM	64	49	47	0	160
TAMIL NADU	6664	4161	7390	105	18320
TELANGANA	1771	2758	2870	43	7442
TRIPURA	162	190	92	0	444
UTTAR PRADESH	8445	3079	3273	47	14844
UTTARAKHAND	1188	732	317	1	2238
WEST BENGAL	4017	3562	2408	63	10050
TOTAL	74689	53976	51490	1097	181252

ATM transaction charges

ATM usage in India boomed after RBI in March 2008 directed banks not to charge their own customers for use of the machines. Additionally, ATM transactions from any bank were made free effective from 1 April 2009. Subsequently a five transaction cap was introduced because the banking system could not take the load of an increase in transactions. In making ATM usage free of cost, the RBI cited the international experience; banks in the UK, France and Germany do not charge money for ATM transactions.

The result was a surge in the number of ATM transactions and an increase in the ATM penetration in the country. According to data from International Monetary Fund's Financial Access Survey, India had only 5.31 ATMs per 100,000 adults in 2009, but by 2012 this rose to 11.21 ATMs per 100,000 adults.

Even so, ATM penetration in India remains far below that in economies like China where there are 37.51 ATMs per 100,000 adults, Brazil (118.60) and Russia (182).

In November 2014, the RBI brought in new transaction fee structure. The RBI said that despite this growth, the deployment of ATMs infrastructure in the country is lop-sided with a significantly large presence in metropolitan and urban areas as compared to rural and semi-urban areas. Referring to the growing cost of ATM deployment and maintenance incurred by banks on the one hand as well as the rising interchange out-go due to these free transactions, the IBA had sought the removal of free transactions at other banks' ATMs at metro centres and other large townships in the country.

So it was decided that after an analysis of the ATM deployment in the country as well as availability of alternate means of electronic payment infrastructure and access thereto, it was decided to revise the existing directions as under:

- a. Taking into account the high density of ATMs, bank branches and alternate modes of payment available to the customers, the number of mandatory free ATM transactions for savings bank account customers at other banks' ATMs is reduced from the present five to three transactions

per month (inclusive of both financial and non-financial transactions) for transactions done at the ATMs located in the six metro centres, viz. Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad. Nothing, however, precludes a bank from offering more than three free transactions at other bank ATMs to its account holders if it so desires.

- b. This reduction will, however, not apply to small / no frills / Basic Savings Bank Deposit account holders who will continue to enjoy five free transactions, as hitherto.
- c. At other locations i.e. other than the six metro centres mentioned above, the present facility of five free transactions for savings bank account customers shall remain unchanged.

The silver lining in the new rules on ATM usage is that the charge structure has been harmonised. Before the RBI decided in 2009 to make five ATM transactions free, banks used to charge anything between Rs 15 and Rs 60 per transaction at another bank's ATM. This was later revised to Rs 20 per withdrawal and Rs 9 for non-financial transactions. Now, the RBI has put a ceiling / cap on customer charges of Rs.20/- per transaction (plus service tax, if any).

The Debate

Following this decision a lot of questions were raised in favour and against this decision. The Banks had put forward the argument that they are not allowed to charge their own customers for use of the ATM network, regardless of the number of transactions. Other banks' customers are allowed upto five transactions free of cost per month. But, operational costs have risen due to the need for security in every ATM and increase in frauds. Banks have been under pressure to step up security at ATMs after an incident in Bangalore in November, when a woman bank manager was brutally attacked and robbed inside an unguarded ATM kiosk where she was withdrawing money. Banks are also trying to earn more fee income as transactions on ATMs increase with their growing reach.

While others were of the opinion that limiting the number of free transactions may push customers

away from using the machines and back towards bank branches, making it more expensive for banks in the long run. The fear is that increasing charges on ATM transactions would lower transactions and eventually the incentive for banks to expand their ATM networks.

Notwithstanding the debate, the charges have been operational since November 2014.

Impact of ATM charges on banks performance

This paper tries to understand why the ATM which was considered to be a cost effective model began to cost more which resulted in limits of free usage of this channel.

To understand this, we are using panel regression with fixed effects model to see the impact of ATMs on operating expenses, other income and return on assets. Now, as the ATMs increase, it is expected that the operating expenses would go down as the variable cost is less while the initial fixed cost would decline as the number of ATMs would increase. As the ATM network increases, there would be an increase in fee income which would increase the other income component of banks' earnings. As a result, the performance of banks would show a positive impact on return on assets. So, we collect the data of number of ATMs and operating expense of four categories of banks viz., Nationalised Banks, State Bank of India, Private sector banks and foreign bank for 2011-12 to 2013-14.

We use panel regression with fixed effects which is showing that there is a positive relation between growth in ATMs and operating expenses while other income is showing a negative impact and return on assets does not have a significant relation.

The adjusted R-square is at 40%.

The Hausman test shows that the fixed effects model is better and so we have not included the results of the random effects model.

This result shows that operating expense was supposed to fall down but that is not happening and other income is not increasing. This explains the reason for the RBI to limit the free ATM transactions.

Limits of this model

This model uses data for only 3 years that is its major limitation as it reduces the degrees of freedom and limits the robustness of the model estimates. Going forward as the data for more years is made available we would be in a better situation to review the same. This probably explains the fact that there are hardly any papers in this area of research.

It is interesting to note that RBI Governor has pointed out that IT revolution has not brought down expenses for banks (Times of India, Oct 24, 2015)

Conclusion

While ATM is heralded as a channel for financial inclusion, there is still a long way before it becomes a positive cost-reducing and revenue-earning channel for banks.

ATMs is dependent variable					
Coefficients :					
	Estimate	Std. Error	t-value	Pr(> t)	
Operating Expense	0.26	0.04	6.4884	0.001297	**
Other Income	-0.20	0.06	-3.288	0.021762	*
Return on Assets	-5455.30	5272.00	-1.0348	0.34821	

Motives To Choose Green Marketing By Companies - A Conceptual Framework

Dr. K Tharaka Rami Reddy

Professor in Management,
The Oxford College of Business Management
Bangalore
ktrreddy@gmail.com

Abstract:

There is growing interest among people around the world regarding protection of natural environment. People are getting more concerned for environment and changing their behaviour for the protection of environment. As a result of this, the term "Green Marketing" has emerged. Hence, marketers are feeling their responsibility towards environment and giving importance to green marketing. Not only marketers but consumers are also concerned about the environment, and consumers are also changing their behaviour pattern. Now, individual as well as industrial consumers are becoming more concerned about environment-friendly products.

Unlike the conventional marketing green marketing not only ensures the interests of the manufacturers and consumers but it also ensures environmental friendliness by including the activities related with the protection of natural environment. Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it. On our planet sources are limited and human needs (wants) unlimited. Recyclable or renewable goods are needed to fulfill the unlimited needs of a customer. As industries are having limited resources, they have to search for new and alternative ways to satisfy the consumer needs (wants). Thus green marketing is important for the firms to utilize the limited resources satisfying the consumer needs as well as achieving the organization's selling objectives.

The present paper highlights that "Opportunity, Social Responsibility, Governmental Pressure, Competitive Pressure, Cost or profit issue etc are the reasons for choosing green marketing by most of the companies.

Key Words: Conventional Marketing, Green Marketing, Environmental Marketing, Ecological Marketing, Freedom Of Choice, Social

Responsibility, Governmental Pressure, Competitive Pressure, Cost Or Profit Issue

Introduction

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing.

The legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges. In the USA, the Federal Trade Commission provides some guidance on environmental marketing claims. This Commission is expected to do an overall review of this guidance, and the legal standards it contains, in 2011.

Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that specialize in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green

marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. But to define green marketing is not a simple task. The terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Green marketing is defined as "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment."

This definition incorporates much of the traditional components of the marketing definition, that is "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants" Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it.

Importance of green marketing

Man has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. There is extensive debate as to whether the earth is a resource at man's disposal.. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural

resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

Reasons for firms increased use of Green Marketing

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible. Governmental bodies are forcing firms to become more responsible.
3. Competitors' environmental activities pressure firms to change their environmental marketing activities.
4. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

i. Opportunities: All types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment. A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons. As demands change, many firms see these changes as an opportunity to be exploited. It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer need. McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern

relating to polystyrene production and Ozone depletion. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

ii. Social Responsibility & Green Marketing :

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives; (1) they can use the fact that they are environmentally responsible as a marketing tool; or (2) they can become responsible without promoting this fact. There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool. An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the

organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

iii. Governmental Pressure: As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways, 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

iv. Competitive Pressure: Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacturer stopped using driftnets the others followed suit.

v. Cost or Profit Issues : Firms may also use green marketing in an attempt to address cost or profit

related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production. One Australian example of this is a firm who produces acidic waste water as a by-product of production and sells it to a firm involved in neutralizing base materials. The last way in which cost or profit issues may affect firms' environmental marketing activities is that new industries may be developed. This can occur in two ways: 1) a firm develops a technology for reducing waste and sells it to other firms; or 2) a waste recycling or removal industry develops. For example, firms that clean the oil in large industrial condensers increase the life of those condensers, removing the need for replacing the oil, as well as the need to dispose of the waste oil. This reduces operating costs for those owning the condensers and generates revenue for those firms cleaning the oil.

Problems with Green Marketing:

There are a number of potential problems that must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Green marketing claims must clearly state environmental benefits. A problem of the firms face is that those who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct. For example the McDonald's case where it has replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally

friendly. Some scientific evidence suggests that when taking a cradle to grave approach, polystyrene is less environmentally harmful if this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option. When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethyl ether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point, it may be impossible for a firm to have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash; if it is determined they made the wrong decision in the past. While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims.

If governments want to modify consumer behavior they need to establish a different set of regulations. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body. Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." Mobil Corporation who has followed the competition and introduced "biodegradable" plastic garbage bags, as because technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states for using misleading advertising claims. Thus blindly following the competition can have costly

ramifications.

The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects. Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organizations should attempt to minimize their waste, rather than find "appropriate" uses for it.

The 5 Simple Rules of Green Marketing:

When it comes to shining a spotlight on specific sustainability issues, NGOs and consumer groups will target the most respected and trusted brands in the world. It's the reason why Home Depot was targeted for sustainable harvested wood, Nike for child labor practices, McDonalds for Styrofoam clamshells and now obesity, and why Coke is similarly a target for sugar and packaging. What does this all mean for your business? Simply stated, if you don't manage your business with respect to environmental and social sustainability, your business will not be sustained! But the converse is true, too: A strong commitment to environmental sustainability in product design and manufacture can yield significant opportunities to grow your business, to innovate, and to build brand equity. All you have to do is get the word out...right?

As with any other major business endeavor, easier said than done. Many a responsible company has run into trouble with these very same sustainability-minded NGOs and consumer groups thanks to a poorly planned and crafted marketing message. Protect your company from these common pitfalls and start taking advantage of new opportunities by heeding Rules of Green Marketing:

1. Know your customer. If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address. (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator

because consumers didn't know what CFCs were!).

2. Empower consumers. Make sure that consumers feel, by themselves or in concert with all the other users of your product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products.

3. Be transparent. Consumers must believe in the legitimacy of your product and the specific claims you are making. Caution: There's a lot of skepticism out there that is fueled by the raft of spurious claims made in the "go-go" era of green marketing that occurred during the late 80s-early90s — one brand of household cleaner claimed to have been "environmentally friendly since 1884"!

4. Reassure the buyer. Consumers need to believe that your product performs the job it's supposed to do — they won't forego product quality in the name of the environment. (Besides, products that don't work will likely wind up in the trash bin, and that's not very kind to the environment.)

5. Consider your pricing. If you're charging a premium for your product — and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients — make sure that consumers can afford the premium and feel it's worth it. Many consumers, of course, cannot afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.

Conclusion:

Marketers need to understand the implications of green marketing. Many consumers are environmentally conscious, seeking eco-friendly products and services from organizations that are socially responsible. To protect the planet from environmental degradation green marketing should be adopted by all the companies. Green or Environment Marketing consist of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. There are five possible reasons for firms increased use of Green Marketing. They are

“Opportunity, Social Responsibility, Governmental Pressure, Competitive Pressure, and Cost or profit issue” And also it is specified that “Knowing the

customer, Empowering consumers, Being transparent, Reassuring the buyer and Considering price” are the simple rules of green marketing

References:

1. Crane, A. (2000), "Facing the backlash: green marketing and strategic re-orientation in the 1990s", *Journal of Strategic Marketing*, Vol.8, No.3, , pp. 277-96.
 2. Elkington, J. (1994), "Towards the sustainable corporation: win win business strategies for sustainable development", *California Management Review*, Vol. 36 No.2 pp. 90-100.
 3. Mintel (1991). London, The green consumer report.
 4. Ottman, J.A. (1993), *Green Marketing: Challenges and opportunities*, NTC Business Books, Chicago, IL.
 5. Porter, M.E., Van der Linde (1995), "Green and competitive: ending the stalemate", *Harvard Business Review*, Vol.73, No.5, pp.120-33.
 6. Shelton, R.D. (1994), "Hitting the green wall: why corporate programs get stalled", *Corporate Environmental Strategy*, Vol.2, No.2, pp.5-11.
 7. Smithe, T. (1998), "The Green Marketing Myth: Tending out Goats at the Edge of Apocalypse", university of Toronto press, Toronto.
 8. Wong, V., Turner, W., Stoneman, P.(1996), "Marketing strategies and market prospects for environmentally-friendly consumer products", *British Journal of Management*, Vol.7, No.3, pp.263-81.
 9. www.blogs.siliconindia.com/
 10. www.gmbyamit.blogspot.in/
 11. www.indianmba.com
-

Impact of Performance Appraisal Method on Employee Performance in IT enabled UCBs

Prof. Bharti P Jagdale

*Asst. Professor,
Sinhgad institute of Management, Pune
bj70@rediffmail.com*

Prof Gopa Das

*Asst. Professor,
Sinhgad institute of Management, Pune
Gopa.Das10@gmail.com*

Abstract:

The main purpose and objective of this paper is to explore and examine the relationship of work performance with the performance appraisal method and implementation of HRIS in IT enabled UCBs. Data was collected through the questionnaire. The sample size consists of 200 employees of IT enabled UCBs. Convenience sample was used to collect the data due to time and resource constraints. For analysis, regression and correlation techniques were used. Reliability analysis was used to check the reliability of the data. Results of correlation and regression analysis show that there is overall positive relationship of work performance with the performance appraisal and Organisation culture of the employees of IT enabled UCBs. This study may help and guide the organization in implementing the performance appraisal system for their employees and motivate them to get high performance.

Keywords: UCBs, Performance Appraisal, HRIS, Performance, impact

Introduction

Concept of UCBs

The term Urban Co-operative Banks (UCBs) not formally defined but it refers to primary cooperative banks when the bank is located in urban and semi-urban areas. These banks till 1996 were allow lending money only for non-agricultural purposes but today distinction does not hold. Basically these banks were traditionally centered on communities, localities work place groups. The UCBs essentially lent to small borrowers and businesses. Today, their scope of operations has widened considerably.

The origins of the urban cooperative banking movement in India can be traced to the close of nineteenth century. The success of the experiments related to the cooperative movement in Britain and

the cooperative credit movement in Germany was useful for set up in India. Cooperative societies are based on the principles of cooperation like mutual help, democratic decision making and open membership. The cooperatives itself represented a new and alternative approach to organization as against proprietary firms, partnership firms and joint stock companies which represent the dominant form of commercial organization. According to the International Co-operative Alliance Statement of co-operative identity, a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Primary (urban) credit societies that meet certain specified criteria can apply to RBI for a banking license to operate as urban co-operative banks. Primary (urban) co-operative banks are registered and governed by state governments under the respective co-operative societies acts of the concerned states. Since they are also covered by the provisions of the Banking Regulation Act, 1949, they come under the control of the RBI as well.

Urban co-operative banks are deeply rooted inside local areas and communities. Further they are involved in local development and contribute to the sustainable development of their communities, as their members and management board usually belong to the communities in which they exercise their activities. By increasing banking access in areas or markets where other banks are less present - SMEs, farmers in rural areas, middle or low income households in urban areas - co-operative banks reduce banking exclusion and foster the economic ability of millions of people. They urban cooperative banks play an influential role on the economic growth in the countries in which they work in and increase the efficiency of the international financial

system. Their specific form of enterprise, relying on the above-mentioned principles of organization, has proven successful both in developed and developing countries.

Concept of IT enabled UCBs

A core banking system is the back-end data processing application for processing all transactions that have occurred during the day and posting updated data on account balances to the mainframe. Core systems typically include deposit account and current data account processing, loan and credit processing, interfaces to the general ledger and reporting tools.

Core banking functions differ depending on the specific type of bank. Retail banking, for example, is geared towards individual customers; wholesale banking is business conducted between banks; and securities trading involves the buying and selling of stocks, shares and so on. Core banking systems are often specialized for a particular type of banking. Products that are designed to deal with multiple types of core banking functions are sometimes referred to as universal banking systems.

Concept of performance appraisal method

Performance reviews are a key component of employee development. The performance review is intended to be a fair and balanced assessment of an employee's performance. The success of service industry is depending on its ability to measure accurately the performance of its employee and use its objectivity to optimize them as a vital resource. The good performance appraisal method may helpful for employee and organisation to improve the productivity level. Though the need of Performance appraisal is generated in every organization but there is a different impact on employee. The process by which a manager or consultant examines and evaluates an employee's work behavior by comparing it with preset standards, documents the results of the comparison, and uses the results to provide feedback to the employee to show where improvements are needed and why. Performance appraisals are employed to determine who needs what training, and who will be promoted, demoted, retained, or fired. Performance appraisal is the process of obtaining,

analyzing and recording information about the relative worth of an employee. The focus of the performance appraisal is measuring and improving the actual performance of a employee and also the future potential of the employee. Its aim is to measure what an employee does. It is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyze his achievements and evaluate his contribution towards the achievements of the overall organizational goals. By focusing the attention on performance, performance appraisal goes to the heart of personnel management and reflects the management's interest in the progress of the employees. Employee Performance Management is a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. It is about aligning the organisational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce.

Performance Appraisal can be done with following objectives

1. To identify the strengths and weaknesses of employees to place right men on right job.
2. To maintain and assess the potential present in a person for further growth and development.
3. To provide a feedback to employees regarding their performance and related status.
4. To provide a feedback to employees regarding their performance and related status.
5. It serves as a basis for influencing working habits of the employees.
6. To review and retain the promotional and other training program

Diagram no 1 : Traditional performance appraisal method



The traditional performance appraisal method has lot of drawback like remark of authority. Paper based performance appraisal system has drawbacks like it will have less devolution in evaluation of employee performance. The wrong evaluation of employee may have negative impact on his performance. There is also a possibility of manipulation of information while performance appraisal papers are in the process.

Concept of HRIS

Human resource information system (HRIS) is an information system or service that provides a single, centralized view of the record that a human resource management (HRM) or human capital management (HCM) group requires for completing various day to day human resource (HR) processes. Such processes include recruiting, applicant-tracking, payroll, time and attendance, performance appraisals, benefits administration, employee self-service and perhaps even accounting functions as well.

Performance through HRIS

HRIS (human resource management system) is software which maintains the basic information database of employee along with details like number training program completed, additional education, task completion details, leave management, medical history, attendance record etc. As you consider using an electronic performance appraisal, it's important to determine what organization wants out of an employee review. Today employee evaluation software and online tools become more available and affordable, Employee more likely to find them running into them as a manager during your career. Electronic performance appraisals provide a number of advantages and disadvantages for both supervisors and employees, and understanding some of the more common ones will help you make the best decision as to which one is right for the department or organization.

Diagram no 2 automated process of performance appraisal

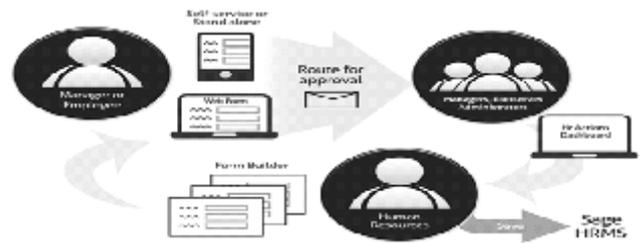


Table - 01 Difference between Traditional and Modern (Systems) approach to Appraisals

Categories	Traditional Appraisals	Modern, Systems Appraisals through HRIS
Guiding Values	Individualistic, Control oriented, Documentary	Systematic, Developmental, Problem solving
Leadership Styles	Directional, Evaluative	Facilitative, Coaching
Transference process	Less transference	Most transference
Frequency	Occasional	Frequent
Formalities	High	Low
Rewards	Individualistic	Grouped, Organizational

Objective of the study

1. To find out the employee perception for performance appraisal method through HRIS.
2. To identify the impact of performance appraisal through HRIS on employee performance
3. To examine the role of organisation in performance appraisal and job performance

Hypothesis

H1: There is a positive relationship between organisation culture and job performance.

H2: There is a positive relationship between performance appraisal method through HRIS and job performance.

Research method

Data Collection Method: The quantitative approach was adopted for this study because this was convenient for this type of research. The population for the study consisted of the employees of all selected IT enabled UCBs. Sample consisted of 150 employees of IT enabled UCBs. Sample was chosen by using the technique of convenient sample because of time and resource constraints. Self-administered questionnaire were used to collect the data. Questionnaire measured on 5-point Likert scale.

The scope of study was limited to only IT enabled UCBs. The regional scope was limited to Pune and Mumbai region. The technical scope was limited to HRIS performance appraisal method. The analysis is done base on feedback given by respondents.

Data analysis and finding

Diagram no 03 Theoretical frameworks

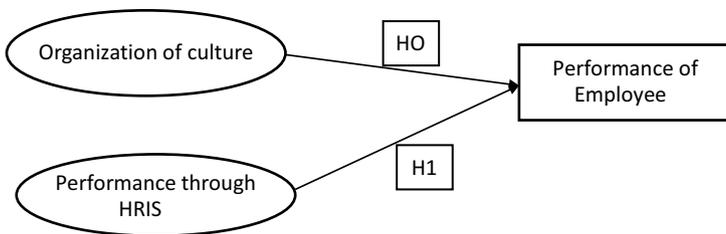


Table No. 2 Data Analysis

Variables Entered/Removed			
Model	Variables Entered	Variables Removed	Method
1	PerformancethroughHRIS Organisation culture	.	Enter
a. Dependent Variable: performance			
b. All requested variables entered.			

Table -03

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.449 ^a	.201	.191	1.30644
a. Predictors: (Constant), performance throughHRIS, Organisation culture				

Table -04

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.263	2	31.632	18.533	.000
	Residual	250.897	147	1.707		
	Total	314.160	149			
a. Dependent Variable: performance						
b. Predictors: (Constant), performancethroughHRIS, Organisation culture						

The table no 4 show that test significance value is less that p value hence null hypothesis is accepted. It is concluded that performance appraisal through HRIS and organisation culture have impact on employee performance.

Table -05

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.466	.401		8.638	.000
	Organisation culture	.363	.079	.358	4.592	.000
	performance through HRIS	-.423	.080	-.410	-5.264	.000
a. Dependent Variable: performance						

The table no 5 shows, that there is significant relationship between organisation culture and employee performance. Further it is also concluded that performance through HRIS also has significant relationship with employee performance.

Table -06

Correlations				
		Organisation culture	performance through HRIS	performance
Organisation culture	Pearson Correlation	1	.322**	.225**
	Sig. (2-tailed)		.000	.005
	N	150	150	150
performance through HRIS	Pearson Correlation	.322**	1	-.295**
	Sig. (2-tailed)	.000		.000
	N	150	150	150
performance	Pearson Correlation	.225**	-.295**	1
	Sig. (2-tailed)	.005	.000	
	N	150	150	150
**. Correlation is significant at the 0.01 level (2-tailed).				

Conclusion

Performance management is a tool for improving the work performance and productivity of individuals. An effective employee is a combination of a good skill set and a productive work environment. Many factors affect employee performance that managers need to be aware of and should work to improve at all times. From the study, it is concluded, that there is a positive relationship of work performance with performance appraisal method and organization culture. It is also included that employees of IT enabled UCBs have high work performance due to performance appraisal method through HRIS and good organization culture. Both regression and correlation output show a positive relationship of work performance with organization culture and performance appraisal method. Work performance is generated through HRIS and organization culture. This study filled the gap in IT enabled UCBs with regards to performance appraisal method and organization culture. From the study it can be concluded that employees do have an impact of performance appraisal method on their performance. In a digital world, manager and employee both are more comfortable in automation method of performance appraisal which is known as HRIS. Now a days banks are considering employees as capital hence HRIS may be helpful to HRM in their day to day function.

No	Hypothesis	Test applied	Status
1	H0: There is a positive relationship between organisation culture and job performance.	Multiple regression	As the significance value is less than p value the H0 ACCEPTED
2	H1: There is a positive relationship between performance appraisal method through HRIS and job performance.	Multiple regression	As the significance value is less than p value the H0 ACCEPTED

References

1. Rashid Saeed, Rab Nawaz Lodhi, Ahmar Naeem, Asadur Rehman, Zahid Mahmood and Moeed Ahmed “Impact of Performance Appraisals and Motivation on Employee’s Outputs in Banking Sector of Pakistan” *World Applied Sciences Journal* 26 (3): 415-421, 2013 ISSN 1818-4952
2. Dr. Shagufta Showkat, “performance appraisal in banking organizations” *International Refereed Research Journal* www.researchersworld.com Vol.-IV, Issue-3(1), July 2013 pp66-72.
3. Ms. Ritu Maria I and Ms. Puja Bansal “performance appraisal of Indian public and private sector banks in context to automatic teller machines” *GIAN JYOTI E-JOURNAL*, Volume 2, Issue 3 (Jul – Sep 2012) ISSN 2250-348X
4. Dr. Manisha Purohit “Performance appraisal System of cooperative banks in pune region: Its implication to employee’s performance.” *International Journal of Scientific & Engineering Research*, Volume 5, Issue 1, January-2014 ISSN 2229-5518 1161-1169.
5. Pallavee Shrivastava, Usha Kiran Rai “performance appraisal practices in indian banks” *Integral Review - A Journal of Management* e-ISSN : 2278-6120, p-ISSN : 0974-8032, Volume 5, No. 2, Dec.-2012, pp 46-52 <http://www.integraluniversity.ac.in/net/journalsAndPublications.aspx>
6. Dr. Lalita Mishra “A research study on employee appraisal system case of hongkong and shanghai banking corporation (hsbc bank)” *International Journal of Business and Management Invention* ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X www.ijbmi.org Volume 2 Issue 2 February. 2013|| PP.60-67.
7. Muhammad Faseehullah Khan “ Role of performance appraisal system on employees motivation ” *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X. Volume 8, Issue 4 (Mar. - Apr. 2013), PP 66-83 available online on www.iosrjournals.org
8. Dr. Kanchan Bhatia “A study of performance appraisal and organizational effectiveness in terms of individual and organizational basis. A comparative study of BSNL and AIRTEL” *International Journal on Arts, Management and Humanities* 1(1): 63-72 (2012) ISSN No. (Online): 2319 – 5231

Weblogs

1. <http://searchfinancialapplications.techtarget.com/definition/HRIS>
2. <https://www.techopedia.com/definition/138/human-resources-information-system-hris>
3. www.rbi.org
4. www.nafcub.org

An Insight on Consumer Protection In India

Adv. Rohini S Pandit

Research Scholar

Prin. L N Welingkar Institute of

Management Development and Research, Mumbai

rohiniaudra@gmail.com

ABSTRACT

All of us are consumers and remain consumers from the time of our birth till our death. With the openings of the market to global trade consumers are exposed to huge volumes of goods of which little to no information is made available to them. With the growing of awareness of the consumers one sees a rise in demand for value for their money. Although advancement in technology has assured of better quality machinery, products and goods, ironically the consumers still remains the most vulnerable aspect of the marketing strategies of advertisers and suffers and very often gets exploited at the hands of people and business houses who indulge in corrupt practices. The humungous volume of global trade, imports and the complexity of products being traded nationally and internationally is a big challenge at protecting the consumer totally. This Paper makes an attempt is made to understand the concept of consumer and the protection provided under law in India. In spite of government efforts “Jago Grahak “ 3 Out of 10 consumers are although aware but do not exercise their rights as consumer

Keywords: Consumer, Consumer Protection, Consumer Exploitation, Awareness

Introduction

‘Consumers by definition include us all’ Kennedy said in his Congressional Statement, ‘They are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group... whose views are often not heard’.

Gandhiji had rightly said: “A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work - he is the purpose of it. We are not doing him a favor by serving him. He is doing us a favor by giving us the opportunity to serve

him.”

Historical Perspectives

In the early years when welfare legislatures like the consumer protection Act did not exist, the maxim Caveat emptor (let the buyer beware) governed the market deals. We find the seeds of consumer protection during the Mughal times and especially during the time of Khiljis. It is said that Sultan Ala-ud-Din Khilji (1296 A.D. to 1316 A.D.) had introduced strict price control measures based on production costs. He had also established separate shopping centers in Delhi for (1) grain, (2) cloth, sugar, dried fruits, herbs, butter, and oil, (3) horses, slaves, and cattle, and (4) miscellaneous commodities. The supply of grain was censured by collecting tax in kind in the production areas and keeping it in the royal storehouses. Hoardings of grain were forbidden. Elsewhere the growers were ordered to sell their grains for cash in their fields at fixed prices and were not allowed to take any grain home for private sale. The market controller, the state intelligence officer, and the Sultan’s secret agents, each submitted independent reports on these shopping centers to the Sultan. Even a minor violation of the rules was not tolerated. The shopping center for cloth, known as the sara-i-adl, was established near one of the royal palaces on the inner side of the Bada-un-Gate. All goods, including foreign imports, were first taken there and their price fixed. Every merchant was registered with the commerce ministry and had to sign a bond guaranteeing a regular supply to the goods in which they traded. The Hindu Multani merchants were advanced money by the treasury to import rare commodities for the sara-i-adl, some price were subsidized. Costly fabrics and luxury goods could be sold only to those who have obtained permits from the Government. The prices of cattle were also fixed and unscrupulous merchants were deprived of their

trading rights. The shopping center for general commodities was under the direct control of the commerce ministry. Ala-ud-Din's Minister of commerce was also the Superintendent of weights and Measure and the Controller of the Commercial transactions. He was assisted by Superintendent for each commodity. Prices and weight and measure were checked by sending the children employed in the royal pigeon-house to buy petty articles. The prices fixed for the Delhi market were also applied in the provincial capitals and towns.

During the British regime (1765-1947), also known as the 'Colonial Era', Government's economic policies in India was concerned more with protecting and promoting the British interests than with advancing the welfare of the native population. The administration's primary per-occupation was with maintaining law and order, tax collection and defense. Accordingly much of the legalization enacted during the British regime was primarily aimed at serving the colonial rulers intend of the natives. There were, however, some pieces of legislation which protected the overall public interest through not necessarily the consumer interest. Prominent among these were: the Indian Penal code, 1860, the sale of Goods act, 1930, the dangerous drugs act, 1930 and the drugs and cosmetics act, 1940. In a sense, the sale of good act, and the principles of the law of torts were more for the protection of the trader than the consumer.

Consumer as defined in the global perspective

A consumer is one who consumes merchandise or goods as also a person who buys goods or utilizes services not for manufacturing or resale but for personal use. A person who decides whether or not to purchase an item at a shop or avail of a service and one who can be influenced by marketing tactics and advertisements is also known as a consumer. In biological terms a consumer is an organism that eats or absorbs or gets nourishment / food from an external source. When one refers to an empowered consumer it infers that the consumer has a high level of awareness and proactive in exercising their rights. An aware consumer is not only self oriented and only protects himself from exploitation but brings about efficiency, transparency and accountability in the

entire manufacturing and services sector. Realizing the importance of consumer empowerment legislator's world over has accorded top priority to Consumer Education, Consumer Protection and Consumer Awareness.

Consumer in economics and marketing

As per business people and economists consumers are an aggregated commodity item with little individuality other than that expressed in the buy/not-buy decision. Personalized marketing, permission marketing, and mass customization is the new trend followed by marketers. The Public is said to find the use of the word "consumer" offensive and derogatory and prefer being addressed as "customers" There is increasing backlash from the public over use of the label "consumer" rather than "customer", with many finding it offensive and derogatory.

Consumer in law and politics

The notion of consumer is used primarily in relation to consumer protection laws, and its definition is often restricted to living persons (i.e. not corporations or businesses) excluding commercial users in law. The main purpose behind protection of consumers is on account of lack of consumers bargaining power with business houses/ producers/ manufacturers/ retailers.

Influence of Advertising on the Consumer

According to Marketing Guru Philip Kotlers (2010) 'Know your customers and give them what they want' is the fundamental principle of marketing. The main factors that define consumer behavior according to Philip is selection, purchase of goods, consumption of goods and services for the satisfaction of their wants and they go through a definite process of behavioural dynamics. Firstly a consumer puts his/her mind to what he/she actually wants to consume, then the consumer does some research which commodity assures him /her them of maximum utilities. They then evaluate their financial capacity or spending capacity (availability of monies) and finally they take a check on available commodities and their existing cost value and zeroes- in on the product they would like to consume. Also influencing these varied steps to zeroing to the

ultimate product are social, cultural, personal and psychological aspects of the consumer. An important source of information to consumers about different products and their availability prior to making their choices is through advertisements. Advertisements are like a double edged sword. Through them consumers are able to make a choice on an informed basis, get the best value of their rupee and on the other side they can become victims of their marketing strategies. Most of the products like tooth paste/fairness creams, food products, cosmetics, beverages are targeted at young children who are the target purchasers. Children to a large extent are influenced by advertisements in their eating habits, food choices, choice of clothes and accessories. Children and also adults get programmed by what is conveyed through advertisements and they start to believe it to be true. Many a times advertisements are highly exaggerated, make incomplete disclosures of products and goods, make false promises. Added to this advertisements and media, should be responsible and also impart consumer education thereby spreading awareness and teaching the importance of conserving (natural resources) and sustaining (recycling and reusing) the environment, a concept of sustainable development, including the direct health effects of environmental pollution and toxic products on consumers.

Applying AIDA's (Awareness Interest Desire Action) Model for the consumers awareness when it comes to exercising their rights.

As per the Survey conducted by NGO around 93 percent of the consumers never make a formal complaint for any consumer issue as majority of them rate the grievance redressal process as 'difficult', according to a survey conducted pan India, over the last year, although there is 7 percent awareness level when it comes to take interest and file a complaint and proceed further the desire is too low, the question of Action hardly arises.

Role of Producers:

Accurate labeling, complete revelation of information, health warnings, handling information, expiry date, etc. keep to requirements, norms, and standards, label products according to requirements, providing true facts, to produce and deliver the

goods/services of right quality at right price at right time at right place at right quantity with right face. If they are providing a service they should carry it out with due skill and care. They must also make sure that any materials they provide as part of this service are fit for the purpose. It is also illegal for a supplier to cut off, or threaten to cut off, supply to a reseller (wholesale or retail) because they have been discounting goods or advertising discounts below prices set by the supplier.

Exploitation of consumers

Consumers though the most important part of the marketing cycle, are the ones who get exploited on a daily basis. Consumers respond to advertisement and the recent times purchasing App's, buy goods / products on basis of the lucrative offers and discount advertisements when many a times the goods/ products do not live up to the claims made in the advertisements. Some of the common methods of exploitation are...

1. False weight and measurements –not measured or weighed correctly
2. Inferior quality –defective home appliances and medicines beyond expiry date
3. Over charging —charging above the retail price
4. Fake Articles—selling fake items in the name of the original
5. Sullyng and contamination—done to get higher profits
6. Lack of safety Devices—absence of inbuilt safeguards in appliances
7. Hoarding & black-marketing leading to scarcity
8. Phony and misleading information— misrepresentation about quality, quantity, durability, and safety.
9. Poor after sales Service
10. Coarse behavior, delayed delivery and undue conditions
11. Creating want by hoarding in godowns

Factors causing exploitation of Consumers

1. Limited Information—providing full and

correct information will help in the choice

2. Limited Supplies—many a times although goods and services are not in short supply an artificial scarcity is created by companies/retailers/manufacturers whereby the prices are increased ten folds.
3. Limited Competition—lack of competition leads to monopoly which results in exploitation
4. Low Literacy—lack of literacy, lack of awareness contributes to the exploitation of consumers.

Rise of consumer Awareness

Kautilya was one of the earliest to write in his Arthashastra concerning the need of protection and awareness of consumers. Economic growth has led to growth of private sector in the market thereby increasing the need for discipline and regulation of the market. For consumers to be protected it is necessary that they are made aware of their rights, particulars of the product, goods and services, the health and security aspects also. It is also essential that food items sold in the market are safe and secure.

Uniformity of legal measures dealing with the safety and awareness amongst consumers and transparency in relation to price, quality of goods and services, contents of foods items are all essential to secure the protection of consumers in the market and to combat malpractices and protect their rights.

Prior to 1986 there were miniscule attempts to safeguard the interest of the consumer like the Essential Commodities Act, 1955, The Standards of Weight and Measures Act, 1976, The Prevention of Food Adulteration Act, 1976, M.R.T.P. Act 1969, Sale of Goods Act, 1930, but in 1986 the Government of India lay out a wide ranging and a comprehensive Act. The Consumer Protection Act is said to be the only law which directly pertains to market place and seeks to redress complaints arising from it. Prior to 1986 there were numerous laws protecting consumers but the Consumer Protection Act, 1986 are said to be the most powerful piece of legislation for the consumers. The Consumer Protection Act, 1986, is applicable to all goods and services, but it excludes goods that are meant for sale / resale or for commercial purpose and also excludes any services

provided free of charge or under a contract for personal service. The Consumer Protection Act is mostly compensatory in nature and as well as covers complaints relating to unfair trade practices. As such a consumer can file his complaint directly to the Consumer forums against food adulteration, short weighing and overcharging. A consumer can have any food item he / she desires analyze by the appropriate body and thereafter if the item does not meet with the claims propagated / asserted, can then file a complaint. Many of us have exercised the rights at some point of time in our lives unknowingly. There is increasing awareness of consumer rights in alignment with changing market trends and influences. The Government Consumer Courts and Voluntary Organizations and several other agencies are working towards protecting the interests of the consumer. Establishments set up by the government such as Consumer councils and quasi-judicial machinery are some of the way in which enhanced protection and promotion of consumer rights are provided for by the Act.

The Consumer Protection Act aimed at public welfare and public benefits and is a milestone in socio-economic legislation covering public, private, joint and cooperative sectors. It is a tool aimed at securing and promoting competition in the market without the exploitation of Consumers.

Consumer Laws are divided into 4 parts- the first 3 parts deal with the rights of consumers and liabilities of offenders, the fourth part deals with the enforcement of the provisions of the first 3 parts:

1. Product Liability: Stringent Liability is imposed on producers for providing damages goods or defective products.
2. Unsafe Goods: A general duty is imposed on suppliers of consumer goods to ensure that the goods supplied are safe.
3. Misleading price indications: giving misleading prices to consumers in respect of goods and services is made a general offence.
4. Unfair Competition: Aims at strengthening Consumers and eliminating unfair competition in trade and commerce. Prohibits false or misleading representations or advertisements, offering of gifts

or other free items with the goal of not providing them, bait advertising and referral selling.

Rights and Duties of Consumers to protect their rights

As codified under the Indian Laws the Consumers have the following

Rights

1. To Safety — protection against hazardous goods
2. To be Informed— concerning price, quality, purity
3. To Choose—availability to an array of goods and services at competitive prices.
4. To be Heard— consumers need to be heard and their grievances be addressed
5. To seek Redressal—consumers need to be protected against unfair trade practices and genuine grievances need to be addressed swiftly
6. To Consumer Education.— Awareness about good and services and issues related to consumers need to be addressed.

Duties

1. Demand a bill for every purchase and warranty card wherever applicable
2. Check for government approved stamps like ISI mark or Agmark
3. To float groups which promote consumer awareness groups
4. Lodge complaints on genuine grievances.
5. Be aware of rights as consumers

Definition of few relevant terms under the Consumer Protection Act

2(1)(d) Consumer is any person who- (i) Buys any goods for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment when person, but does not include with the approval of self person, but

does not include a person who obtains such goods for resale or for any commercial purpose or(ii) Hires for avails of any services for a consideration which has been paid, Promised or partly paid or partly promised or under any system of differed payment and includes any beneficiary of such services other than the person. [Hires or avails of the services for consideration paid or promised or partly paid or partly promised, under any system of differed payment, when such services are availed or with the approval the first mentioned person.

Goods: (i) "Goods" means goods as defined in the Sale of Goods Act, 1930 (3 of 1930); Section 2(7) of the Sale of Goods Act, 1930, defines 'goods' as - "Goods means every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale."

2(1) (o) Service: (ii) "service" means service of any description which is made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, board or lodging or both, [housing construction], entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service

Spurious goods and services(iii) "Spurious goods and services" mean such goods and services which are claimed to be genuine but they are actually not so.

Complaints / Relief & Rights & Duties of a Consumer

Although the consumer propels and mobilizes consumerism making it the most powerful factor in the consumer- marketing link, at the same time the consumer is the most vulnerable segment in the entire marketing system if he is unaware and not exerting his rights.

The procedure for filing a complaint under the consumer Protection Act, 1986 is very simple and easy. A complaint can be written on plain paper all supporting documents like the warranty card; bills

etc need to be attached. A lawyer is not required. A nominal fee for filing a complaint before the District Forum, State Commission or the National Commission required to be paid to the concerned forum / commission. Copies of the Complaints either 3 or 5 on plain paper need to be filed with the forum / commission. The complaint may be filed in person or through authorized representative or sent by post. The Act envisages three- tier quasi-judicial machinery at the National, State and District levels.

1. National Consumer Disputes Redressal Commission - known as "National Commission" deals with complaints involving costs and compensation higher than Rs. One Crore.
2. State Consumer Disputes Redressal Commissions - known as "State Commission, deals with complaints involving costs and compensation between Rs. Twenty Lakhs and Rs. One Crore.
3. District Consumer Disputes Redressal Forums – also known as "District Forum, essentially addresses complaints involving claims upto Rs. Twenty Lakhs.

According to Chadah et al (2001), a complaint should contain the following information:-

1. Personal details of Complainant like name, age, profession, address
2. Personal details of Opposite Party like name, age or concerned detail, business, official address
3. Cause of action- reason for the complaint / grievance when did the problem /defect come to complainant notice.
4. All evidence in support of the complaint: letters, notice if any, all correspondences also included here
5. The relief which is sought
6. Should bear the signature of the complainant or his authorized agent.
7. The complaint needs to be filed within two years from the date on which cause of action first arose.

According to the Consumer Protection Act, 1986 the Forums have the power to grant the following reliefs:

1. Repair / or replacement of defective goods-
2. Refund of the price paid for the defective goods or service
3. Removal of deficiency in service
4. Refund of extra money charged
5. Recalling of goods hazardous to life and safety
6. Opposite Party to compensate the consumer or the loss/ injury/ harassment caused due to his negligence/ default.
7. Cost of filing and pursuing the complaint

As per the Act complaints are to be decided within 90 days from the date of filing of complaint. Where a sample of any goods is required to be tested, a complaint is required to be disposed of within 150 days; it may take more time due to practical problems.

Consumer protection Measures

1. Legislation concerning Consumer Rights.

The government has set up 3 tier quasi-judicial machinery at the National, State and District levels, thereby ensuring that grievances are dealt with in a speedy, simple and inexpensive manner.

2. Public Distribution System.

This is done to ensure that there is distribution of foods and essentials to the poorest sectors of society as well as to avoid black marketing; hence food grains and essentials are supplied provided at ration shops, fair trade shops.

3. Standardization of Products.

Standardizations of products are necessary so as to ensure manufactures maintain standards that are required to ensure safety and security of users. The ISI stamp on goods is placed by the Bureau of Indian standards. This caters to industrial and consumer goods. These goods can be trusted to conform to specific standards. Agmark is meant for Agricultural products. The FAO and WHO provide food standards.

4. Legal formalities for filing a complaint.

Complaints may be written on plain paper, all necessary documents like invoice, warranty card

need to be attached. The complaint needs to be signed by the complainant and / or his authorize representative and / or his advocate. A lawyer is not necessarily required. A consumer can argue her own case.

Contents of Consumer Complaint

Procedures for filing complaints and seeking redressal are simple. There is a nominal fee for filing a complaint before the District Forum, the State Commission or the National Commission. (A stamp paper is also not required). Three to five copies of the complaint on plain paper are required to be submitted by the complainant or his authorized agent in person or could be sent by post to the appropriate Forum / Commission.

A complaint should contain the following information:-

- (a) The name, description and the address of the complainant.
- (b) The name, description and address of the opposite party or parties, as the case may be, as far as they can be ascertained;
- (c) The facts relating to complaint and when and where it arose;
- (d) Documents, if any, in support of the allegations contained in the complaint like bill, warranty card, order copy etc.
- (e) The relief which the complainant is seeking.

The complaint should be signed by the complainant or his authorized agent.

The complaint is to be filed within two years from the date on which cause of action has arisen..

Features of the CPAct,1986

- 1)The Act aims to provide better and all-round protection to consumers.
- 2) In terms of geographical application, it applies to the whole of India except the State of Jammu and Kashmir.
- 3) It applies to all goods and services unless otherwise expressly notified by the Central Government.

4) It is indeed a very unique and highly progressive piece of social welfare legislation and is acclaimed as the Magna Carta of Indian consumers.

The Act has made the consumer movement really going and more powerful, broad-based and effective and people oriented. This is the only law which directly pertains to market place and seeks to redress complaints arising from it. Even prior to 1986, there were in force a number of laws which could be interpreted in favor of the consumers. But this Act is most powerful piece of legislation the consumer has had before 1986. Its provisions are very comprehensive and highly efficacious. It provides effective safeguards to the consumers against different types of exploitation such as defective goods, unsatisfactory (or deficient) services and unfair trade practices.

Few Controversies dealing with exploitation of consumers in India

1998

1998 mustard oil contamination Adulterated mustard oil poisoning resulted in the deaths of more than 60 in Delhi and over 3000 people fell ill. It was found that white oil, a petroleum product, was mixed with edible mustard oil

2003

The Indian market for processed, prepacked and branded foods is fast developing in metropolitan cities like Mumbai but is yet in its budding stages where consumers are largely unaware of the ingredients, additives, preservatives and other components of what they purchase and put in their mouths. Brand image building done by spending huge sums of money in advertising these products is the prime reason why these products govern and rule the markets and minds of the consumer, who are rarely bothered to find out the truth of what is being marketed.

Very rarely does a consumer read closely the list of ingredients, expiry date, the place of manufacture etc on the package of food: biscuits, jams, ketchup, juice tetrapacks, aerated drinks, chocolates etc or anything that s/he buys before eating it? Worms certainly isn't a listed ingredient in Cadbury's chocolate. Over years Cadburys Chocolates have become an

ubiquitous confectionery in India. Very rarely does a Cadbury's consumer read the list of ingredients on the packets of this most popular confectionery. They only get attracted to the packaging and the association of branding.

Cadbury chocolates was flagged down by Food and Drugs Administration (FDA) in 2003 following complaints that some samples of the confectionery were infested with worms. Aggrieved consumers from suburban Andheri brought this incident to the notice of the FDA and lodged a complaint regarding the presence of worms from a packet bought in the locality.

It is a well-documented fact that Multinationals are far more careless about quality control when it comes to 'third world' countries. That's the fault of our governments, policy makers and politicians. We as Indians should be more vigilant as consumers of international brands.

In contrast, the Indian packaged food market, its consumers, regulators and even the government agencies concerned seems to be in its initial stages of evolution/ development. Ingredient labels on packaged food hardly are scrutinized (except perhaps for brown dots, which denote non-vegetarian food and green dots for vegetarian). However, this Cadbury issue was still not a wake-up call to the Indian consumer to watch what she eats. If at all little was done.

The New Delhi Center for Science and Environment (CSE) found out that pesticide residues were found in Coca-Cola and PepsiCo brands. The pesticide content was found to be 24 times higher than safety standards on aerated drinks developed by the Bureau of Indian Standards.

Coca Cola also issued a statement clarifying their products were safe. "Our products are safe and we measure that against the most stringent standards, the European ones," says Coca-Cola Asia spokesman Kenth Kaerhoeg.

Talking of creepy crawlies, how can we forget about the worms that made way into Subway sandwich? In **2011**, a Mumbai-based woman found a worm inside her Chicken Tikka Subway.

According to a Mid-Day report, "The manager of

Subway, Prabhadevi outlet, tried to worm his way out by saying it was the fault of the vegetable supplier. He added that the eatery is also pacifying the aggrieved customer." A similar incident happened last year when a person in Hyderabad found a worm inside his non-vegetarian subway. Subway was also in news after a food blogger petitioned the chain to remove 'yoga mat chemical' ingredient from its breads. Tony Pace, Subway's chief marketing officer, told the Associated Press that the chain started phasing out the ingredient.

2014

In India, in a food safety scandal related to rice, the Food Safety and Standards Authority of India (FSSAI) had said the samples of 'Rizo Rice' taken from KFC at Scindia House in Connaught Place showed that it contained artificial colour. In defense, KFC had stated, "The recent news reports on KFC rice being unsafe is a case of misinformation. We only use the natural colour (beta carotene) which is sourced from highly reputed international suppliers, in our Rizo rice meals. We are confident of our product quality and are working closely with the regulatory authorities in this matter who have assured that the sample is safe for consumption and no proceedings have been initiated against KFC."

2015

An officer of the UP Food Safety and Drug Administration based in Barabanki ordered tests on a dozen samples of Nestle's Maggi instant noodles at the state laboratory in Gorakhpur, and repeat tests at the Central Food Laboratory in Kolkata, a referral lab. The Gorakhpur lab tested for monosodium glutamate (MSG) to check Nestle's claim that Maggi had none. Both tests found MSG; in addition, the Kolkata lab found "very high quantities" of lead — 17.2 parts per million — according to UP authorities.

Conclusion

From the above study it is clear that for a consumer to be protected, he/she needs to be aware as awareness empowers a consumer to make the right choices. Legal measures for enforcement of consumer safety and consumer awareness need to be made easily accessible, simple, fast, uniform, transparent and made available in regional languages also

.Advertisers should be made accountable for false advertisements. There should be a regulatory body that screens all advertisements like the censor board before releasing them for public viewing that ensures and verifies the truth of what is being projected onto the consumer as well as onto the minds of the consumer. The same regulatory body should be oriented towards the well being , health of the consumer/customer.

Consumer education and awareness should be made a subject in the curriculum in schools and colleges. Children should be given information about goods available to them, taught how to obtain information about goods and services, understand the psychology of selling and advertising, learn to shop

wisely and distinguish between wants and needs. Children and adults should be taught to understand the alternatives of conserving and saving rather than buying and consuming.

In this time of electronic boom web-sites should be created and made operational that provide information on statutes, subsidiary legislation and prominent cases pertaining to consumer protection. These sites should also give critical analyses of laws and highlights of innovative approaches and updates on developments in consumer law including amendments and case law and updates on alternative redress mechanisms. Legal measures for consumer safety and consumer awareness must be uniform, transparent, costs effective, speedy and easy.

References

1. Avtar Singh. (1994). Law of Consumer Protection–Principles and Practices. Delhi: Eastern Book Company.
 2. D.N.Saraf. (1990).Law of Consumer Protection of India, Bombay. Publisher N.M.Tripathi
 3. Meenu Agrawal. (2006). Consumer Behavior and Consumer Protection in India New Delhi: New Century Publication
 4. Osmond Vitez. (2012). The Influence of Advertising on Consumer Buying Behavior.
 5. Rousu, M., Huffman, W.E., Shogren, J.F., & Tegene A.(2007).Effects and value of verifiable information in a controversial market. Evidence from lab auctions of genetically modified food. Economic Inquiry, 45, 409-32.
 6. S.A.A.Rizvi. (1987). The wonder that was India. vol.2, London Sidgwick & Jackson, p.38.
 7. P. R. Kousalya / T. Mohan / S. Yuvaraj (2013). Exploitation of Consumers. Indian Journal of Research, Volume: 2
-

*Level Of Customers' Satisfaction
In Public Sector Banks
In Comparison With Private Banks*

Laxman S. Sanap

*Research Scholar of Pacific University, Udaipur
Faculty of Management Studies.
sanaplaxraj123@gmail.com*

Abstract:

Nowadays, everybody is talking about Customers' satisfaction in banks; it is the talk of the town. Why banks are giving this much importance to the Customers' satisfaction? Simple answer is that now it is important theoretical as well as practical issue for all the bankers. Today's banking sector is most competitive world of business. In general, satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied.

Keywords : Customer, Employee performance, Customer Satisfaction, Public sector banks, Private sector banks, Customer Delight, Low cost deposit, CASA, Profitability, relationship management. Non-performing assets (NPA), Perceived Performance. Masses, Classes, Business Correspondent, Business Facilitators. Banker's Bank-RBI.

Introduction :

Customers become the focal point for the banking business so that bankers have to involve themselves totally in anticipating, identifying, reciprocating and satisfying their customers in a mutually rewarding manner. Expectations have a central role in influencing satisfaction with services. At present, the strategic focus of the banks changed from production-oriented to customer –oriented. The banks are trying level best to increase the number of services, innovate new products, invest in hi-tech infrastructure and develop customer's relationship management system to attract customers' relationship management system to attract customers from rival banks with incentive schemes, package services, better service quality and competitive

service standards. In today's stiff competitive banking scenario, Customer is next to God. So, seasoned, experienced and matured bankers gives too much importance to Bank Customers and they says that without bank customers, our banks are not going to sustain. Earlier we used to talk about “Matru-Pitru Devo Bhava “, “ Atithi Devo Bhava”, but now all bankers started saying that “ Grahak Devo Bhava “. When bank customer comes to bank premises, he provides bread and butter to bankers by way of his banking activity and whatever revenue is generated from his banking transactions is a Profit to the bankers. Every bank gives too much importance to bank customer because with his help banks get Low Cost Deposit by way of Savings bank account and No cost deposit by way of Current account of small business or big business. Banks are not paying even single paisa to current account holder, whatever funds are lying in current account (sometimes lakhs of rupees) on which banks are not paying any interest to the account holder but diverts these fund for lending and there is nearabout 100% margin. So most of the banks are concentrating on smiley customer service, Courteous and prompt customer service. There is also one more threat of Private sector banks, recently RBI has permitted Bandhan Securities of Kolkatta and they have started 500 branches, India Post also permitted to open the bank branches, Hiranandani and Reliance group also started their bank branches, so in such a competitive banking scenario, Public sector banks have to focus lot on their Customer service.

Indian Banking Industry has undergone several changes after the period of economic reforms as 1991 year is considered as a great line of demarcation in the Banking industry. Banks have become Customer centric and customer oriented. In one of the PSU banks, their slogan is “ Touching Hearts – Spreading Smiles”, it means that banks staff

members takes too much care of Customer Service, and that's why that bank is prospering and flourishing year after year.

Review of Literature:

In Indian Economy, there are various types of banks rendering their banking services to their customers i.e. Private Sector banks, Co-operative sector banks, Regional Rural Banks, District Central Co-operative banks, Land Development banks, Industrial development banks (IDBI), National Bank for Agricultural and Rural Development (NABARD), Foreign Banks, and Nationalised, or Govt. Or Public Sector banks. It is commonly said that Private banks and Foreign banks are concerned only with profit motives, so they are called banks for Classes whereas Public Sector banks are meant for social causes. These PSU banks are meant for common man to big industrialist, so these banks are known as Banks meant for Masses.

Customer's satisfaction is indispensable in the banking organization, many government and non-government agencies as well as individual academicians and practitioners undertook various studies on this issue. Oliver expressed that the customer's satisfaction is a feeling or attitude of a customer towards a product or service after it has been used and described as the full meeting of one's expectations. Researchers like Jamal Ahmad and Campbell have evaluated services of the banks in terms of customer's satisfaction parameters and, therefore have made good contribution in the field of research in the area. A human customer is a complex organism, always changing with changing times, the preferences and priorities also do not remain static which change his/her perception about the satisfaction or dissatisfaction regarding the services he/she gets from the banks. Westbrook and Oliver Stated that in addition to the cognitive components, satisfaction judgments are also depends upon the effective components as both coexist and make independent contribution to the satisfactory judgments.

The success of any organisation lies in the availability and effective utilisation of human resources and more so with quality of services they are rendering and how promptly they are attending

the bank customers. However, there is need of the hour to attract quality of manpower to the banking industry, by way of revising the existing pay structures, reduce working hours and due to acute staff shortage because of massive retirement and Voluntary retirement Scheme, there is also need to have a recruitment of qualitative, young and dynamic and techno-savvy bank staff to render qualitative and result-oriented prompt customer service. In private banks, their number of branches are limited, and due to availability of all types of technical infrastructures, they are rendering very good quality banking services, whereas in PSU banks, their branch network all over the country is spread like anything, their branches are more than 3500 branches of each and every PSU banks, and also work culture in PSU banks being a Govt. of India undertaking, no techno-savvy staff strength, so there are certain limitations while rendering the Customer Service by PSU banks.

Recently, Prime Minister has introduced and implemented Pradhan Mantri Jan Dhan Yojana with the help of Public Sector Banks and also Pradhan Mantri Bima Suraksha Yojana by which common man of our developing country benefitted lot and he got savings account either no frill SB account and also inculcated the habit of saving. By PMBSY, most of the people got insurance cover for natural death as well as for accidental death. Private and foreign banks are not at all entertaining any Govt. Accounts banking business like opening of Public Provident Fund (PPF), tax collections, payment of various types of Pensions i.e. Defence, and Civil pension etc. This job is exclusively handled by Public sector banks and also by State bank of India and its subsidiaries. So while comparing the quality and quantity i.e. No. Of branches, there is always debate on this issue. PSU banks are opened in hilly and remote areas and they are serving the masses with the help of Business Correspondent (BC) and Business Facilitators (BF) with the help of Point of Sale machines. PSU banks no doubt they are serving the Masses but quality-wise, promptness wise they are still lagging behind. Private banks are serving Classes, so due to limited number of Customers, they can render qualitative bank services.

Objectives :

The Objective of this research paper is to measure a Level of Customer's Satisfaction in Public Sector Banks in comparison with the Private Sector Banks in Indian Economy.

Hypotheses of the Study :

H₁: There is a significant difference between the level of customer's satisfaction in the SBI & P.N.B.

H₂: There is a significant difference between the level of customer's satisfaction in the Axis & the HDFC Banks.

H₃: There is a significant difference between the level of customer's satisfaction in the Public and Private Sector Banks

Research Methodology : 1) Primary Data with the help of Questionnaire and also by conducting Interviews of Bank Customers in various bank branches.

Secondary data collected from various Banking Journals, RBI publications, SBI Bulletins, Journals, Indian Banks' Associations literature and Internet, to have some statistical data.

Sampling Design :

A sample of 200 respondents had been drawn from the various socio-economic strata, at different designations and having different educational qualifications and belongs to different age groups on the line of "Convenience Sampling" method. Herein, the sample units are chosen primarily on the basis of convenience to the investigator and respondent.

The Banks chosen for the Study:

Four banks had been chosen for the study. Two of these banks were public sector banks i.e. State Bank of India and Punjab National Bank and two other private sector banks namely; Axis Bank and HDFC Bank.

Distribution of Customers' Sample

Name of the Banks	Number of Respondents
S.B.I	50
P.N.B	50
AXIS	50
HDFC	50
Total Sample Size	200

Data Collection:

For this purpose, Primary data were collected from a sample of 200 respondents, chose by convenience sampling method. In order to collect the necessary data, the researcher visited the concerned banks and delivered the questionnaire personally to the respondents. The questionnaire included 20 variables which determine the satisfaction of the customers of the public and private sector banks. The views, opinions of the customers regarding their satisfaction/dissatisfaction have been qualified on the basis of scale having five points. These five points and their respective score values in the scale are given as under:

Points of Scale	Assigned Score
Very Satisfied	5
Satisfied	4
Neither satisfied Nor Dissatisfied	3
Dissatisfied	2
Very Satisfied	1

A high score in the corresponding dimension indicates a very high satisfaction of the customers. Score in the low range indicates conversely low satisfaction of the customers. Since, the questionnaire was a survey; the dimensions selected for measuring customer's satisfaction have been selected as below:

1. Ability to resolve the complaints
2. Responsiveness of the banks staff
3. Banking Services
4. Counter Services
5. Accounts and deposits of the banks.

Techniques of Data Analysis:

The following techniques were used to study the objectives:

- 1) Percentage
- 2) Mean
- 3) Standard deviation
- 4) Z-Test

Limitation of the Study :

The Findings of the study are purely an outcome/result of the responses given by the sample respondents of the four banks considered for the study. The customer's responses are subject to personal bias. The study has been made in the city of Mumbai alone, as such generalization of the study findings need enough care and caution.

Analysis and Results of the Study:

Ability to resolve Customer Complaints - This is one of the important dimensions of customer's satisfaction is the ability to resolve the customer complaints. The fundamental philosophy to succeed for all the banks would be to view complaints of customers as opportunity to do better by turning a dissatisfied customer into a satisfied one. Variables like outcome of complaints and handing of complaints are the important ingredients of measuring customer's satisfaction. The views of customers about this dimension under study are exhibited in Table-1.

The study of table-1 shows that SBI provides the highest satisfaction to their customers as the combined mean score of two variables which determine the satisfaction of the customers on the basis of the ability to resolve the complaints which is represented by the combined mean score is 4.67. This score is in between very satisfied and satisfied. Secondly, the views expressed by the customers are consistent as the Standard Deviation (SD) is insignificant -0.38. The satisfaction of customers representing the PNB lies in between satisfied and neither satisfied/not satisfied, mean value being 3.42. These views are consistent as the SD is 0.73. The customers of the AXIS and HDFC banks express their level of satisfaction below very satisfied mean value being 3.71 and 3.78 respectively. However, the score of SD shows some inconsistent views of the customers in HDFC Bank.

Responsiveness of the Bank Staff :

Customer's satisfaction with bank staff refers to the willingness of the bank employees to help the customers and provide prompt services to their customers. Our reasonable expectation from bank employees is that they should attend us whenever we

go the branch premises, instead of their chitchats amongst themselves. This factor is linked to several minor ingredients of the satisfaction experienced by the customers such as courtesy of the staff, banks employee's willingness in helping customers, knowledge to perform the service, information delivery; quality of information received and attitude of bank staff.

Observations :

An investigation of table-2 reveals that SBI provides the highest satisfaction to their customers, as the combined mean score of different variables which determine the satisfaction of the customers on the basis of the Responsiveness of the Bank Staff which is represented by the combined mean 4.10. The mean score of the SBI lies in between satisfied or very satisfied, the views expressed by the customers of the SBI are inconsistent as the Standard Deviation is 1.10. The satisfaction level of customers of the PNB, AXIS and HDFC banks is in between neither satisfied / nor dissatisfied and satisfied, as mean score is 3.72, 3.32 and 3.63 respectively.

In Public sector banks namely the SBI and PNB, the knowledge of the bank staff, helpfulness of bank staff and courtesy of the bank staff is the highly contributed factors towards satisfaction of the customers. In private sector banks, knowledge of the staff is highly contributed factor towards satisfaction of the customers of the AXIS Bank and courtesy of the staff and quality of information received is the highly contributed factor towards satisfaction of the customers of the HDFC Bank. Banking Services: The variety of the products and services sold by the banks are dominant factors for the success of any bank. The prime aim of every bank is to provide excellent service to their customers. The services like, ATM Cards, Demand Drafts, Cheque book, Net banking, accounts statements are the important ingredients of measuring customer's satisfaction. Customer's satisfaction with banking services refers to the satisfaction level of customers with quality of service providing by the bank. Banking services provided by the banks under study are exhibited in table-3.

Table – 3: Customer’s Satisfaction with Banking Services

Variables	Public Sector Banks				Private Sector Banks			
	S.B.I.		P.N.B.		AXIS BANK		HDFC BANK	
	Mean	S.D.	Mean	SD	Mean	SD	Mean	SD
ATM Cards	3.83	1.01	4.45	0.49	3.48	1.08	4.02	0.71
Demand Drafts	3.90	0.88	4.06	0.95	3.51	1.00	4.00	0.71
Cheque Book	4.23	0.86	4.31	0.66	3.71	0.96	4.15	0.46
Net Banking	4.21	0.71	3.85	1.35	3.72	0.96	4.44	0.49
Combined mean	4.02	0.91	4.18	0.84	3.59	1.07	2.93	0.65

Data Analysis/Observations

The analysis of table 3 indicates that the Punjab National Bank provides the highest satisfaction to its customers as the combined mean score of different variables which determine the satisfaction of the customers on the basis of the Banking Services which is represented the combined mean 4.18. The mean score of the PNB lies in between satisfied or very satisfied. The views expressed by the customers of the PNB are consistent as the standard deviation is insignificant 0.84. In case of SBI, the satisfaction of customer lies in between satisfied and very satisfied as the mean score is 4.02 and the views expressed by the customers are consistent as the score of standard deviation is insignificant 0.91. In

case of private sector banks, the satisfaction of the customers of the AXIS Bank is in between neither satisfied nor dissatisfied, and satisfied and the mean score of the HDFC Bank is in between neither satisfied, nor dissatisfied and dissatisfied as the mean score is 2.93. However, the score of standard deviation of the AXIS Bank shows some inconsistent views of the customers. Standard Deviation is 1.07 for the AXIS Bank. ATM Cards and cheque book service are the highly contributed factors towards the satisfaction of customers in public sector banks namely the SBI and PNB. In Private sector banks, net-banking and cheque book services are the highly contributed factors towards the satisfaction of the customers of the AXIS and the HDFC Banks.

TABLE : 1 : Customers’ Satisfaction with ability to Resolve Complaints :

Variables	Public Sector Banks				Private Sector Banks			
	SBI	SBI	PNB	PNB	AXIS BANK		HDFC	
Variables	Mean	S.D.	Mean	S.D.	Mean	SD	Mean	SD
Outcome of complaints	4.83	0.37	3.42	0.37	3.71	0.88	3.78	1.08
Handling of complaints.	4.83	0.37	3.42	0.73	3.42	0.73	3.71	1.22
Combined Mean/SD	4.67	0.38	3.42	0.73	3.71	0.82	3.78	1.15

Table : 2 : Customers' Satisfaction Regarding responsiveness of the Bank Staff.

Variables	Public Sector Banks				Private Sector Banks			
	SBI		PNB		AXIS BANK		HDFC BANK	
	MEAN	SD	MEAN	SD	MEAN	SD	MEAN	SD
Courtesy of Bank staff	4.10	1.10	3.74	1.15	3.34	1.20	3.98	0.83
Helpfulness of the Staff	4.10	1.10	3.78	0.96	3.32	1.28	3.94	0.97
Knowledge of the staff	4.10	1.10	3.88	0.82	3.52	1.02	2.00	0.74
Bank Info delivery to Customer.	4.10	1.10	3.54	1.04	3.44	1.43	3.94	0.90
Quality of Inform recd.	4.10	1.10	3.70	0.98	2.92	1.13	3.98	0.85
Attitude of the Bank staff	4.10	1.10	3.68	1.04	3.40	1.26	3.98	0.85
Combined Mean	4.10	1.10	3.72	1.01	3.32	1.18	3.63	0.85

Suggestions :

Public Sector banks need to improve their counter Services

Customers' complaints/grievances should be redressed speedily and customer's satisfaction should be on the top priority.

Employees should be given training to improve their attitude.

Banks should arrange meetings with the Customers to promptness in providing the services.

Separate complaint -cum-suggestion book should be kept in the branch to enable the customer to give some suggestions and complaints.

The working hours of the banks must be as flexible as possible, depends upon the needs and desires of the customers.

The banks must try to find out the specific needs

of different customers, so that suitable package of services can be made available to them.

Provision for separate inquiry counter at all the banks would be very useful especially to illiterate customers and senior citizens.

The number of ATM machines should be more so serve many customers who are having ATM Cards.

Conclusion :

It can be concluded that public sector banks provide better services to their customers than the private sector banks. It shows that the customers of Public Sector banks are more satisfied with traditional banking services such as ATM, Demand Draft and Cheque Book facilities and Statement of Bank accounts i.e. Current account and Cash credit accounts as compared to private sector banks. Whereas customers of private sector banks are more satisfied with counter services such as cash deposit, cash payment, issuance of draft, cheque payment and cheque deposit provided by the bank.

References :**Journals:**

1. Mr Ayyanar G. (The Journal –“The Indian Banker 2012, Nov) “Customer Satisfaction in Indian Banking Industry”.
2. Vimi and Khan Mohd. Kaleem (The Journal of Marketing 84-93 (2008). “A study report on Customer Satisfaction”
3. Atul Mehrotra (The Journal –“The Indian Banker 2013, June,6)“ Sound Corporate Governance in Banks” - How to Ensure?.

Books:

- Torrington, D., Hall, L. & Taylor, S. 2005. Human Resource Management. 6th Edition, London : Prentice Hall.
- Kinicki, A. & Kreitner, R. 2007. Organizational Behavior, New York. McGraw-Hill.
- Ahuja, K. 2006. Personnel Management, 3rd Ed. New Delhi. India. Kalyani Publishers.
- Dr.C.S. Prasad, Cab Calling (2006) pp 39-40’ Role of PSU Banks in Micro, Small and medium enterprises and financing common man in India- Issues and Concerns”.
- “Kumar Manoj” (1996) “Measuring customers’ satisfaction in the banking industry”
- “C.R. Kothari “(2002) “Research Methodology: Methods & Techniques”.
- Magazine Article :**“ Gaurav Bhatia’s” (2006, Nov) Article on Customer Satisfaction Survey.

Dr. Vithal Kamat, Chairperson, Kamat Group of Hotels, in conversation with AIMS R

Q1) Can you tell us about your company?

Ans. Our company is known as Kamat Hotel India Ltd. We have many verticals.

Then we have a catering institute of our own, where we do skill Programs for 9th ,10th ,11th also and provide Catering College Diploma. We also have many CSR activities.

Q2) What is your mission and when do you see yourself with respect to your mission?

My Mission is that India should be one of the leading country in the World, and for that Indian Women have to be made an Entrepreneur, at the same time to make the world a greener place to live and lastly I feel that the eradication of Plastic is very important and I am working towards it .

Q3) Tell us about your journey so far?

I was the most ordinary Boy and from ordinary I have become Extra-ordinary. So that is my Journey, during this Journey I met greatest people from whom I could learn , Whatever I am today, I am because of my parents, because of my teachers, because of my friends and the people whom I choose to live with in my life and they made me what I am today. So whomsoever can do a better job than me , I consider him as a Guru and I learn from them . I learnt another thing from Honey Bees that you should be like them , from everywhere try to pick up the best things from human beings, animals or nature, and give it back again to nature.

Q4) How did you get the idea to start our venture?

I believe idea is your Currency, and you should use it properly. There are four P's required for any venture to start, and this four P' are Prior Planning Prevents Problem. So If you can Plan well, you get the fifth P as Prosperity

Q5) What appealed to you about entrepreneurship?

Entrepreneurship is a new Challenge everyday, where you enjoy doing it .because you bring, you save people's time, energy and money and that is the biggest thing you are doing to the mankind. So Entrepreneurship is in everyone , many people takes their own time whether they want to do it or not. But Entrepreneurship is not about Monopoly of any way, anybody can be an entrepreneur , only thing he has to have little risk taking ability and I feel Entrepreneurship in India was always there. Only thing those ladies who were 200 years back, were the backstage Entrepreneurs giving required energy, resources and support to their Partners or Husbands or children...So I find Indian Women are the greatest Entrepreneurs but there is no conducive atmosphere created for them , which my government will do it , and I earnestly request them to create Entrepreneurship cells for the ladies, So that India can be number one , and I feel no lady should put her hand forward... , She should be a giver, not a taker. so that India must start Education in the School for Entrepreneurship, India must have Entrepreneurship cells and those who have failed 8th, 9th, 10th and 11th, they should be taught the skill to become an Entrepreneur.

Q6) What are the Basic Sectors that you have funded till now?

We have been Funding the Hospitality Industry, Restaurants, The Colleges Of Entrepreneurship, then few projects for Public use like Museums, then Hospitals and the most important Ladies Community Centre and the Aanganwadis.

Q7) What do you see in an idea, before you decide to fund it...?

Firstly The Idea and the person behind that Idea, whether that person , has a passion or has he committed to that idea,

Secondly, whether that idea is temporary or going to be there minimum for a period of 5 to 10 years,

Third, How well the packaging for that idea is being done

At Last, is there a need for that idea in this World....

Q8) Tell us something about your background skills, knowledge and experience that have helped ...

My father was a great source of inspiration to me. I am a Diploma holder in engineering and did many courses, so working with him has given me a great exposure

But I am very fortunate to meet the greatest people in every field. These are iconic people you know and that are all self made man, they are the ones those who have made themselves great.

These are the people who are like mini universities. Talking to them, meeting them, I have gained the knowledge. Converting information and application of Knowledge is called Wisdom .So today children have only information and knowledge, But they don't know how to apply it and they think, that only having knowledge and information makes them great, it doesn't it is this error which you as the youth have to remove from the mind.

Q9) And what suggestion would you like to give to youngsters, who have ideas but do not know the way forward..

Even whether they have Ideas or No Ideas , Keep your ears and eyes open .

That is the first lesson.

Second, if anybody can do your Job Better, then let him do that Job and you do the one which you like.

Third and most important lesson is that there is scope for everyone to be successful in this world, only how you take your ideas forward is important. There is scope for everything. India has a huge population, so there is a great scope ... competition breeds quality. So never be scared of competition.

Idea is your Currency, never complaint that I don't have money... Find a Guru and work under him for sometime. Never say "I know this"

Be a student forever..

The most Important thing...

“Nothing is Impossible , Change that to Its Possible.”

*Panel Discussion on Entrepreneurship
at Entrepreneurship Awareness Drive
on October 17, 2015*

Panelists:

Mr. Mohit Dubey : Founder CEO ,Carwale.com

Mr. Rishi Kapal : CEO – Edugild

Mr. Sachin Tagra: Associate VP, Brand Capital

The Panel Discussion started with all the three panellists introducing themselves. Mr. Kapal acted as the moderator.

The first point of discussion was on “ Traits of the person who becomes entrepreneur”. Mr. Rishi emphasized that the important traits of a person to become an effective entrepreneur is his/ her risk taking ability and the person should keep increasing bandwidth /resources. He also emphasized on building a team of like minded individual and this team should have a bigger purpose in life. He suggested the audience to read books like, “Stay Foolish Stay Hungry” and “Art to the start”.

Mr. Mohit gave his point of view saying that individual also should have bank balance and should decide clearly that whether he should start his own company or should he be a part of another company. One should be clear as to what one is good at. Mr. Mohit believes at Gallop’s ascent based philosophy and checks his strength at strengthfinder.com and can build a business around one’s strength. He said to find out 11 characteristics of entrepreneurial strength and to check how many of them is possessed by one individual.

Mr Rishi mentioned that meaning of Entrepreneurship is undertaking of risk with initiative. He initiated discussion on the second point “ What is important between speed and precision”.

Mr. Sachin opined that speed is always more important than precision and he feels that the problems encountered for starting quickly can be fixed while proceeding. Any product can only be perfected after a period of time.

Next point of discussion was on “ Whether one requires mentors for entrepreneurs”. Mr. Mohit mentioned that all Entrepreneur shall require mentor / guide for bouncing off the ideas. Also now a days

there are a lot of help which exists online or are depicted in books.

Next point of discussion was “ Which is a better ecosystem for a start up B to B or B to C”. Mr. Mohit mentioned that instead of looking at individual aspects, holistically better approach should be on problem solving and what one feel is viable. It also depends on what one is passionate about.

Mr. Sachin mentioned that current focus is in the area of B to C , Example: Flipkart , Snapdeal, etc. Also there is a lot of focus on Small and Medium Industries. Also there should not be much of expensive proposition built. Mr. Sachin also gave a perspective that B to B is better in International Market whereas B to C is better suited for Indian marketplace.

Next point of discussion was on “Which are the better sectors for start ups”. Mr. Sachin mentioned that according to him the better areas for start ups are Fintech, Edutech, Consumer Durables and Big data and analytics. However the points to consider in any sector is what problems are there and how one is solving it, how passionate one is for the problem and thus how big is the opportunity.

Rishi mentioned that Machine learning with human wisdom is a great area of work now.

On the Question and Answer session one question was asked which was “ How to find right people for the start ups”. Mohit mentioned that for the people there should be meaningful purpose to stay in the company. For this reason he gave a lot of importance to the culture of the company. With recruitment, he gave a lot of importance to the inherent values the person comes with and what kind of person he is.

There was one question on the importance of IT based start ups regarding the scope for traditional businesses like mechanical or electrical. Sachin

mentioned that brick and mortar sectors are the base and one of the objectives of IT based solutions are to make these sectors more effective. Thus traditional sectors shall always be there and there shall always be demand for it.

Next question was, as there were many ideas before

the start up when should one start working on it? Mr. Mohit mentioned that once one has some idea, he should live with it for few days and research hard.

Mr. Rishi Kapal thanked all the panelists for the lively discussion and their valuable inputs.

BOOK REVIEW

By Prof. Srinjay Sengupta

Book: Superpower ? The Amazing Race Between China's Hare and India's Tortoise

Author: Raghav Bahl

Publisher: Penguin Books

Theme

Mr Raghav Bahl has made a stupendous effort in comparing fast paced growth in China vs slow but more sustainable growth in India. The author wants to compare political , economic ,social and geopolitical aspects of China and India. Long term prediction of Superpower status of both counties are discussed. The systems in India and China are very different and so the comparison is very competitive and intensive. Sustainable long term growth and systems are the main theme.

China

China spends 50 percent of GDP in creating surplus Infrastructure . China has better Roads , Railways ,Ports and Special Economic zones IT. China has a disdain for transparency in law but Chinese farmers have amazing entrepreneurial talent . China completes projects with astonishing speed but without regard for the environment. China grabs lands from farmers without any regard to legal rights and all regions report inflated growth as they do not wish to antagonize the Communist Party Bosses. The Communist Party is over dominant in China and it is astonishing that over 90 Percent of High Net Worth Individuals in China are former members of the Party high Command or army. The public sector is completely dominant and China has a dubious track record of obstructing the private sector and taking over private companies for just half of their intrinsic net worth. China reported growth statistics are not in accordance to international practices. China has an amazing high speed rail networks , bullet trains and has one of the most cost efficient freight movement in the world. China has a very disputed relationship with international companies with regards to legal rights. China has a higher literacy rate but has potential and making excellent progress in wind

power and solar power. China has developed its hydropower amazingly.

Shanghai has 4000 Skyscrapers compared to 2000 in Manhattan New York . China gender imbalance is more than India due to one child norm and internal passport is needed to travel within China. China has better schools and healthcare . China effectively censors news and does not tolerate any dissidence or criticism. Activists are promptly denounced as spies and awarded disproportionate punishment. China has pension systems but has the problem of growing very old while being rich. China has intellectual brain drain and the Chinese intellectuals are also trying to escape the system. The internet also has caused spat with Google and censorship is on the rise Chinese Non Performing Assets in Banks could derail the economy and diminish the clout of the sole ruling Communist party. China has amazed the world with an astonishing growing economy and is not impressed with India. China has consumption of 35 percent which is far from ideal of 60 percent . China does not advantage of being a soft power and is feared rather than respected. China has incredible discipline but also is infamous for bulldozing its will on citizens. Surprisingly China encourages the purchase of gold by its citizens . Also China allows Foreigners to purchase domestic shares. Bullet trains criss crosses the entire country and high speed is the hall mark of the rail network. China has succeeded in developing small industries to assist the large public sector units. However success in exports have lead to huge amount of foreign reserves exceeding USD 3 trillion. The excessive fiscal stimulus after the 2008 could lead to overspending the fiscal deficit. The environmental disasters like 3 gorges dam and snoot and smoke in the big cities are another alarm. Declining food productivity is a threat to the

economy.

India

India spends 58 percent on Consumption yielding a significant consumer base. India has better Banking and Financial system and India has built an enviable legal system based on English Common Law. Indian farmers cannot sell produce directly to customers. India consumes more gold but this is also reversing in trend. India has track record for bureaucracy and red tape but has very strong public institutions and systems. India is at times chaotic but has steady growth. Indian corporates have nearly double the productivity and India has an unprecedented number of English speaking population thanks to an overwhelming emphasis on the English language which is indeed is a passport to the international business community. Indian Rail costs for passengers is lowest due to subsidy but freight costs are highest in the world due to the cross subsidy with passenger fares. MNCs can get justice in India provided they engage the top legal talents. Justice is slow in India but verdicts are invariably correct. India focuses primarily on the service sector whereas India is considered to have intellectual infrastructure on par with advanced western countries India has world class Institutions like IITs IIMs and AIIMS. Slums in Mumbai shows unwillingness of India to reform its big cities. Both Delhi and Shanghai are polluted but tougher environment rules are prevalent in India has a fiercely independent press and robust combative media putting pressure on political parties to perform India is an imperfect but thriving democracy. India has a much younger population with 80% below 65 years of age. India has western modeled management systems and with higher levels of transparency. India has more personal and economic freedom. India's mobile connections are rising rapidly and tariff is low increasing India's long term competitive advantage. India's budget deficits are high while India has contributed to Yoga ,Bollywood and spicy Indian food to enrich the world palate. India fears the Dragon state and India's lack of decision making aggravates the problem

notably lack of land acquisition norms is an eyesore. In the long term India is expected to outperform due to its low cost English speaking and technology intensive approach with dynamic institutions and democracy coupled with rule of law. India is highly tolerant society and used to diversity. Progress in India is slow but hastens when there is a consensus. India has a very young population with exploding consumer spending. India caters to rich people and yet caters to people in slums. India banking sector is very safe and dependable. India is very hospitable to promoting ventures in the country. However India suffers image of poor work ethics , sluggish progress and lack of general confidence.

Conclusion :

China has better short term potential and India has excellent longer term potential as India economy is about to ramp up while is a rapidly aging non democracy. India has individual freedom but china can implement projects faster. China is material focused whereas India has better soft skills and spiritual strengths. China gains in Infrastructure and transportation whereas India has world class public and Private Corporates that are internationally competitive.

China's banks are massive while India's banks are safer.

BOOK REVIEW

By Prof. Charushil Tayshete

Book: Poor Little Rich Slum

Author: Rashmi Bansal & Deepak Gandhi

Publisher: Westland Ltd

Rashmi Bansal is well known for writing books on the spirit of entrepreneurship and entrepreneurs. Her previous books; Stay Hungry Stay Foolish, Arise Awake, Connect the Dots and I have a dream have been runaway successes. Her ready wit and portrayal of characters make her books a reading delight.

Deepak Gandhi, the co-author of the book is a management consultant, speaker and a teacher with corporate and social sector experience.

Photographs by Dee Gandhi have complemented the book by bringing out the vibrancy of enterprise and entrepreneurship in Dharavi.

Poor little Rich slum is a stark reminder of the Dharavi slums which epitomizes poverty. However the book is not a spot light on the grim conditions of the inhabitants of Dharavi but, on the cauldron of energy that has bred the small scale industry which dots the entire landscape of Asia's largest slum. The book is about stories of people who came to Dharavi to escape the poverty of their villages. The stories are however not of people who just wanted to fill their bellies, but of those who wanted to rise above the grimness and achieve much more from life. These are real life stories of struggle against some of the greatest adversities of life.

Rashmi and Deepak have highlighted various issues quite subtly in the book which makes the reader think about Government Redevelopment policy on slums, Social development, Micro & Small Industries, Micro Finance, Social Enterprise and above all the will and tenacity of the inhabitants of Dharavi who have chosen the path of hard work and toil to achieve economic freedom for betterment of life rather than guns and violent revolution as means of their salvation.

The book comprises of 28 chapters divided across

four sections. The first section broadly talks about the living conditions of Dharavi with focus on the inhabitants' mindset, their habits and outlook towards life.

The first chapter is succinctly titled "A bloody big fat problem" and rightly so. With high population density and inadequate facilities, the inhabitants live in deplorable conditions. It is a huge land bank in the middle of the city; approximately 1.7 square kilometers and rub shoulders with the plush commercial district of Bandra - Kurla Complex. Different factions view Dharavi differently. For the political parties, it is a vote bank. The builders view it as prime property to be milked for profits. The established businesses find it a source of cheap and continuous labour. The landlords make a quick buck by renting out every inch of occupiable land. The immigrants readily get shelter and jobs; their first foothold in the city.

The continuing chapters in the section introduce the reader to the state of government sponsored education in Dharavi and an insight in to the life of Dharavi's restless spirits where life is thriving and people somehow adjust to lack of hygiene, privacy and progress.

The second section of the book would be of interest to entrepreneurs and readers of fiction alike. And sometimes truth is stranger than fiction. Here are real life stories of people on whom Bollywood potboilers can easily rake in millions. Many a students of Engineering and Management will identify with the title of this section; aptly called "The Incubator". And that is what Dharavi has become; incubator of simple ideas born in the furnace of toil and sweat and the produce sold across India and on foreign shores too.

The story of Jameel Shah who came to Mumbai from Bihar in 1995, settled in Dharavi and is now the favourite dancing shoe designer of Sandip Soparrkar, Katrina Kaif, Kylie Minogue, Farah Khan, Kajol and Hrithik Roshan would surely inspire many entrepreneurs not to get dejected but strive on till success is grasped firmly. Many entrepreneurial stories of people like Mustaqeem bhai, Panju Swamy, Syed Ahmed Ali, Faheem, Tauseef, Rani Nadar, and social entrepreneur Soaib Grewal would enthrall the reader. These stories reassert that fact that anything is possible through grit and determination.

But, grit and determination it seems is just not enough. In the words of Mustaqeem bhai; The goal is to lead an honest life, caring for yourself as well as others. “Kisi ko nuksan pahunchakar ya dhokha dekar maine kabhi koi kaam nahi kiya hai”. Because there must be *tehzeeb*, not only in art and poetry. But, life itself.

The third section takes up most of the book and has ten chapters. Each chapter is the story of a crusader; People who just couldn't wait and watch the plight of the poor. These warriors wanted to empower the inhabitants mired in ignorance and superstitions. Poverty and rudimentary beliefs had held up progress for the future generations in Dharavi. Efforts by individuals and organisations have resulted in positive changes for the dwellers in Dharavi.

Here are spirited stories of individuals like Padma Shri Jockin Arputham, who fought for the residential rights of the slum dwellers of Dharavi and neighbouring areas. He founded “Bombay Slum Dwellers Federation”, which later on became “National Slum Dwellers Federation”, a voice for the urban poor across India. Dr. Jalindar Adsule, the academic from Nirmala Niketan of Social Work and a grassroots social worker who integrated different NGOs to create “people power” among the slum dwellers. Walter Fischer started “Barefoot Acupuncturists Clinic” to provide relief to the dwellers against chronic aches and pains due to unhygienic living conditions. Advocate Vinod Shetty created space for the “rag-pickers” to explore

creative instincts through music, which instilled confidence among them and kept them away from intoxicants and addiction to drugs, thus getting them mainstreamed.

Praveen Sakpal, a physical trainer, trained boys of Dharavi in body building and eight of them went on to win state and national championships which resulted in getting them government jobs. Hanifabi, a resident of Dharavi who had the courage to fight against the domestic abuse and got together a group of likeminded residents to raise their voice against atrocities on girls & women. Dr. Duru Shah, a gynecologist, started the “Kishori” project to sensitise young girls and mothers about health issues, anemia, nutrition and early pregnancy. Ramji Raghavan who had deep desire to spread scientific fervor among the children started project “Agastya” to inspire and inculcate scientific temperament among the students of municipal schools in Dharavi.

Organisations like Pukar and Sri Sri Ravishankar Vidya Mandir have paved the way for better education and research by involving grassroots workers.

Residents and community members in Dharavi along with many good Samaritans have brought smile to many families however all is not well yet. People still fight for their place of shelter and proper infrastructure.

Section four of the book is about “The Future” of Dharavi. The problems of Dharavi is a stark reality. Where do we go from here? How do we create a better future for the inhabitants and solve the problem of low cost housing? The section throws light on the Redevelopment plan of Dharavi and the various stakeholders who are at loggerheads with each other to find the right solution for this huge landbank. Who will succeed? Will the greed of builders create further inequality? Or Would political apathy create despondency leading to wrong decisions. There are lots of questions that remain unanswered as we all await “The Future” of Dharavi. The readers could find the dilemma unnerving. An eerie feeling remains that the largest democracy in the world has not done enough for its deprived

members.

Conclusion:

The authors have presented the book in an easily readable format with lot of Photographs. There are quotes or lyrics from songs which acts as a prelude to start the chapter. The authors have refrained from

being judgmental and presented the facts and stories from the protagonists' viewpoint. Thus a lot is left to the reader to interpret.

The four sections in the book are appropriately linked to give the readers precise information on the history of Dharavi, its significance to its inhabitants and Mumbai city, the lives and aspirations of the slum dwellers, the slums' reputation as the entrepreneurial hotbed and the world's focus on Asia's largest slum.

Authors' Guidelines

AIMSR solicits articles and papers by academicians, practicing managers and students. The aim of this journal is to promote, share and discuss various new issues and developments in different areas of management. Authors may adopt the content of their articles accordingly.

1. Articles must be sent by e-mail along with a hard copy to : The Editor, Shodhaditya, at the address given below.

Aditya Institute of Management Studies & Research

Aditya Educational Campus, R. M. Bhattad Road, Ram Nagar,
Borivali (W), Mumbai 400092

Tel : 022-61106111 / 61106112 | E-mail : research.aimsr@gmail.com, research@aimsr.com

Web : www.aimsr.edu.in

2. The article's length should be between 5000 to 7000 words in Microsoft word format, font style Times New Roman and font size 11.5. Each article must be accompanied with an abstract of 150-200 words.
3. All drawings, graphs, and tables should be provided on separate pages.
4. The author's name, designation, and affiliation must be provided on a separate sheet.
5. Editorial decisions will be communicated within a period of 4 weeks of the receipt of manuscript.
6. References must follow APA style sheet.
7. Articles submitted for consideration in **Shodhaditya** should be accompanied with a declaration by the author that they have not been published or submitted for publication elsewhere.

SHODHADITYA SUBSCRIPTION FORM

I wish to subscribe/renew my subscription to Shodhaditya Journal for 1 / 2 / 3 year(s). A draft/cheque bearing No _____ dated _____ for Rs. _____ /US\$ _____ drawn in favour of “Aditya Institute of Management, Mumbai is enclosed. My subscription is that of a company/academic institution/individual/student/alumnus.

Name _____

Address _____

State _____ Pin _____ Country _____

Subscription period (in case of fresh subscription) From _____ To _____

Subscriber Number (if renewal) _____ Subscription period (If renewal)

from _____ to _____ Email: _____

Telephone: _____ , _____ Signature _____

Subscription Rates

w.e.f 1st December, 2013

Category	1 Year	2 Years	3 Years
Indian (in Indian Rupees)			
Companies	1250	2250	3250
Academic Ins	1000	1875	2625
Individuals	750	1375	2000
Students	500	950	1375
Alumni	700	1250	1750
Foreign (in USD) (Air mail)			
Companies	75	140	190
Academic Ins	65	115	155
Individuals	50	90	125
Students	30	55	85
Alumni	45	75	105

Please send domestic subscriptions by Demand Draft or cheque payable at par in favour of “Aditya Institute of Management Studies and Research”

Please send foreign subscriptions through US dollar pay orders in favour of Aditya Institute of Management Studies and Research, and drawn on a bank in India. Please add US\$5 if the pay order is not payable in Mumbai.

Shodhaditya Journal is a bi-annual publication (two issues in a year) of Aditya Institute of Management Studies and Research, Mumbai.

**Mailing Address : Aditya Educational Campus, R. M. Bhattad Road,
Ram Nagar, Borivali (West), Mumbai 400 092.
Contact No : 022 61106111 / 61106112
Email : research.aims@gmail.com | research@aims.com
Website : www.aims.edu.in**

Follow Us :



To,

The Editor

ADITYA GROUP OF INSTITUTIONS

Aditya Educational Campus, R. M. Bhattad Road,

Ram Nagar, Borivali (West), Mumbai 400 092.

Tel : +91-22-61106111 / 61106112



Published By :

ADITYA GROUP OF INSTITUTIONS

Aditya Institute of Management Studies & Research

Aditya Educational Campus, R.M. Bhattad Road, Ram Nagar,

Borivalli (W), Mumbai 400092

Tel: 022- 6110 6111/6110 6112, E-mail: research.aimsr@gmail.com, research@aimsr.com

Web: www.aimsr.edu.in