Cluster Analysis of Young Online Consumers in Indian Context

Dipanjay Jayant Bhalerao
Dr. B. V. Kamble
A Pluralist Analysis of the Readiness of Hilltop Stores in the Light of the Emergence of Multi-brand Retailing in HIMACHAL PRADESH
Sahib's Khatam, Manish Dham and Gyaneshwar Nath
Department of Management, Doon Martin Academy of Management, Dehradun
The Influence of Local Resources on Cultural Tourism Initiatives: A Case of Destination Hots in Arusha, Tanzania
Maurice Bänziger
Department of Business Studies, Dar es Salaam College, Dar es Salaam University, Tanzania
Expanding the Futures: Reusability of Dead-Stock Market Participation among Indian Women: An Empirical Investigation
P. Meenakshi and R. Rekhana
Department of Commerce, University of Madras
Department of Commerce, Indian Institute of Management, Bangalore
Energy Consumption and Economic Growth in India: A Causality Analysis
Dileep Kumar Aggrawal
Sangam University, Pune
Digital Marketing and Consumer Behaviour: An Empirical Study in Indian Car Market with Special Reference to Delhi and Agra
Anis Deshwar and Raffa Bella
J.F. Hand College, University of Delhi, Delhi
Department of Management (Institute of Information Sciences, Dundee, New York)
Evaluations of Private and Public Board in the Market: A Study of Product Attributes
B. Venkateshwarlu and S. V. Seth Dey
Department of Management Studies, Centre University of Kashmir, J&K
Department of Management Studies, Centre University of Kashmir, J&K
Issues and Regulations of Derivatives Market in India: An Overview
Ajay Agarwal
Institute of Management Studies and Research, Manipal Centre University, Manipal
Gender Stereotyping: A Riding which Affects Nurses Work Attitudes in Indian Hospitals
Narsee Monjee Institute of Management, Mumbai
Responsibilities of the Kitchen Staff and Sustainable Economic Development
V. Manteshw
121
The Potential of Culinary Tourism in India
Shirli Alvareze and Kannan R.K
Department of Hotel Management, Mumbai University, Mumbai
Department of Hotel Management, Mumbai University, Mumbai
Sustainable Entrepreneurship: Opportunities and Challenges
Amit Shah
Department of Management Studies, SIT Delhi University, India
Direct Investment in India: A Trend Analysis
Sushma Yajum and Rakesh Patil
Vedanta University, Calcutta, India
Department of Management, Indira Gandhi National Open University, Delhi
Analysing the Study of Factors Affecting Local Power with Special Reference to Nagpur City District
Nagpur Institute of Management and Research, Nagpur
Sustainable Development and Higher Education Sector: A Gateway to Secure the Future
Hemant Khatri
Department of Public Administration, Mahatma Gandhi University, Ranchi
Governance and Institutional Relations in the Ready-made Garment Industry of Bangladesh: A Special Reference to Faiz Group Limited
Md. Zahir Uddin Ahsan
University of Dhaka, Faculty of Business Studies, Bangladesh University, Bangladesh
Cluster Analysis of Young Online Consumers in Indian Context
Shreyesh Makkar and R. K. Arora
Indira Institute of Management, Pune
Author Index
258
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Editor’s Message

Dear Readers,

Greetings!!

It gives me immense pleasure to bring seventh issue of ANVESHAK - A bi-annual International Journal of Management (AIJM) with ISSN: 2278-8913.

You might be aware that *e-version* of ANVESHAK is included in prestigious digital library i-Scholar and J-Gate. This inclusion is a boon to the authors in terms of better visibility of their content at national and global level, leading to more citations and thereby improving the impact factor. This will also add value to the existing knowledge base (in digital form) of various streams under management faculty. I believe that with every edition, we will be able to create greater impact in research arena.

Now that the journal has completed four years of its existence, we thought of having theme based issue. This issue had a theme ‘Responsible Management and Sustainable Economic Development’.

The issue attempts to discuss about various aspects in the sectors ranging from Economics, Marketing, Finance, Consumer Behavior, Environment, Energy and Tourism. Topics such as ‘Energy consumption and economic growth in India’ and ‘Trend analysis of FDI in different regions of India’ are of strategic importance. Studies on tourism from different dimensions are very interesting. There is a good research presented on gender discrimination in health sector. Consumer behavior is an evergreen area. There are some good observations made by researchers in this area. There is a paper exactly based on the theme of this issue which is very thought provoking. I am sure; readers will enrich their knowledge after reading this issue.

I would like to thank all the authors, team members, reviewers and advisory board members for their support. Due to paucity of space and time we are not able to include more papers in this issue. I assure you that we can accommodate them in the subsequent issues. Warm regards once again to all the contributors for their efforts demonstrating their commitment. I look forward to continue our journey together.

Thank you!

Dr. Poornima Tapas

Executive Editor
Contents

1. A Pivotal Analysis of the Readiness of Kirana Stores in the Light of the Emergence of Multi-brand Retailing in Ranchi District
   
   **Saifullah Khalid¹, Mahuya Deb² and Sandeep Bhattacharjee³**
   
   ¹, ², ³Assistant Professor, Department of Management, Usha Martin Academy, Ranchi, Jharkhand

2. The Influence of Local Resources on Cultural Tourism Initiatives: A Case of Destination Hosts in Arusha, Tanzania
   
   **Daud N. Mollel**
   
   Department of Business Studies, Dar es Salaam College Campus, Mzumbe University, Tanzania

   
   **P. Hemavathy¹ and S. Gurusamy²**
   
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4. Energy Consumption and Economic Growth in India: A Causality Analysis
   
   **Vikas Ramesh Adhegaonkar**
   
   Asst. Prof., Unique Institute of Management, Pune

5. Digital Marketing and Consumer Behaviour: An Empirical Study in Indian Car Market with Special Reference to Delhi and NCR
   
   **Amita Charan¹ and Rekha Dahiya²**
   
   ¹Asst. Professor in Commerce, Janki Devi Memorial College, University of Delhi, Sir Gangaram Hospital Road, New Delhi–110060
   
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   ²Associate Professor, Department of Management Studies, Central University of Kashmir, Near G.B. Pant Hospital, Srinagar, J&K–190004

7. Issues and Regulations of Derivatives Market in India: An Overview
   
   **Niyati Chaudhary**
   
   Senior Research Fellow, Institute of Management Studies and Research, Maharshi Dayanand University, Rohtak

8. Gender Discrimination: A Sting which Affects Nurses Work Attitudes in Indian Hospitals
   
   **Sneha Singh Munda**
   
   Dept. of Psychology, Banaras Hindu University
9. Responsible Management and Sustainable Economic Development
   *Vasant Kamble*

10. The Potential of Culinary Tourism in India
    *Sherry Abraham*¹ and *Kannan R.K.*²
    ¹Assistant Professor, Department of Tourism Studies, Pondicherry University
    ²Associate Prof., Department of Hotel Management, Madurai Kamaraj University, Madurai

11. Sustainable Entrepreneurship, Opportunities and Challenges
    *Sandhya Galyan*
    Dept. of Management Studies, SRM University, India

12. Distribution of Foreign Direct Investment in Indian Regions: A Trend Analysis
    *Tushar Ranjan Panigrahi*¹, *Rabi Narayan Patra*²
    and *Sanjay Kumar Satapathy*³
    ¹Research Scholar, Ravenshaw University, Cuttack, Odisha, India
    ²Faculty & Deputy Director (Studies), Gopabandhu Academy of Administration, Bhubaneswar, Odisha, India
    ³Reader, Post Graduate Department of Management, Ravenshaw University, Cuttack, Odisha, India

13. An Analytical Study of Factors Affecting Pester Power with Special Reference to Nagpur City
    *Mubina Saifee*
    Asst. Professor, Green Heaven Institute of Management and Research, Nagpur

    *Meenakshi Bansal*
    Research Scholar, Department of Public Administration, Maharshi Dayanand University, Rohtak, Haryana

15. Grievances and Industrial Relations in the Ready-made Garment Industry of Bangladesh with Special Reference to Falcon Group Limited
    *Md. Zahir Uddin Arif*
    Associate Professor and Program Director, MBA, (Evening) Program, Department of Marketing, Faculty of Business Studies, Jagannath University, Dhaka–1100, Bangladesh, President, Bangladesh Renaissance Foundation (BRF), Dhaka, Bangladesh

16. Cluster Analysis of Young Online Consumers in Indian Context
    *Dipanjay Bhalerao*¹ and *B.V. Kamble*²
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*AUTHOR INDEX*
Pivotal Analysis of the Readiness of Kirana Stores in the Light of the Emergence of Multi-brand Retailing in Ranchi District

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Abstract—The very existence of unorganized retail sectors like the kirana stores in Tier II cities like Ranchi cannot be undermined, though their contribution to the domestic GDP may be very low. However the mushroom growth of the Multi Brand Retail has posed a serious threat to their existence. Thus in order to survive in such cut-throat competition they need to think strategically which requires a clear understanding of the needs of the market and the satisfaction of target consumers more effectively and more profitably than by their competitors. In the view of this perspective, this paper attempts to extend a conceptual understanding of the status of marketing mix (7 P.’s) in kirana stores and provide proposals to improve the conditions of such kirana stores. The objective of this research is to measure the effect of 7 P.’s of marketing mix of kirana stores on their business excellence. A sample of 150 kirana stores have been collected in the Ranchi area of Jharkhand and the theoretical framework has been drawn out and questionnaire was designed based on the factors chosen. Seven hypotheses were developed to see the effect of these factors that are affecting business success of the kirana stores in Ranchi market. The entire hypotheses were successfully tested with SPSS. The regression analysis result shows that the most significant factors affecting business success of the kirana stores in Ranchi market were the promotional efforts, followed by product and physical evidence.

Keywords: Kirana Stores, Multibrand Retail, 7 P.’s, Regression Analysis

INTRODUCTION

Retailing is defined as the set of activities or steps used to sell a product or a service to consumers for their personal or family use [Bajaj].¹ The retail industry is divided into two sectors: the organized retail which includes corporate backed hyper markets, modern retailing format stores, retail chains, etc. while unorganized retail may include kirana stores, owner-manned general stores, etc. Retailing in India is one of the pillars of its economy and accounts for 14 to 15 per cent of its GDP. The Indian retail industry has experienced a growth of 10.6% since the last few years and is
expected to increase to USD 750–850 billion by 2015.\(^2\) Organized retailing was absent in most rural and small towns of India till 2010. However, looking at the present scenario when the government allows for multi-brand retail in India, it is expected to grow much faster than the traditional retail. Unorganized retailing refers to the traditional forms of low-cost retailing, for example, local kirana shops, owner-operated general stores, paan/beedi shops, convenience stores, hand cart and street vendors, etc. However the kirana stores which refer to the small neighborhood retail store and is considered unorganized retailing face a continuous threat from these organized sectors. They failed to understand how changes in their competitive environment are unfolding. They need to actively look for opportunities to exploit their strategic abilities, adapt and seek improvements in every area of the business, building on awareness and understanding of current strategies and successes, able to act quickly in response to the opportunities and barriers.\(^3\) (Papulova, 2006).

They are confronted with questions like, whether their business would get attention from the market and how do they make the market attracted to their business and also make them buy their products. This paper deals in detail how the kirana stores allocate their resources effectively and efficiently and make themselves noticeable through the 7 P.’s marketing mix. The paper unfolds itself in five phases beginning with introduction, literature study, research methodology, results and conclusion.

**LITERATURE STUDY**

**Marketing Strategy and the Marketing Mix**

Marketing mix is the set of controllable, tactical, marketing tools designed by a company which it can use for creating demand for its product. While marketing strategy is concerned with setting the direction of a company or product line, the marketing mix is primarily tactical in nature and is employed to carry out the overall marketing strategy which is a detailed process of managing the organization’s marketing mix, or elements of marketing in order to accomplish the goals of the organization. Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control; product, price, place, promotion, people, process and physical evidence (the seven Ps).
**Table 1: The Seven P.’s Variables**

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>Place</th>
<th>Promotion</th>
<th>People</th>
<th>Process</th>
<th>Physical Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety</td>
<td>List price</td>
<td>Channels</td>
<td>Advertising</td>
<td>Employees</td>
<td>Related to service industry</td>
<td>Smart</td>
</tr>
<tr>
<td>Quality</td>
<td>Discounts</td>
<td>Coverage</td>
<td>Personal Selling</td>
<td>Management</td>
<td>Interface</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>Allowances</td>
<td>Locations</td>
<td>Sales promotion</td>
<td>Culture</td>
<td>Comfort</td>
<td></td>
</tr>
<tr>
<td>Features</td>
<td>Payment period</td>
<td>Transportation</td>
<td>Customer service</td>
<td>Interface</td>
<td>Facility</td>
<td></td>
</tr>
<tr>
<td>Brand name</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Credit terms</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Packaging</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Services</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Factor Influencing Consumer’s Purchasing Decision**

If marketing has one goal, it is to reach consumers at the moments that most influence their decisions. The marketing mix is often crucial when determining a product or brand’s unique selling point—the unique quality that differentiates a product from its competitors. A company needs to consider the marketing mix in order to meet their consumers’ needs effectively. No element of the marketing mix is more important than another—each element ideally supports the others (Singh). Firms modify each element in the marketing mix to establish an overall brand image and unique selling point that makes their products stand out from the competition. Mandeep Singh (2012) presented a paper which is an attempt to explore retailing in India in historical perspective. Chai Lee Goi (2009) in his study provides an idea to the marketers and can be used as a tool to assist them in pursuing their marketing objectives. Purashraf Yasanallah & Bidram Vahid (2012), in their paper have tried to study the status of marketing mix (7 P.’s) in cooperatives and to provide proposals to improve the conditions of such cooperatives. Evangelos Ergen (2011), in his paper attempted to analyze and evaluate the marketing mix of an academic programme currently offered at CITY College International Faculty of the University of Sheffield, in South-East European region. Adil Zia & Agha Nuruzzaman (2013), in their paper tried to unearth some important factors, for which shoppers visit an organized store. This study uses Booms and Bitner’s (1991) extended marketing mix (7 P.’s) to investigate factors for buying in an organized store.
Conceptual Background

In accordance with the research question, the conceptual framework (see Fig. 1) was developed to guide this study. The figure illustrates the strategic factors that comprised the marketing strategy of the kirana stores. Booms and Bitner (1981) suggested the extension of the 4Ps framework to include three additional factors: People, Physical evidence and Process as marketing mix variables for business excellence for product and services.

Fig. 1: P’s of Marketing Mix

Hypothesis Formulation

From the above theoretical framework, the following hypotheses were derived:

Null Hypothesis:

$Ha_1$: There is positive relationship between business success of kirana stores and the product offered for sales.

$Ha_2$: There is positive relationship between business success of kirana stores and price they ask.

$Ha_3$: There is positive relationship between business success of kirana stores and place where they are located.
**A PIVOTAL ANALYSIS OF THE READINESS OF KIRANA STORES IN THE LIGHT**

*Ha*4: There is positive relationship between business success of kirana stores and promotional efforts.

*Ha*5: There is positive relationship between business success of kirana stores and people engaged in doing business.

*Ha*6: There is positive relationship between business success of kirana stores and the process which relates to the delivery and operating systems of procedures, mechanisms and flow of activities through which services are consumed.

*Ha*7: There is positive relationship between business success of kirana stores and physical evidence i.e. the environment in which the service is delivered, and the tangibles that help to communicate and perform the service.

**Alternate Hypothesis:**

*Hb*1: There is no relationship between business success of kirana stores and the product offered for sales.

*Hb*2: There is no relationship between business success of kirana stores & price they ask.

*Hb*3: There is no relationship between business success of kirana stores and place where they are located.

*Hb*4: There is no relationship between business success of kirana stores and promotional efforts.

*Hb*5: There is no relationship between business success of kirana stores and people engaged in doing business.

*Hb*6: There is no relationship between business success of kirana stores and the process which relates to the delivery and operating systems of procedures, mechanisms and flow of activities through which services are consumed.

*Hb*7: There is no relationship between business success of kirana stores and physical evidence i.e., the environment in which the service is delivered, and the tangibles that help to communicate and perform the service.

**RESEARCH METHODOLOGY**

In the present study, we have considered business success of kirana stores as the dependent variable and seven independent variables are Product,
Price, Place, Promotion, People, Process and Physical Evidence. A self-designed questionnaire was used to gather the research data from 150 samples. The questionnaire consisted of 25 questions which were intended to measure business success of kirana stores, using 5-point Likert Scale anchored by ‘strongly agree’ to ‘strongly disagree’.

**DATA ANALYSIS**

For analyzing the data, all responses collected were grouped into similar themes. These themes were based on the 7 P.’s structure of Booms & Bitner’s (1981). In the first phase of analysis, a correlation was run using SPSS to assess the relationship among the factors. Thereafter One Factor ANOVA was run to test the seven hypothesis formulated after an in-depth analysis and understanding of the literature. Last, but not the least, the simple regression was conducted to find the effects of each of these factors on the business excellence of the kirana stores.

**Descriptive Analysis**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Success</td>
<td>20.54</td>
<td>3.837</td>
<td>150</td>
</tr>
<tr>
<td>Product</td>
<td>10.63</td>
<td>1.789</td>
<td>150</td>
</tr>
<tr>
<td>Price</td>
<td>6.49</td>
<td>1.917</td>
<td>150</td>
</tr>
<tr>
<td>Place</td>
<td>9.60</td>
<td>2.244</td>
<td>150</td>
</tr>
<tr>
<td>Promotion</td>
<td>7.61</td>
<td>1.437</td>
<td>150</td>
</tr>
<tr>
<td>Physical Evidence</td>
<td>7.02</td>
<td>1.866</td>
<td>150</td>
</tr>
<tr>
<td>Process</td>
<td>6.57</td>
<td>3.751</td>
<td>150</td>
</tr>
<tr>
<td>People</td>
<td>7.81</td>
<td>3.509</td>
<td>150</td>
</tr>
</tbody>
</table>

From Table 2, we can observe that promotional efforts as having least standard deviation (s.d=1.437) followed by product(s.d=1.789) and physical evidence (s.d=1.866).

**Correlations Analysis**

We used correlations analysis to find out whether product, price, place, promotion, physical evidence, process and people and business success are correlated. Results show that all factors are correlated at 5% significance level. However, none of the p-values was above 0.70. Table 2 presents results of correlation analysis.
As seen in Table 3, the correlation matrix shows that price–place, price–physical evidence are correlated. This implies that price, place and physical evidence play a significant role for the business excellence of the kirana stores.

**ANOVA Table Analysis**

ANOVA table shows that mean of the variable place is the highest whereas the s.d. of process and people tops the list. This indicates the fact that place can be considered as one of the primary factors when people make their purchasing decisions. Therefore, the kirana stores have lesser risk when they compete with organized retail. People in the neighbourhood of the kirana stores find it convenient to make their petty purchases.

**Table 4: ANOVA Single Factor between Business Excellence and Product**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F-crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>7771.653</td>
<td>1</td>
<td>7771.653</td>
<td>868.4804</td>
<td>6.25E-93</td>
<td>3.870867</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2845.644</td>
<td>318</td>
<td>8.948565</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10617.3</td>
<td>319</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 4, F-critical is less than F-calculated. Therefore we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the product offered for sale.
**Table 5: ANOVA Single Factor between Business Excellence and Price**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>14799.49</td>
<td>1</td>
<td>14799.49</td>
<td>1621.045</td>
<td>1.20E-121</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2684.101</td>
<td>294</td>
<td>9.129596</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17483.59</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 5, F-critical is less than F-calculated. Therefore we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the price it offers.

**Table 6: ANOVA Single Factor between Business Excellence and Place**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>8987.03</td>
<td>1</td>
<td>8987.03</td>
<td>914.5274</td>
<td>3.04E-92</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2889.128</td>
<td>294</td>
<td>9.826967</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11876.16</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 6, F-critical is less than F-calculated. Therefore, we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the place where it is offered.

**Table 7: ANOVA Single Factor between Business Excellence and Promotional Efforts**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>12467.03</td>
<td>1</td>
<td>12467.03</td>
<td>1499.82</td>
<td>1.80E-117</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2443.831</td>
<td>294</td>
<td>8.312351</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14910.86</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 7, F-critical is less than F-calculated. Therefore, we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the promotional efforts which it offers.

**Table 8: ANOVA Single Factor between Business Excellence and Physical Evidence**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>13648.99</td>
<td>1</td>
<td>13648.99</td>
<td>1509.048</td>
<td>8.30E-118</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2659.162</td>
<td>294</td>
<td>9.044769</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16308.15</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 8, F-critical is less than F-calculated. Therefore we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the physical evidence which it offers.

**Table 9: ANOVA Single Factor between Business Excellence and Process**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>14574.08</td>
<td>1</td>
<td>14574.08</td>
<td>1011.169</td>
<td>3.69E-97</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>4237.453</td>
<td>294</td>
<td>14.4131</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18811.54</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Here, in Table 9, F-critical is less than F-calculated. Therefore, we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the process.

**Table 10: ANOVA Single Factor between Business Excellence and People**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>Fcrit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>12093.46</td>
<td>1</td>
<td>12093.46</td>
<td>894.5265</td>
<td>3.54E-91</td>
<td>3.873282</td>
</tr>
<tr>
<td>Within Groups</td>
<td>3974.703</td>
<td>294</td>
<td>13.5194</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16068.16</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Here, in Table 10, F-critical is less than F-calculated. Therefore, we can possibly accept the null hypothesis and infer that there exists a relation between the business success of kirana stores and the people.

**Multiple Regression Analysis**

Multiple regression analysis was used to access the direct effect of perceived price, promotion, place and product on customer decision over kirana stores business excellence. The findings as summarized in Table 10 show that only perceived price and product has a significant and positive influence on customer decision-making of kirana stores.

**Table 11: Multiple Regression Analysis**

<table>
<thead>
<tr>
<th>Features</th>
<th>Beta (β)</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.43</td>
<td>0.000**</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.02</td>
<td>0.594</td>
</tr>
<tr>
<td>Place</td>
<td>0.07</td>
<td>0.318</td>
</tr>
<tr>
<td>Product</td>
<td>0.47</td>
<td>0.000**</td>
</tr>
<tr>
<td>R²</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td>481.13</td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 11, perceived product (β = 0.47, p < 0.01) was the strongest determinant that significantly influenced the customer decision-making of kirana stores, followed by price (β = 0.43, p < 0.01). Except for Ha3 and Ha4, all these findings provided grounds for full support of Ha1(product) and Ha2 (price) which indicated that both price and product influenced customer decision-making for choosing kirana stores. The value of the adjusted R² (0.90) implies that this model explained 90% of the total variance in customer decision-making of kirana stores.
**DATA INTERPRETATION**

The following interpretations can be drawn from the above analysis:

1. Promotional efforts as having least standard deviation (s.d=1.437) followed by product (s.d=1.789) and physical evidence (s.d=1.866). *Promotion of goods* can be considered as more stable factor for opening of multi-brands.

2. In correlation analysis, we have imperative evidence of existence of price as being positively correlated with place along with existence of price highly correlated with physical evidence.

3. From ANOVA table, considering F-critical value there exists positive relationship between the business success of kirana stores and seven Ps (product, price, place, promotion, people, process and physical evidence).

4. Through Multiple Regression Analysis, we can observe more support for *Ha1 (product)* and *Ha2 (price)* which indicates that both price and product influenced customer decision-making for choosing of kirana stores.

**CONCLUSION**

From the above interpretation of results from analysis, we can infer that the hypothesis Ha1 and Ha2 are true and Hb1 and Hb2 stands as false. Apart from this in terms of multi-branding, promotional efforts also play a significant role in developing a conducive market for kirana stores in the path of preparedness for competition in the market. In terms of price fixation, creation of better opportunities for availability and delivery of products should be readily considered along with remodelling infrastructure as per customer requirements. (a possible conceptual model as seen in Fig. 2).

![Fig. 2: A Conceptual Model based on Data Analysis](source: Author)
SUGGESTIONS AND RECOMMENDATIONS

1. Products should be introduced with more varieties, assortments at different pricing levels for different groups of customers (Private labelled).

2. Positioning of products and brands in terms of kirana stores should be inspiring, personal understanding and equally responsive.

3. Storage of more impulse products like chocolates, ice-creams, cold drinks etc. for increasing sales volume.

4. Pricing should be at par or competitive with razor sharp effectiveness in attracting customers attention during different period of time (off-season and bulk discounts).

5. Price, quality control should be meticulously maintained with quality checks, lowering scrap-inventory ratio and consumer feedback at regular intervals.

6. Credit acceptance for low priced goods, discounts on cash payment for higher priced products should be acknowledged norms of operating business.

7. Promotional strategies should be more localized in nature keeping in view the local customer perception and attitude.

8. Use of internet for brand building, brand promotion for kirana stores with more impetus on daily or regular products with best price or affordable price for locality (FMCG products).

9. Increase customer-trust ratio by being service oriented, timely order management, delivery schedules maintenance, home delivery, complaint handling and return facilities on demand.

10. Emotional attachment with local customers should be converted to regular sales with the use of conventional selling techniques and customer relationship management.
REFERENCES


The Influence of Local Resources on Cultural Tourism Initiatives: A Case of Destination Hosts in Arusha, Tanzania

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Abstract—This paper investigates on the influence of local resources on cultural tourism initiatives (CTIs) and their supply chain businesses for communities located at close proximity to protected areas in Arusha, Tanzania. The cross-sectional survey design was used. The basic population were cultural tourism practitioners. Information was gathered from a sample of 210 respondents from primary and secondary data. It was hypothesized that, Ho1: CTI’s owned local resources do not have significance influence on entrepreneurial performance. It was revealed that the owned local resources were positively related to their entrepreneurial performance.

Keywords: Cultural Tourism, Destination Hosts, Local Resources, Entrepreneurship and Sustainability

INTRODUCTION

Tourism has become the world's largest industry and one of the top sources of foreign currency for developing countries. The context of tourist activities is changing with the emergence of new forms and systematic appearance of new arts of travelling (Clarke, 2006). The development of new forms of tourism (non-consumptive forms) works on the premise that in order for nature conservation efforts to succeed, destination hosts must be active participants and beneficiaries (Mogelgaard, 2003). Recent studies are, however, questioning the position of new forms as conflicting and mutually exclusive paradigms from traditional tourism which can form symbiotic relationships to reinforce the other (Fennel, 2001). While some scholars argue that new forms should remain conceptually and spatially discrete, others argue that they should be a functional entity rather than a subset of traditional form (Santili, 2008). With the ensuing wide acceptance of new forms as a useful idea, many authors have begun to accept their legitimate as well as important concept with wider use of their definitions.

Local communities and their cultures have thus gained recognition and been factored into the tourist destination development equation (Bishwanath, 2000). Cultural heritage and historical resources have continued to attract tourists and began to be sold by local people, who
possess entrepreneurial traits through creation of items with cultural touch and gain income while maintaining their cultural values (Godwin & Santili, 2009). Some countries are glimpsing the benefits in terms of jobs to outstrip traditional models, which are centred on tourism resource consumption with principles of rationalization (Sheivens, 2003). Moreover, the ‘Agenda 21 for Culture (2002)’ indicates that the present canonical triangle of sustainable development considers culture as a mere instrumental element. Destination hosts must however be aware of economic motives and cultural values placed on their heritage through tourism, since commercial motives tend to subvert and subjugate social considerations (WTO, 2002).

Cultural tourism (CT) is a new form of tourism based on cultural resources in specific area that appears to drive others since its definition cuts across a wider scope of tangible and intangible attributes with inclusion of destination hosts (Santili, 2008). CT is a fastest growing segment with 5% a.g.r, representing 6% of world GNP and 11.4% of consumers’ spending and not a segment to be ignored. Cultural tourism initiatives (CTIs) have clear ingredients of an enterprise with local roots based on traditions which must be distinct enough for the tourists to admire, mostly notable around the protected areas. The onus of responsibilities falls under communities with low levels of education, little exposure but have distinct abilities behind their natural heritage to offer unique experiences from products that are rare. CTIs provide alternative services that cannot directly be found within the resort, contribute to the economy through multiplier effects and prevent economic leakage (Fennel, 2001). Their definitions are in tautologies, fail to address the complexity around the concept, exist for specific tours, difficult to access their published data and faced by weak capabilities in local setting (URT, 2009).

**RATIONALE AND ASSUMPTION**

The rationale for tourism as socio-economic development instrument is based on its potential as one of the principal sources of income. Despite the prevailing belief that tourism is a dexterous means for development, little attention has been paid to the practices, intrinsic processes and outcomes at local level (Watkin, 2002). There is little, if any, empirical evidence on local resources and cultural tourism initiatives (Godwin & Santili, 2009). It is thus important to recognize the contribution of cultural aspects in a broader sense regarding owned resources by destination hosts as entrepreneurs. The fact that local communities depend on indigenous knowledge which is predominantly tacit, often undocumented, inaccessible and not yet mobilized into developments of a local initiative (Charnley,
2005). Since cultural tourism encompasses a wider perspective with diverse inter-sectoral linkages the study will focus on firm level factors. “CTI” is assumed to be synonymous with new forms of tourism as it focuses on the welfare of destination hosts.

RESOURCES BASED VIEWS AND NEW FORMS OF TOURISM

Resources may be tangibles or intangibles that are harnessed into strengths and important antecedents to services and performance. The resource based theories hinge on resources as instrumental factors for attaining competitive advantage. Implicitly is the centrality of resource capabilities for explaining superior performance generated by the unique bundle of owned resources (Medcof, 2002). The motive behind new forms of tourism rest on notions of sustainability broader than as acknowledged in the current literature. Tourism is sustainable when its development includes the participation of the local population, fair economic returns and mutual respect for all parties. In realizing and receiving the benefits which arise from tourism activities, local communities will have incentives to embrace the behaviours and attitudes that support the conservation of the natural areas which are the main tourism bases. Although the profit motive is often a concern of income generating activities, historical levels of profits are not always compatible with sustainability (Bishwanath, 2002).

Donald (2002) asserts that sustainable tourism is characterised by being ‘community oriented’. Stakeholders are directed towards community development, ‘goal oriented’; a portfolio of realistic targets centred on the equitable distribution of benefits, ‘comprehensive’ with social, culture, economic, political and environmental implications, ‘iterative and dynamic’ being readily responsive to environmental changes and ‘integrative’ functioning with wider approach to community development, renewable and take into account the needs of future generations. Other scholars however, argue that the ‘CTI’ is a subset of sustainable tourism as an umbrella concept which embraces social integrity and economic, natural, cultural and financial resources on an equitable basis that contribute to the unique experience though the notion can be used to give moral rectitude and green credentials for personal ends (Linberg, 2001). While economic sustainability focuses on a level of economic gain that is sufficient to cover the inconvenience caused to host residents by visitors, social sustainability reflects the ability of a community to absorb those inputs and continue to function without creating disharmony (Mowforth & Munt, 1998). The trade-off between profits and sustainability, leads to the new challenge that culture should be properly factored. Otherwise it may bring about confusion
in relation to the priorities accorded. The concept of tourism sustainability in which new forms of tourism is premised as somehow relative and socially constructed (Naabia, 2006).

**STAKEHOLDERS PARTICIPATION**

Participation is often viewed as a continuum rather than a discrete type with defined boundaries of description (Rutten, 2007). The process varies for subgroups in a community and for different conditions and combinations of participants. Participation is natural learning and action for concerned parties essential in the formation of a programme and the management of resources to reach a symbiosis between socioeconomic factors and tourism to earn an income. As argued by Ignjic (2001), the real growth of CTI occurs when destination residents have greater control and a role to play. Thus, local communities may team up with partners for capital and other expertise gains.

Private sector is a key engine of economic growth with a vital role in realizing the development challenges encapsulated in an enterprise (Olomi, 2001). It possesses sound business acumen, access to capital resources management capabilities, thus need to be active participant in CTIs as operators, developers and financiers. Teaming up with local communities will optimize entrepreneurial capabilities. NGOs’ participation also plays a significant role in facilitating the CTI development because they are more neutral than government bodies, less subjected to political control and have the capacity to instil trust among local communities (Watkin, 2002). NGOs can provide support services such as capacity and institutional building, bringing together different stakeholders, arbitration for conflict resolutions, access to funding and facilitation of negotiation between local communities, the private sector and the government. However, a survey undertaken in Kenya, to compare public and private partnership practices using Kimana and Selenkei groups indicates that these partnerships fall far behind theoretical requirements (Rutten, 2004). Development plans should define partners’ roles and legal agreements for smooth running of initiatives (Watkin et al., 2002). The debate is about the degree of inclusion or control to be exercised by destination communities who do not have institutional capabilities to undertake CTIs on their own.

**CULTURAL ENTREPRENEURIAL PERFORMANCE**

Due to the heterogeneous and diverse nature of CTI products, the ‘Unique Selling Point’ (USP) model (MI, 2000) describes a special feature of a CTI’s attraction to be designed, developed, marketed and sold. Since the CTIs’ purpose is to meet the stakeholders’ expectations associated with it, the
management of cultural performance is managing within the context (*internal and external environment*) with impacts on how it is developed, what it sets out to do and how it operates as a natural process (Armstrong & Baron, 2007). The marketing process involves matching among owned resources to satisfy the wants and needs of potential visitors undertaken through careful planning and coordination to create value and gains in return. While planning addresses the ‘what and why’, implementation addresses the ‘who, when and how’ of the activities (Gupta & Ganka, 2000). However, owners often think that ‘doing things right’ (implementation) is as important as ‘doing the right things’ (strategy). Both implementation and strategy are critical for performance success, though implementation is more difficult because it is easier to think up of good strategy than it is to carry it out. In the same way, the holistic approach to management believes that responsibilities should be shared by all members who should recognize their roles and responsibilities as key drivers for cultural entrepreneurial performance.

Similarly, individuals who manage activities should monitor the value drivers. The aspects of team work and value statements of what makes individuals perform well must be known by all members (Bianetics, 2007). This approach illuminates ‘fetishism’ which is identifiable in tourism as the way in which commodities hide the social relations embodied in their production. CTIs must therefore identify opportunities with appropriate strategies if they have to perform. As said by Rutten (2004);

“People travel with a purpose to get a particular place in a meaningful way and the power of a CTI lies in its ability to satisfy this desire. The growth in CTI is thus intrinsically linked to a parallel growth in cultural growth of all kinds which has impacts on branding to capture the market.”

Significant opportunities for CTIs emerge from identified trends to be considered in the context of expectations held by potential tourists. CTIs need to be captive enough to satisfy their stakeholders and create a vital and enthusiastic initiative to see genuine opportunities arising from setting realistic objectives. Managing in cultural entrepreneurship is framed both within organizational and clients driven culture.

**LOCAL RESOURCES AND CTI PERFORMANCE**

Dependency and interdependency multivariate analytical techniques were applied to validate relationships. While correlation analysis ascertains the degree of relationship, multiple regressions make predictions about
variables based on covariance (Kothari, 2008; Hazarika, 2010). Correlation analysis examined the joint variation, strength of association and variables’ relationship. The correlation coefficients equation was:

$$r_{xy} = \frac{(\sum xy)}{\sqrt{(\sum x^2)(\sum y^2)}}$$

Where: $r_{xy}$ = Pearson’s correlation coefficients,

$x = \sum (X_i - \bar{X})$ and $y = \sum (Y_i - \bar{Y})$, $X$ and $Y$ are mean values of $x$ and $y$ variables/ factors.

The p-value is the probability when the null hypothesis is true, that is the absolute value of the t-statistic would equal or exceed the observed value of t-value (Tabachnik & Fidelm, 2001). Correlations can indicate a predictive relationship to be employed in practice to discover if a co-variation between two variables exists, but cannot distinguish endogenous from exogenous variables. Multiple regressions examined causal effect relationships (Maxwell, 2000). The model of regression was:

$$Y_t = a + \beta_1X_1 + \beta_2X_2 + \ldots + \beta_iX_i + \varepsilon.$$ Where $Y_t$ is a dependent variable at time $t$,

$X_1, X_2..X_i$ = Independent variables (predictors)

$a$ = Intercept parameter in multiple regression

$\beta_i$ = Regression coefficient (standardized)

$\varepsilon$ = Error associated with the observations.

To test the null hypothesis based on the set of $k$-independent variables/ factors from $N$-cases, the form of equation was:

$$F = \frac{R^2_{y,12..k}/k}{(1-R^2_{y,12..k})}, df = k, N - k - 1.$$  

$F$ is a standardized form of t-value which provides evidence whether the null hypothesis is false and the attributes are in fact correlated. $R^2$ explain the proportion of dependent variance that can be explained by the two predictors. $R$ provides a measure of how well a dependent variable can be predicted by scores of independent set of factors (Berger, 2003). Cases are sampled randomly and independently from the population and the deviations dependent values are normally distributed with equal variance for all predicted values. The p-value is the probability when the null hypothesis is true. Correlation analysis and multiple regressions results are summarized in Table 1.
TABLE 1: CORRELATION ANALYSIS AND MULTIPLE REGRESSIONS

<table>
<thead>
<tr>
<th>Resources</th>
<th>FT ($r_{xy}$)</th>
<th>PT ($r_{xy}$)</th>
<th>S ($r_{xy}$)</th>
<th>Beta ($\beta$)</th>
<th>T ($F^*$)</th>
<th>Sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic location</td>
<td>0.098</td>
<td>-0.323</td>
<td>0.143</td>
<td>0.162</td>
<td>1.823</td>
<td>0.216</td>
</tr>
<tr>
<td>Human</td>
<td>-0.651</td>
<td>0.066</td>
<td>0.111</td>
<td>-0.414</td>
<td>-0.382</td>
<td>0.354</td>
</tr>
<tr>
<td>Customer service and care</td>
<td>0.075</td>
<td>-0.026</td>
<td>0.116</td>
<td>0.022</td>
<td>0.181</td>
<td>0.221</td>
</tr>
<tr>
<td>Overall management</td>
<td>0.062</td>
<td>-0.108</td>
<td>0.108</td>
<td>0.071</td>
<td>0.754</td>
<td>0.488</td>
</tr>
<tr>
<td>Prior experience</td>
<td>-0.027</td>
<td>0.125</td>
<td>-0.053</td>
<td>-0.081</td>
<td>0.791</td>
<td>0.156</td>
</tr>
<tr>
<td>Product quality</td>
<td>0.104</td>
<td>-0.064</td>
<td>0.026</td>
<td>0.157</td>
<td>1.461</td>
<td>0.031</td>
</tr>
<tr>
<td>Clients</td>
<td>0.042</td>
<td>-0.441</td>
<td>0.166</td>
<td>0.151</td>
<td>1.322</td>
<td>0.057</td>
</tr>
<tr>
<td>Cost advantage</td>
<td>-0.114</td>
<td>-0.142</td>
<td>0.071</td>
<td>-0.296</td>
<td>-2.917</td>
<td>0.451</td>
</tr>
<tr>
<td>Network</td>
<td>-0.058</td>
<td>0.034</td>
<td>0.073</td>
<td>0.003</td>
<td>0.018</td>
<td>0.042</td>
</tr>
<tr>
<td>Indigenous knowledge</td>
<td>0.027</td>
<td>0.068</td>
<td>0.173</td>
<td>-0.085</td>
<td>-0.665</td>
<td>0.056</td>
</tr>
<tr>
<td>Unique attraction</td>
<td>0.148</td>
<td>0.103</td>
<td>0.095</td>
<td>0.279</td>
<td>0.911</td>
<td>0.014</td>
</tr>
</tbody>
</table>

$R^2 = 0.123,$ $F = 2.15,$ $p = 0.023.$ $p < 0.05.$

*Key:* $S =$ Sales; $FT =$ Full-time members; $PT =$ Part-time members

$t =$ statistic test from t-distribution table, $F =$ Statistic test (F-Table)

$p =$ Significance level and $R^2 =$ degree of multiple correlation (determination).

As shown in Table 1, at $p < 0.05,$ correlation coefficients ($r_{xy}$) for unique attraction for example, $FT_{r_{xy}} = 0.148,$ $PT_{r_{xy}} = 0.103,$ $S_{r_{xy}} = 0.095,$ $\beta = 0.279$ & $t = 0.911$ and networking, $FT_{r_{xy}} = 0.058,$ $PT_{r_{xy}} = 0.034,$ $S_{r_{xy}} = 0.073,$ $S_{r_{xy}} = 0.003,$ $\beta = 0.018$ and $t = 0.0427$ implying that they were likely to have higher sales by using more informal (PT) employees with less full timers (FT).

The items were then factor analyzed and the principal component factor analysis with varimax rotation yielded three factors: human, unique attraction, overall management, efficiency and cost advantage were loaded on the first factor. Customer service and care, product quality and innovation were loaded on the second factor while geographical location, financial resources and clients were loaded in the third factor.

FACTOR ANALYSIS WITH VARIMAX ROTATION

Factor analysis is applicable when there is a systematic interdependence among variables, resolves a set of variables in few categories, allow factors to be treated as latent by summing up the values of original variables (Jill & Roger, 1997). Factor analysis detects relationship structure and classifies constraints into factors (Sekaran, 2003). The R-Type and the principal component factor (PCF) analysis were used. To improve the fit of the solution, varimax rotation was employed. Reliability tests were carried out for each construct using critical constructs. The results of factor analysis with varimax rotation are summarized in Table 2.
Loadings in the factor matrix were high, ranging from 0.51 to 0.82 which is higher. Since \( p < 0.05 \), \( p \) being a probability when the null hypothesis is true and the loadings in the factor matrix is high, the whole analysis did not support the null hypothesis.

**CUSTOMER CARE, PRODUCT QUALITY AND MANAGEMENT**

Table 1 indicates customer care account for \( (\beta = 0.022, t = 0.181 \text{ at } p < 0.05) \), but correlation coefficient for part-time members was -0.026 implying respondents who rated customer care as strong were likely to get more sales using less part time employees. Customer care is about meeting and exceeding the client’s expectations through fair, proper and impartial dealings. It involves a commitment to deliver the best service in an effective and caring manner. Despite these findings, majority of CTIs owners do not consider customer care as a key to meeting and exceeding the visitors’ expectations, though the concept of customer care portrays the ability to answer questions, solve problems and proper services to satisfy clients. As stated by Parasuraman (1991), satisfaction is the emotional response to successful value implying abiding by a set of inherent characteristics to meet requirements.

In Table 1, the product quality \( (\beta = 0.157, t = 1.461 \text{ at } p < 0.05) \) defines negative correlation coefficient for PT members. Product is a set of inherent characteristics that fulfils requirements, requires diverse implementation measures targeted at specific clients, may shift over time and requires continuous improvement. Quality is a complex concept, it is whatever the client wants; may mean what the client expects of the product and the services (Schonberger & Knod, 1994). The quality of tourism products is
judged by the clients’ subjective experience of the service delivered rather than by expectations created in the purchasing phase. As Jefkins (1992) put it, ‘quality service’ is used in terms of an excellent service that fulfills and exceeds expectations depending on the intended use whose relationship can take the form $Q = P/E$; where $Q$ denotes quality, $P$ reflects perception and $E$ equals to expectations. If $Q \geq 1.0$, there is a good feeling about the service rendered. $P$ and $E$ are, however, based on perception with the programme determining perception, the intended use and the selling price which is an eloquent communicator that defines the clients’ behaviour and the ability of a service to satisfy.

Although cultural tourist satisfaction is guaranteed through good care and attention, quality management is difficult because of ‘intangibility’ characteristics which cause difficulties in outcome measurements, ‘heterogeneity’ which depends on different kind of services and ‘inseparability’ of production and consumption meaning service providers have no time to test the product before reaching the clients and ‘perishability’ where production is fixed in time and space and services cannot be stored for use and the outcomes from quality improvement can only be realized in the long run. Although it is possible to develop a unique form of tourism, maintaining the visitors’ experience is a more sensitive factor (Visser, 2006). Developing a quality tourism product requires a high level of thinking with a clear vision that canters on motivating consumers which cannot be realized in the short run.

**UNIQUE ATTRACTION, HUMAN, AND INDIGENOUS KNOWLEDGE**

Table 1 shows that unique attraction that $\beta = 0.279$ and $t = 0.911$ at 0.014 significance level, implying that the respondents who rated unique attraction as strong were likely to get more sales and more formal and informal employment. These findings are supported by Jha (1992) who argued that a deeper understanding of the product line ‘attraction’ is an underlying instrumental factor in promoting tourism, forcing operators to be creative in matching it with visitors’ tastes. Although cultural attractions play an important role at all levels, the question of authenticity has to be reviewed as it equates culture with the idea of being uncivilized, backward, ignorant or retrogressive. Superlatively, a particular fascination shown by tourists in the real lives of others might possess a reality which is hard to discover from their own experiences.

The cultural tourist can be seen in quest of authenticity in form of primitive untouched by modernity. A cultural unique attraction reinforces
identity, facilitates harmony among nations but authenticity need to be considered from tourists and cultural entrepreneurs with more generic views (Clarke, 2006). Cultural attraction is premised upon commodification in terms of people being objects to be enjoyed, photographed to meet tourists’ demand without protecting hosts’ values. A trade off between economic benefits and social values upon native people as objects to be enjoyed and photographed need to be addressed based on tourism impacts on destination hosts. Authenticity needs to be considered with caution as may be equated to backwardness, vulgar, ignorant, and retrogressive as part of fascination. Cultural attraction must be within the context of accurate interpretation as a positive resource (Clarke, 2006).

Table 1 showed that human factor ($\beta = -0.414$, $t = -0.382$ at 0.354 significant level, indigenous knowledge was $\beta = -0.085$ and $t = 0.665$ at 0.056 i.e. $p > 0.05$ with positive coefficients of correlation for sales and PT and negative for FT. Knowledge is a cornerstone of development and power that enables individuals to tap opportunities to attain goals. Indigenous knowledge continues to play a major role in rural livelihoods. Indigenous knowledge is a resource which has not yet been mobilized into development of the local enterprise (Hubert, 2000). It is basically a unique knowledge of a society, predominantly tacit, embedded in the experiences of its holder, exchanged through personal communication and demonstrations from parents to children. Local institutions have a wealth of practiced indigenous knowledge, but are not disseminated effectively due to inability to capture, document, validate, share and underutilized in the development process. A more useful description of knowledge is know-how and know-why. In CTI, individuals and teams need to engender value creation beyond the current paradigms by accelerating the acquisition of new capabilities to cope with industrial dynamics. Both know-how and why allow people to be creative. Indigenous knowledge as practised allows access to and lessons to be learned from other members’ experiences (Hubert, 2000). Indigenous knowledge, however, faces extinction unless it is properly disseminated from one generation to another otherwise it might be lost forever.

NETWORKING

Networking is premised on “knowing people in the right place”, since people are key drivers, creates alliances with others beyond boundaries and provide links with tourists (Howard et al., 1986). An information system is important component for effective communication network and initiative’s management. Increased influence of internet and special events, allows potential clients to be reached at all levels. Networking depends on
integrated efforts, operations of different institutions, economic diplomacy, commitment to practices and international cooperation. Table 1 indicate that networking (β = 0.003 and t = 0.018 at 0.042 significance level). However, local communities operate in less developed villages, fewer networks and depend on cooperation of development partners for successful performance. Most of the networks are dominated by family members with low level of start-up capital and fear of competition. A strong incentive for a network is marketing advantage gained from leveraging the CTIs’ image in product range, service and capabilities (Kotler et al. (1999).

PRIOR EXPERIENCE

Prior experience is a resource that is brought in for successful performance and specific experience in similar activities ensuring programmes’ survival and growth. Although the composite in Table 1 indicate that prior experience (β =-0.081, t = 0.791, p= 0.156), since entrepreneurship literature strongly recognize the significant contribution of prior experience on performance, examination whether prior experience was due to family (inherent) or acquired through entrepreneurial endeavour, a univariate analysis of variance and chi-square test were conducted on prior experience and sales trend.

UNI-ANOVA AND CHI-SQUARE TEST

The Chi-square test explains whether inherent and acquired experiences are associated. The strength of association was measured through correlation coefficients. Univariate analysis of variance (Uni-ANOVA) examined the family and entrepreneurial experience differences in independent sample means.

| Uni-ANOVA and Chi-Square Test (Prior Experience & Sales) |
|-----------------|---------|---------|--------|------|------|
| Variables       | SS      | Df      | MS     | F    | p-value |
| Entrepreneurial experience | 939.637 | 1       | 939.637| 2.169| 0.128 |
| Family experience | 812.068 | 1       | 812.068| 1.871| 0.167 |
| Error            | 715.013 | 1       | 715.013| 1.711| 0.199 |

Key: SS = Sum of Squares, MS = Mean Square, F= Statistic from F-Table, df = Degree of freedom.

Computed f-values ranged between 1.7 and 2.2 which is less than the table value at p = 0.05 with degree of freedom (df = 1). Neither ANOVA nor the Chi square test showed significant results. Since 79% of CTIs’ owners do not posses prior experience and the current CTIs is their first activity, McClelland (1971), hypothesized that, “a community or society with a
generally high need for, or urge to improve produces more energetic entrepreneurs who in turn bring about more rapid economic development.” Although the hypothesized relationship between strong local resources and performance was not supported, the average composite did not support the null hypothesis. That is, the owned local resources by CTIs were positively related to entrepreneurial performance. As Gurteen (1998) and Gibbs (2006) put it, strong resources are important antecedents to products and ultimately to initiatives’ performance.

CONCLUSION AND RECOMMENDATIONS

CTIs at close proximity to protected areas in Arusha, Tanzania have abundant natural and cultural resources to provide unique experiences to potential tourists. Majority of CTIs are owned by few family members. The owned local resources were positively related to their entrepreneurial performance. It is recommended that there is a need to strengthen local institutions to enable realizing benefits from tourism activities and collaborative networks, education, training and local communities’ empowerment through mass awareness creation.

REFERENCES


Exploring the Factors Resisting Stock Market Participation among Indian Working Women: An Empirical Investigation

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Abstract—The beginning of 2014 has witnessed the escalating flow of capital, new pinnacle for benchmark indices and market capitalization which has carved out an investor’s encouraging climate for investment. India has an awful retail participation in equity markets. There is an unambiguous upheaval to bring the retail investor back into the stock markets. Women are becoming one of the largest groups of investors across the globe. Many households shy away from stock markets, because of lack of adequate financial knowledge on stocks, the stock market working and asset pricing. This leads to stumpy retail participation putting the Indian stock markets in ‘dilemma’. This study attempts to determine the factors which resist Indian working women from stock market participation considering equity as an Investment avenue. The researcher applies principal component factor analysis as the statistical tool to determine the stock market resistance factors. Results reveal that there exist five factors, namely, psychosomatic fear factor, risk factor, monetary factor, unawareness factor, information factor are the predominant factors which affect the women's participation in the Indian equity market. The researcher concludes that effective participation in the investor education programmes boost the women investor’s confidence which enables them to get best insights of various equity oriented securities.

Keywords: Financial Knowledge, Retail Investors, Working Women, Stock Markets, Cognitive Ability

INTRODUCTION

In India, capital markets have been playing a gradually more crucial role, in determining the rapidity and prototype of economic growth and the stock exchanges are essential establishments of the capital market as they provide a structured market platform for apparent price discovery. In the year 2013–14, Indian equity markets inclined to a novel sky-scrapping position resulting from an improved scenario of global financial markets, exchange rate adjustments, and anticipation of electoral outcomes. The beginning of
2014 witnessed the escalating flow of capital, new pinnacle for benchmark indices and market capitalization which has carved out an investor’s encouraging climate for investment. India has an awful retail participation in equity markets. There is an unambiguous upheaval to bring the retail investor back into the stock markets. This circumstance strikes a chord of 2007, when the stock markets hit all time highs and there was euphoria across the nation. Even though Indian stock market has stretched in the post-liberalization era, with regard to volatility, the market does not demonstrate any momentous transformation. This long-lasting volatility in the stock market since the global financial crisis has been disappointing issue for the retail investors to invest in equity markets. Due to high volatility, new clients are scared to burn their fingers and existing investors are uncomfortable in managing their portfolios. The initiative of long term investment is previously to be embedded in the retail investor’s mindset. Retail investors are often persuading into inappropriate investment decisions allured by the vested interests. In the era of high frequency trading, ineffective internet penetration, disturbance in internet connectivity, repeated power failures hinder the retail investor’s efficiency to harvest the paramount price movements. Costs of trading in an exchange have a significant bearing on the capital market efficiency. The three important ingredients of trading cost are user charges which includes brokerage fees, DP chargers, exchange transaction charges, impact cost, statutory levies such as service tax on brokerage and stamp duty. The cost of trading in India remains relatively high. More pressure is levied on the overall brokerage revenue pool due to low retail equity participation. This paper attempts to study the factors which resist the stock market participation among the Indian working women.

**REVIEW OF LITERATURE**

Mahastanti, Linda Ariany and Hariady, Edy (2014) examines the factors affecting the stock investment decisions of potential female investors in Indonesia. The author highlights the application of the theory of planned behaviour (TPB) in examining factors affecting the stock investment decisions. Finally, the researchers focus on the influence of perceived behavioural control and risk preference on intention to purchase financial products.

Johan Almenberg and Anna Dreber (2012) explore the link between the gender gap in stock market participation and financial literacy. By using survey data on a random sample of 1,300 individuals that is representative of the Swedish population, the author highlights that women typically
participate less than men in the stock market. Women are also more educated, have lower incomes, score lower on basic financial literacy as well as advanced financial literacy, and are less risk taking than men. The authors find that the gender gap in stock market participation, however, vanishes once controls for investment knowledge, risk attitudes and education are included, and is significant once income and wealth variables are included.

Jackson Gary (2012) attempts to explain on the investors risk awareness. The author finds that most investors lack the level of risk. Further, the author mentions that a few investors have a good understanding of investment risk.

Spectrum High NetWorth Advisor Insights (2012) focuses on how women reacted to chaotic stock market condition in the US. The report highlights that in unprecedented stock market volatility, women have become more cautious and thoughtful with regard to household spending.

Yosef Bonaparte et al. (2011) focus that household stock market participation report low participation rates. Authors highlight that the fixed costs associated with participation and high risk aversion discourage households from buying stocks. The researchers find that key household characteristics have a smaller impact on stock market participation. Finally, the authors argue that saving selectively plays an important role in explaining the limited participation in the stock markets by households.

**NEED FOR THE STUDY**

There is a need for strong global advocacy by the researcher to draw attention of women as earners. Women are recognized as agents of socio-economic growth with autonomy of decision making (Report on the Work of Working Group of Feminist Economists during the preparation of 11th Five year Plan: 2007–12). By virtue of augmenting employment rate and entrepreneurship activities, women are becoming economically autonomous. At the same time, there is a necessity for investment rise by working women due to diverse reasons, such as in times of the recent global financial crisis, there were more job losses by men in the families which transformed the active economic role of women in their families. Women are progressively more entrepreneurial in nature, grabbing new business prospects. Thus women are becoming one of the largest groups of investors across the globe. Many households shy away from stock markets, because of lack of adequate financial knowledge on stocks, the stock market working and asset pricing. This leads to stumpy retail participation putting the Indian stock markets in
‘dilemma’. In India, financial literacy has implicitly obtained greater significance in recent years due to the complexity of financial markets. There is an urge to measure the financial literacy among Indian working women.

**Statement of the Problem**

Indian stock markets mobilize a very small fraction of household financial savings in India. Indian stock market is beleaguered with severe price volatility and suffers from menace of over-speculation and excessive price fluctuation.

**Scope of the Study**

The rationale behind every academic research undertaken is societal progress. This study aims to enrich the Indian equity market. Retail investors are individual investors who invest in small quantities. The term ‘investor’ is a generic term that encompasses all market participants. A trader could be seen as a special type of investor who has a very short investment horizon. Traders have a belief in the possibility of earning excess returns from short term security price movements. This is a typical characteristic of day traders and majority of them base their trades on technical analysis. Whereas investors are usually market participants who have long investment horizon and who self-manage portfolios or seek the assistance of independent financial advisors or portfolio managers. However, investors are seen as traders who trade in order to move their wealth from the present to the future (Harris, 2003).

This study endeavours to act as an eye-opener for the working women investors to enhance more retail equity participation and promulgate equity investment habit which in turn reinforces the Indian capital markets. This study will benefit the nation’s economy apart from upliftment of socio-economic status of women. In this study, working women within the age group of 18 years to 60 years are declared as respondents as they form the mainstream of working women group. This study focuses on Indian working women in Chennai city. The scope of this study is also extended to various segments of society such as professional advisors, banks and financial institutions, government, academicians and media.

**Objective of the Study**

- To determine the factors that resist the Indian working women from stock market participation considering equity as an investment avenue
To study the collective influence of unawareness of equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

Hypothesis of the Study

$H_0$: There exists no influence of unawareness of equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

$H_1$: There exists influence of unawareness of equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

Research Design

The methodology adopted for the study is based on primary data. The primary data is collected through well-framed and structured questionnaire to elicit the perception of Indian working women. Simple random sampling has been used to collect responses from the Indian working women.

The primary data was collected from the working women in person by the researcher through survey method. For a few respondents who were busy during trading hours and those who experienced difficulty in language, responses were collected orally by the researcher in a one-to-one interview manner. A mail survey instrument was also chosen as the method of collecting the self-reported data. Despite potential problems with non-response, mail questionnaires are commonly held as the most efficient means of collecting empirical data. The researcher developed a web page that contained the survey questionnaire and allowed respondents to mail their response to an e-mail account specifically created for this purpose. The sample size of 100 working women respondents including 74 salaried class, 15 self-employed women force, 11 professional women were duly selected for this study.
DATA ANALYSIS

The researcher has used Statistical Package for Social Sciences (SPSS-17) to perform statistical techniques. Factor analysis by principal component method has been applied to reduce the number of factors which resist the stock market participation among the Indian working women into five meaningful factors respectively.

Multiple regression analysis has been employed to establish the influence of unawareness about equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

Empirical Results and Discussion

In this section, the researcher attempts to present the empirical results obtained from statistical analysis such as Principal Component Factor Analysis and Multiple Regression Analysis.

Cronbach Alpha Test was used to determine the degree of consistency among the multiple measurements of each factor. It measures the inter-item reliability of a scale generated from a number of items. Ideally, the reliability coefficient above 0.5 is considered to be acceptable as a good indicator of construct reliability, above 0.6 is treated satisfactory, but alpha above 0.7 is considered to be sufficient. From Table 1 (Appendix) it reveals that the questionnaire responses exhibited Cronbach-Alpha value of 0.939 for items relating to variables resisting the stock market participation among the Indian working women. The alpha values are statistically significant to ensure a smooth normal distribution and to justify the sample statistics for the representation of population parameters.

Factor Analysis for Resistance to Stock Market Participation Variables among the Indian Working Women

Grouping the variables gives more clarity on the subject and also on the decision mechanism design. In view of this, the researcher grouped the items using Principal Component Analysis with Varimax and Kaiser Normalization. In this part of the analysis, the researcher attempts to identify the factors which resist the stock market participation among the Indian working women. There are 14 variables quoted in the Questionnaire. Therefore, the data reduction is done through the application of factor analysis by principal component method and the following results are obtained.
From Table 2 (Appendix) it is found that KMO measure of sampling adequacy is 0.593, Bartlett’s Test of Sphericity with approximate chi square value 370.838, p=0.000 are statistically significant at 5% level. Therefore, it can be concluded that the variables considered for Factor Analysis form the normal distribution less than 5% admissible error to represent the factors emerged. This implies that the sample size is adequate for data reduction process and creates a conductive situation to ascertain the latent factors responsible for resisting the stock market participation among the Indian working women.

From Table 3 (Appendix) it is found that the 14 variables exhibit the variances from 0.363 to 0.822. This implies that the range of variations is defined “between” 36% to 82%, which is statistically significant to go ahead for the meaningful data reduction process. This is adequate for factor segmentation from the variables. This leads to the factor formation as stated in the table below.

From Table 4 (Appendix), 14 variables are reduced into 4 predominant factors. It is found that 23 variables exhibit the total variance of 66.118%. It is also ascertained that the five factors individually possess the variances 16.887%, 14.974%, 14.066%, 11.058% and 9.133% respectively. This leads to variable loading of each factor that resists the stock market participation among the Indian working women. This leads to factor segmentation through grouping of variables as shown in the rotated component matrix.

From the Table 5 (Appendix) the rotated component matrix in the factor analysis grouped the variables. Factor I consists of three variables having the towering variance of 16.887% which represents that there exists a lack of trust and confidence among the investors who invest in risky equity investment (Calcagno, R., & Monticone, C. 2011).

**Factor I:** Deals with the psychological aspect and underscores that lack of strong cognitive ability to bear the risk hinders to amplify the stock market participation rates among the Indian women workforce (Hanushek, E., Woessmann, L., 2008). Thus, Factor I is tagged as “Psychosomatic Fear Factor”.

**Factor II:** Deals with three variables showing the variance of 14.974% which highlights that there exists inadequate knowledge about the equity investments. Investors are not aware of dealing with equities (Yasser Alhenawi, Khaled Elkhal 2013) (Cole, S., Paulson, A., & Shastry, G.K. 2012). Factor II highlights about unawareness of equity investment which hinders the Indian
working women’s active participation in the stock markets. Factor II is labelled as “Unawareness factor”.

**Factor III:** Deals with three variables showing the variance of 14.066% which represents that manipulation of share valuation in turn declines the investor’s confidence (Giannetti, Mariassunta, and Yrjö Koskinen. 2010) reinforces adequate requirement of strong insurance and investor protection. Thus, the financial education empowers the female investors (Yasser Alhenawi, Khaled Elkhal, 2013) (Cole, S., Paulson, A., & Shastry, G.K., 2012). Factor III accentuates to embolden financial education to working women in India to accelerate the stock market participation rates. Factor I is labelled as “Information factor”.

**Factor IV:** Deals with two variables showing the variance of 11.096% which signifies fluctuating stock prices with high trading cost (Nirmal Mohanty, 2011; M. Karmakar, 2005) and lack of assessment of risk and return on the equity investments made. Factor IV deals with cost aspects of making equity investments. This factor IV is labeled as “Monetary Factor”.

**Factor V:** Consists of two variables having the variance of 9.133% which signifies the rise and fall in the share prices which breaks the trust on equity investments (Calcagno, R., & Monticone, C., 2011). This, in turn, resists the Indian working women to make equity investment which acts as hurdle to facilitate stock market participation. Thus, factor V is tagged as “Risk factor”.

**OBJECTIVE**

Among all the factors which resist the Indian working women from stock market participation, unawareness of equity investment hinders the Indian working women’s active participation in the stock markets. The researcher attempts to establish the influence of unawareness about equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

From Table 6 (Appendix), it is found that R² value is 0.094, adjusted R² value is 0.056. This shows that the variance ranges from 5.6% to 9.4%. That is the independent variable which comprises of psychosomatic fear factor, risk involved in equity investment, information factor, and monetary factor.
is able to create variance on the unawareness factor which is formulated by conducting principal component factor analysis. This leads to the resultant confirmation of regression model fit in the following ANOVA table.

From Table 7 (Appendix), it is found that the regression fit coefficient $F=2.458$, $p=0.000$ are statistically significant at 5% level. Therefore, it can be concluded that the independent variables namely psychosomatic fear factor, information factor, risk factor and monetary factor which is considered to exhibit the regression model is critically related to unawareness factor which is responsible for creating hesitation among the working women force to participate in the stock markets considering equity as an investment avenue. The following correlation table obviously elucidates the restrained impact of dependant variable on the independent variable.

From Table 8 (Appendix), with regard to stock market resistance factors, it is found that Psychosomatic fear factor ($t=0.193$, $p=0.004$), Information factor ($t=2.491$, $p=.001$) and Risk factor ($t=1.667$, $p=.001$) which is statistically significant at 5% level than other factors such as monetary factor ($t=0.468$, $p=0.041$). Thus, the null hypothesis is rejected; there exists influence of unawareness about equity as an investment avenue in the stock market on the psychosomatic fear factor, risk factor, monetary factor and information factor which is responsible for creating hesitation in the minds of Indian working women to participate in the stock markets.

**CONCLUSION**

Retail investors have not made money since crisis. Retail investors, especially working women force seem to be opting for attractive asset classes such as gold, real estate to park their funds. Dominance of foreign institutional investors paved the great way for the stock market development despite low retail participation. Retail investors unearthed the stock market activities and found it to be excessively complicated and complex to grasp. The individual investor’s participation cascades down due to failure to restore the women investor’s confidence. Since the 2008 market recession, which led to losses by many investors, retail investors have been staying away. The market is presently subjugated by institutional, high networth and foreign investors. Many retail investors got their fingers burnt in 2008. Thus, investors need to be financially knowledgeable in order to manage their finances; especially, in the stock market (Worthington, 2006). Intensive financial education and enlightenment will persuade women retail investors to revisit the Indian stock market. With increasingly complex financial products in the marketplace, investor’s financial literacy has become more
important. Retail investors are considered to be the backbone of the equity market. There is zilch superior way of empowering the women investor than taming their financial literacy. Government support and media must play an effective role in promoting the equity culture. Effective participation in the investor education programmes boost the women investor’s confidence which enables them to get best insights of various equity oriented securities. While the market rudiments reinforced as the year progressed, dedicated policy measures encircling all specialty of market activity further vitalized the regulatory infrastructure and reposed the women investor confidence. SEBI is looking forward to explore effective ways to employ modern technology and social media to make learning of stock markets and financial education easy and entertainment based. SEBI would persistently endeavour to make Indian stock market world class by focusing on “protection of investor’s interests and promote regulation for market development”.

REFERENCES


APPENDIX

**Table 1: Reliability Statistics**

<table>
<thead>
<tr>
<th>Factors which Resist the Stock Market Participation among Indian Working Women</th>
<th>Cronbach's Alpha</th>
<th>No. of Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Market participation variables</td>
<td>.939</td>
<td>14</td>
</tr>
</tbody>
</table>

*Source: Computed Data*

**Table 2: KMO and Bartlett’s Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .593 |
| Bartlett’s Test of Sphericity | Approx Chi square 370.838 |
| df | 91 |
| Sig | .000 |

*Source: Computed Data*

**Table 3: Communalities**

<table>
<thead>
<tr>
<th>Factors which Resist Stock Market Participation</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>I lack trust on equity</td>
<td>1.000</td>
<td>.516</td>
</tr>
<tr>
<td>I lack confidence in investing in equities</td>
<td>1.000</td>
<td>.822</td>
</tr>
<tr>
<td>I do not possess cognitive ability to bear the risk</td>
<td>1.000</td>
<td>.808</td>
</tr>
<tr>
<td>I consider equity investment involves risk</td>
<td>1.000</td>
<td>.675</td>
</tr>
<tr>
<td>I lack adequate knowledge about equity investments in the stock market</td>
<td>1.000</td>
<td>.728</td>
</tr>
<tr>
<td>I am unaware of the terms and conditions involved in equity investments</td>
<td>1.000</td>
<td>.592</td>
</tr>
<tr>
<td>I am not able to understand all the financial information needed to invest on equity</td>
<td>1.000</td>
<td>.697</td>
</tr>
<tr>
<td>I consider financial education empowers me</td>
<td>1.000</td>
<td>.661</td>
</tr>
<tr>
<td>I consider investors are often cheated due to manipulated share valuations by fraudulent corporates</td>
<td>1.000</td>
<td>.787</td>
</tr>
<tr>
<td>I believe there is a erosion of Investor’s confidence on Corporate India</td>
<td>1.000</td>
<td>.649</td>
</tr>
<tr>
<td>There is a lack of assessment about risk and return in equity investments</td>
<td>1.000</td>
<td>.760</td>
</tr>
<tr>
<td>Cost of trading in stock exchange is very high</td>
<td>1.000</td>
<td>.691</td>
</tr>
<tr>
<td>There exist volatility in the stock prices</td>
<td>1.000</td>
<td>.507</td>
</tr>
<tr>
<td>There exist of irrecovery of even the capital invested at the time of recession</td>
<td>1.000</td>
<td>.363</td>
</tr>
</tbody>
</table>

*Extraction Method: Principal Component Analysis.*
### Table 4: Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
<td>Total</td>
</tr>
<tr>
<td>1</td>
<td>2.539</td>
<td>18.136</td>
<td>18.136</td>
</tr>
<tr>
<td>2</td>
<td>2.295</td>
<td>16.394</td>
<td>34.530</td>
</tr>
<tr>
<td>3</td>
<td>1.753</td>
<td>12.519</td>
<td>47.050</td>
</tr>
<tr>
<td>4</td>
<td>1.517</td>
<td>10.838</td>
<td>57.888</td>
</tr>
<tr>
<td>5</td>
<td>1.152</td>
<td>8.230</td>
<td>66.118</td>
</tr>
<tr>
<td>6</td>
<td>.971</td>
<td>6.934</td>
<td>73.052</td>
</tr>
<tr>
<td>7</td>
<td>.823</td>
<td>5.882</td>
<td>78.934</td>
</tr>
<tr>
<td>8</td>
<td>.695</td>
<td>4.968</td>
<td>83.902</td>
</tr>
<tr>
<td>9</td>
<td>.552</td>
<td>3.945</td>
<td>87.847</td>
</tr>
<tr>
<td>10</td>
<td>.501</td>
<td>3.577</td>
<td>91.424</td>
</tr>
<tr>
<td>11</td>
<td>.400</td>
<td>2.857</td>
<td>94.281</td>
</tr>
<tr>
<td>12</td>
<td>.344</td>
<td>2.455</td>
<td>96.737</td>
</tr>
<tr>
<td>13</td>
<td>.273</td>
<td>1.952</td>
<td>98.689</td>
</tr>
<tr>
<td>14</td>
<td>.184</td>
<td>1.311</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Extraction Method:** Principal Component Analysis.

### Table 5: Rotated Component Matrix

<table>
<thead>
<tr>
<th>Factors Resisting the Stock Market Participation</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Psychosomatic Fear Factor</strong></td>
<td></td>
</tr>
<tr>
<td>I lack confidence in investing in equities</td>
<td>.892</td>
</tr>
<tr>
<td>I do not possess cognitive ability to bear the risk</td>
<td>.888</td>
</tr>
<tr>
<td>I consider equity investment involves risk</td>
<td>.774</td>
</tr>
<tr>
<td><strong>Unawareness Factor</strong></td>
<td></td>
</tr>
<tr>
<td>I lack adequate knowledge about equity investments in the stock market</td>
<td>.817</td>
</tr>
<tr>
<td>I am unaware of the terms and conditions involved in equity investments</td>
<td>.657</td>
</tr>
<tr>
<td>There exist of irrecovery of even the capital invested at the time of recession</td>
<td>.589</td>
</tr>
<tr>
<td><strong>Information Factor</strong></td>
<td></td>
</tr>
<tr>
<td>I consider investors are often cheated due to manipulated share valuations by fraudulent corporates</td>
<td>.848</td>
</tr>
<tr>
<td>I consider financial education empowers me</td>
<td>.759</td>
</tr>
<tr>
<td>I am not able to understand all the financial information needed to invest on equity</td>
<td>.691</td>
</tr>
</tbody>
</table>

*Table 5 (Contd.)*
**Table 5 (Contd.)**

<table>
<thead>
<tr>
<th>Monetary Factor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a lack of assessment about risk and return in equity investments</td>
<td>.826</td>
</tr>
<tr>
<td>Cost of trading in stock exchange is very high</td>
<td>.749</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I lack trust on equity</td>
<td>.706</td>
</tr>
<tr>
<td>There exist volatility in the stock prices</td>
<td>.448</td>
</tr>
</tbody>
</table>

*Extraction Method*: Principal Component Analysis.
*Rotation Method*: Varimax with Kaiser Normalization.
a Rotation converged in 15 iterations.

**DEPENDENT VARIABLE: UNAWARENESS FACTOR**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>.306[a]</td>
<td>.094</td>
<td>.056</td>
<td>.74612</td>
</tr>
</tbody>
</table>

*Source*: Computed data

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.474</td>
<td>4</td>
<td>1.369</td>
<td>2.458</td>
<td>.000[a]</td>
</tr>
<tr>
<td>Residual</td>
<td>52.886</td>
<td>95</td>
<td>.557</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>58.360</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source*: Computed data

<table>
<thead>
<tr>
<th>Model I</th>
<th>Unstandardised Coefficient</th>
<th>Standardised Coefficient</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Standard Error</td>
<td>Beta</td>
<td>B</td>
</tr>
<tr>
<td>Constant</td>
<td>7.551</td>
<td>2.091</td>
<td>.193</td>
<td>3.612</td>
</tr>
<tr>
<td>Psychosomatic fear factor</td>
<td>.020</td>
<td>.104</td>
<td>.019</td>
<td>.193</td>
</tr>
<tr>
<td>Information factor</td>
<td>.240</td>
<td>.096</td>
<td>.246</td>
<td>2.491</td>
</tr>
<tr>
<td>Monetary factor</td>
<td>.061</td>
<td>.130</td>
<td>.046</td>
<td>.468</td>
</tr>
<tr>
<td>Risk factor</td>
<td>.222</td>
<td>.133</td>
<td>.164</td>
<td>1.667</td>
</tr>
</tbody>
</table>

*Source*: Computed data

An Empirical study on factors resisting Stock Market participation among Indian Working Women.

**QUESTIONNAIRE**

**Section A**

Personal Profile

Kindly Tick the appropriate box

Respondent Name (Optional):
1. Age group: Less than 30 [ ] 31-40 [ ] 41-50 [ ] More than 51 [ ]
2. Marital Status: Married [ ] Unmarried [ ] Widow [ ] Divorcee [ ]
3. Religion: Hindu [ ] Christian [ ] Muslim [ ] Others [ ]
4. Level of higher education: Graduate [ ] Post Graduate [ ] M.Phil/Ph.D [ ] Professional [ ]
5. Monthly Income (Rs): Up to 20000 [ ] 20001-40000 [ ] 40001-60000 [ ] above 60000 [ ]
6. Occupation: Salaried [ ] Self Employed [ ] Professional [ ]
7. Annual Savings (Rs): Below 1 Lac [ ] Rs. 1 Lac-Rs. 3 lakhs [ ] Rs. 3 Lakhs-Rs. 5 Lakhs [ ] Above 5 lakhs [ ]
8. My preference for various forms of Gold Investment: Gold Jewellery [ ] Bars and Coins [ ] Gold Exchange Traded funds [ ] Gold Certificates [ ] Gold Futures [ ] Others [ ]

Section B

Factors which resist Indian Working women from stock market participation
Kindly Tick the appropriate box to indicate your opinion (SA: Strongly Agree, A: Agree, U: Undecided, DA: Disagree, SD: Strongly Disagree)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>DA</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I lack trust in equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>I lack confidence in investing in equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I do not possess cognitive ability to bear the risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I consider equity investment involves risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I lack adequate knowledge about equity investments in the stock market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I am unaware of the terms and conditions involved in equity investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I am not able to understand all the financial information needed to invest on equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I consider financial education empowers me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>I consider investors are often cheated due to manipulated share valuations by fraudulent corporate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>I believe there is a erosion of Investor’s confidence on Corporate India</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>There is a lack of assessment about risk and return in equity investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Cost of trading in stock exchange is very high</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>13</td>
<td>There exist recovery of even capital invested at the time of recession</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>There exist volatility in the stock prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Energy Consumption and Economic Growth in India: A Causality Analysis

Vikas Ramesh Adhegaonkar
Asst. Prof., Unique Institute of Management, Pune
E-mail: vikasadh@rediffmail.com

Abstract—This article examines the relationship between electricity consumption and economic growth in India for the period of 1970 to 2011. The close relationship between economic growth and electricity consumption suggests that energy policies of a country affect its economic growth. Earlier literature provides four hypothesis on relationship between economic growth and electricity consumption i.e., growth hypothesis, conservative hypothesis, feedback hypothesis and neutrality hypothesis. One of the objectives of this study is to find out which hypothesis is applicable to India. This study is based on secondary data and required data is collected from World Bank database. The main objective of this study is to find out long run relationship and direction of relationship between electricity consumption and economic growth. ADF test is used to find out stationary data series and level of integration between GDP and electricity consumption. Cointegration test is used to find out long run relationship between electricity consumption and economic growth. Granger causality model is used to examine causal effect between electricity consumption and economic growth. This study found that data series of GDP and electricity consumption are non-stationary at its level and stationery at 1st difference. Both the series are integrated with order one i.e. I(1). Result of cointegration test indicates no long run relationship between electricity consumption and GDP. Also, Granger causality test indicates no causal relationship between electricity consumption and GDP. On the basis of findings, it is concluded that electricity consumption does not affect the GDP, so government should focus on gradual shift towards non-renewable sources of energy.

Keywords: GDP, Electricity Consumption, ADF Test, Cointegration Test, Granger Causality Test

INTRODUCTION

Energy consumption plays an important role in an economic growth along with the other factors of production like capital, labour, land. Global energy consumption has been rising continuously and emerging countries like India, China are leading in energy consumption. Increasing global demand for electricity and persistent increase in CO₂ forced researchers, governments and international organizations to express their concern about impact of electricity consumption on GDP and its future trajectory. Earlier various studies examined complex relationship between economic growth and electricity consumption. The debate was whether electricity
consumption affects economic growth or economic growth affects electricity consumption. The relationship between energy consumption and economic growth has been found to be controversial subjects in energy economics. Some energy economists argue that energy is crucial input in GDP but cost of energy consumption is small in percentage of the total GDP. Therefore energy consumption has no significant impact on GDP. But no one can ignore the link between rising energy use and economic growth. However, this linkage between these two variables declined by shifting to high quality fuels and technological development which enhances productivity in economic activities. If energy consumption does not affect to economic growth then reduction in energy intensity is required to avoid adverse impact on environment.

![Fig. 1: Sources of Production of Electricity from 1970 to 2011 (in %)](image)

Figure 1 above shows sources of electricity production from 1970 to 2011 in terms of percentage for each year. Figure 1 indicates that, in India contribution of hydroelectric sources in overall production capacity has declined from 42% in 1970 to 12% in 2011 and at the same time, significant increase in coal-based electricity is observed from 50% in 1970 to 68% in 2011 in total production capacity. Nuclear based electricity contribution remains constant over the period which is around 3% of the total production capacity where as oil-based electricity contribution declined from 8% in 1970 to 1% in 2011. After 1985, increased use of natural gas based electricity was observed from 3% in 1985 to 10% in 2011 and after 2005 renewable electricity capacity has increased which was observed at 5% in
2011 which was negligible earlier. Section I of this paper introduces to the topic. Section II discusses with earlier empirical studies done on the subject. Section III explains the research methodology adopted for the study. In section IV, we analyze findings of the study with policy implications and the last section concludes the study.

**Review of Literature**

*Growth Hypothesis*: As per the growth hypothesis, energy consumption plays a crucial role in an economic growth and it assumes unidirectional causality from energy consumption to economic growth. This unidirectional causality relationship indicates that the economy is energy dependent and limited. No access to energy supply can limit economic growth. So government should ensure reliable and sustainable supply of electricity at appropriate cost with less environment degradation. M. Shaari *et al.* (2013), Hussain Ali Bekhet *et al.* (2011) found unidirectional causality running from electricity consumption to economic growth in case of Malaysia. Y. Dantama (2012) found unidirectional causality from electricity consumption to GDP in Nigeria and hence energy conservation policies had adverse impact on economic growth in Nigeria. U. Soytas (2003) found unidirectional causality running from electricity consumption to GDP in Turkey, France, Germany and Japan. Olusanya (2012) explained that if energy consumption affects economic growth then reducing energy consumption may result into high unemployment, budget deficit and low income.

*Conservative Hypothesis*: Conservative hypothesis indicates unidirectional causality relationship from economic growth to energy consumption and it is economic growth which causes the development of energy sector. As per hypothesis, energy use does not influence to economic growth but it is economic growth which influences the energy consumption. The unidirectional relationship indicates that the economy is less energy dependent and investment in energy efficiency will not adversely affect the economic growth. Asghar *et al.* (2008) found unidirectional causality running from GDP to electricity consumption in Pakistan, Sri Lanka, Bangladesh. U. Soytas (2003) found unidirectional causality from economic growth to electricity consumption in Italy and Korea.

*Feedback Hypothesis*: If there is bidirectional causality from electricity consumption to economic growth and economic growth to electricity consumption then it implies mutual and complementary relationship between economic growth and electricity consumption. Quing Hou (2009)
examined relationship between economic growth and electricity consumption and found bilateral relationship in China. China is a big energy consumer with low energy efficiency and to support economic growth it needs more energy consumption. So, the need is to ensure energy efficiency with awareness to save energy by avoiding further energy misuse. Chinese government can bring into differential pricing practice for energy sector charging high price from consumers who consume more energy. U. Soytas (2003) found bidirectional causality in Argentina and M. Shahbaz (2012) found bidirectional relationship between renewable and non-renewable energy with economic growth in Pakistan. A. Belke (2010) found bidirectional causality between energy consumption and economic growth in 25 OECD countries, in order to trade off between economic growth and energy consumption, energy policies devoted to reduce CO$_2$ emissions should be followed with the use of renewable energy sources rather than reduction in overall energy consumption.

**Neutrality Hypothesis:** Energy consumption and economic growth are completely independent and energy sector has no impact on economic growth and absence of any relationship between energy consumption and economic growth indicates neutrality hypothesis. If any country pursues policy either to promote energy conservation policies or high level of energy consumption, it does not affect to economic growth in any way. In this scenario, policies to promote energy access and higher levels of energy consumption will not have an influence on economic growth. Neutrality hypothesis shows that there is no relationship between economic growth and energy consumption. The absence of causality between economic growth and energy consumption is an evidence of validity of neutral hypothesis. Asghar et al. (2008) found that India has no causality between economic growth and electricity consumption. C. Nondo (2010) found no causality between economic growth and electricity consumption in 18 African countries. One explanation provided is that the amount of energy consumption in GDP is very small which fails to stimulate economic growth.

**RESEARCH METHODOLOGY**

This study is based on secondary data and required data of GDP and electricity consumption is collected from World Bank database for the period, 1970 to 2011. For further analysis, data series of GDP and electricity consumption is converted into natural log form and named as LGDP and LEC in following sections of the paper.
ADF Test

The ADF test is conducted to test whether data series is stationary or non-stationary. The null hypothesis for ADF test, a variable under consideration, is not stationary against alternative hypothesis of stationary. ADF test regression equation is as follows:

$$\Delta y_t = \alpha + \beta t + \gamma y_{t-1} + \delta_1 \Delta y_{t-1} + \ldots + \delta_{p-1} \Delta y_{t-p+1} + \varepsilon_t$$

Where

- $\Delta y = \text{First difference of LGDP and LEC series}$
- $y_{t-1} = \text{Lagged values of LGDP and LEC series, } t = \text{time}$
- Null hypothesis – LGDP and LEC is non-stationary (unit root)

Cointegration Test

Engle-Granger cointegration test is a two-step test based on residuals of variables under the study, i.e., LGDP and LEC. Engle-Granger cointegration test is used to test the long run relationship between LGDP and LEC. Engle-Granger cointegration test assesses null hypothesis of no cointegration against alternative hypothesis of cointegration. Following regression equation searches for parameter $\alpha$, $\beta$, and $\rho$.

$$LGDP_{[i]} = \alpha + \beta \times LEC_{[i]} + R_{[i]}$$

$$R_{[i]} = \rho \times R_{[i-1]} + \varepsilon$$

Where

- $R= \text{Residual, } \varepsilon=\text{Error term}$
- If $\rho < 1$, then $X$ and $Y$ are cointegrated.
- Null hypothesis – There is no cointegration between LGDP and LEC.

Granger Causality Test

Granger causality test indicates that if past values of variable $y$ significantly contribute to forecast value of another variable $x_{t+1}$ then $y$ is granger cause to $x$ and vice versa. To test granger test following regression equation is considered.

$$LGDP_t = \alpha + \mu \times LGDP_{t-1} + \rho \times LEC_{t-1} + v_t$$

$$LEC_t = b + \gamma \times LEC_{t-1} + \delta \times LGDP_{t-1} + \varepsilon_t$$

Where

- $\Delta$ denotes the first difference
- $\mu$, $\rho$, $\beta$, $\gamma$, $\delta$, and $\varepsilon$ are parameters to be estimated
- $v_t$ and $\varepsilon_t$ are error terms
- $\alpha$, $b$ are intercepts for LGDP and LEC respectively
LGDP_{t-1}= \text{Lag value of LGDP}, \ LEC_{t-1}= \text{Lag value of LEC} \\
v_t= \text{error term of first equation}, \ \varepsilon_t= \text{error term of second equation} \\
LGDP \text{ and LEC are log values of gross domestic production and electricity consumption which are observed for } t \text{ periods. The parameters to be estimated in the models are } a, \ b, \ \mu, \ \gamma, \ \rho, \ \delta \text{ and } v, \ \varepsilon \text{ are error terms. Following null hypotheses are tested for Granger causality-} \\
\bullet \ \text{Null hypothesis–LGDP does not Granger cause to LEC} \\
\bullet \ \text{Null hypothesis–LEC does not Granger cause to LGDP} \\
R-\text{Software and MS-Excel is used for ADF test, cointegration test and Granger causality test.} \\
\text{DATA ANALYSIS AND INTERPRETATION} \\
Following part of the paper explains interpretation of the result obtained from ADF test, cointegration test and Granger causality test. ADF test is used to examine the stationary property of data. Engle-Granger cointegration test is used to understand long run behaviour between electricity consumption and GDP and in last Granger causality test is used to assess causality between electricity consumption and GDP. \\
\text{ADF Test} \\
Table 1 shows ADF test result, it indicates that LGDP and LEC are non stationery at level and stationery at first difference and both the variables are integrated with order one or I(1) series. The results are confirmed as calculated value of ADF statistics is greater than critical values of ADF test at 5% level of significance at first difference and lower at its level. \\
\text{Cointegration Test} \\
As per Engle-Granger cointegration test, if } \rho < 1 \text{ then it is concluded that both the series are cointegrated. But result indicates that } \rho =1, \text{ so it is concluded that there is no cointegration between GDP and electricity consumption. In other words there is no long run relationship between GDP and electricity consumption.Also we can observe no cointegration in figure}
no.2, upper figure indicates two lines one is straight line of original LEC series and other is predicted line. Integration is accepted when original LEC series and predicted LEC series are same but we can observe substantial deviation of predicted LEC series from straight original LGDP series. Even middle figure also shows that residual is not constant and crossed upper and lower limit of 0.20.

\[ \text{LGDP}_{[i]} = 0.8743 \text{LEC}_{[i]} + 0.3765 + R_{[i]}, R_{[i]} = 1.0000R_{[i-1]} + \text{eps}_{[i]} \]

P-value (0.05) (0.30) (0.06)

\[ R_{[41]} = -0.2653 \ (t = -1.326) \]

Warning: X and Y do not appear to be cointegrated.

**Fig. 2: Residual Diagnosis of Co-integration between GDP and Electricity Consumption**

**Granger Causality Test**

The result presented in Table 2 shows that, GDP and electricity consumption are independent of each other as electricity consumption does not Granger cause to GDP and also GDP does not Granger cause to electricity consumption. Hence, null hypothesis is accepted which deciphers that electricity consumption does not Granger cause to GDP and GDP does not Granger cause to electricity consumption. This finding indicates that if
India follows policies to save energy or consumes more energy to increase economic growth it does not affect the economic growth at all. So, the need is to focus on gradual but assured shift towards renewable sources of energy by replacing non-renewable sources to avoid further environmental degradation.

<table>
<thead>
<tr>
<th>Variable</th>
<th>P-value</th>
<th>Null Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEC → LGDP</td>
<td>0.67</td>
<td>Accept</td>
</tr>
<tr>
<td>LGDP → LEC</td>
<td>0.89</td>
<td>Accept</td>
</tr>
</tbody>
</table>

**Policy Implications**

The result of Granger causality test provided evidence of independent relationship between GDP and electricity consumption, this evidence provides an instrument for further policy implications. Global warming, environmental degradation forces all countries to decide the boundaries for CO₂ emissions and invest in renewable energy sources by replacing non-renewable sources of energy. As per evidence provided by this study, India can gradually shift towards renewable sources of energy. The result indicates that when government takes its initiative to replace non-renewable sources of energy by renewable sources, GDP will not adversely affect and this can help the government to focus on investment in renewable sources on large scale. The vast geographical area provides ample opportunity to generate solar energy in Rajasthan and Gujarat, wind energy in all coastal regions of India from Maharashtra to Kanyakumari to West Bengal, hydroelectricity in Uttarakhand and various rivers in other part of country. But the need is to track execution and development of project, because a country like India comes with various issues in case of land, hill area acquisition and regulatory authorities. So, the Indian government needs to take requisite steps which can construct confidence in private and foreign investors to boost investment in renewable energy sector.

**CONCLUSION**

This paper can be instrumental in the formulation of electricity consumption and economic policy that will prevent adverse effects on economic growth. In this paper, relationship between economic growth and electricity consumption in India is studied. Data is collected from World Bank database for the period, 1970 to 2011. The ADF test shows that data is non-stationary at level and stationary at 1st difference, so data is integrated with order one or I(1). Engle-Granger cointegration test is conducted to examine the long run relationship between economic growth and electricity consumption.
consumption and it is found that both the variables are not cointegrated. So, there is no long run relationship between economic growth and electricity consumption. Granger causality test shows that economic growth does not Granger cause to electricity consumption and electricity consumption does not Granger cause to economic growth. The results of this study show that there is no relationship between electricity consumption and economic growth. So imposing taxes to reduce coal, oil, and electricity consumption or implementing an energy conservation policy will not harm economic growth. Also, government should diversify energy consumption mix to reduce over-dependence on non-renewable sources of energy by investing in renewable energy sector. The need is to promote foreign and private sector investors by simplifying rule and regulations.

REFERENCES

Abstract—Indian economy’s digital statistics are showing impressive trends from past few years. We have approximately 243 million internet users in our country. There’s enough development in devices, internet networks, operating systems, processors and operator strategies to suggest that India is on track to resolving the challenge of affordable, easy and faster internet access. The average price of smart phones that deliver much richer content, including video, is falling rapidly as the customer base is growing. This digital revolution has not left the Indian car market untouched and it is affecting the consumer behaviour to a significant extent from awareness, evaluation, final buying to the post purchase-stage.

This paper aims to find the most preferred digital channel to target the customers while they buy a car. Paper also uncovers the demographic profile, background information and preferences of the people who use digital channels for buying or ordering online. Along with these objectives the paper attempts to understand the impact of digital marketing practices followed by car marketers on Indian consumers living in Delhi and NCR. To achieve these pre-decided objectives, primary data was collected with the help of structured questionnaires. The questionnaire was administered to the car owners residing in Delhi and NCR area. Data was analyzed with the help of statistical techniques like chi-square and t-test. The findings are presented in a summarized manner for understanding digital consumer behaviour.

Keywords: Digital Marketing, Digital Consumer Behaviour, Digital Promotion, Search Engine

INTRODUCTION

The tremendous growth of the Internet and World Wide Web led to consumers and firms participating in a global online marketplace which caused firms to experiment with innovative ways of marketing to consumers in computer-mediated virtual environments. People are embracing digital technology in a way that was almost inconceivable a few years ago. These are not the tech-savvy innovators and early adopters but these are the majority
people like me and you who are integrating the digital technologies seamlessly in their lives. From SMS updates on their favourite TV serial, film or celebrity to face-to-face talk to the relatives sitting abroad to collaborative online gaming, they are using the digital technology without hesitation. It’s the customers or the users who want it, not what someone else who dictates it to use. When a person searches on a browser for a specific product or service, they are qualifying themselves as a potential customer. No one is forcing customer to read or buy or pay attention to something. It is the customer who is deciding to buy or to read. It’s not about pushing unidirectional. It’s both about push and pull. Digital marketing looks to meet up on beautiful platform, where mutual conversations drive transactions and relationships with customers.

Indian economy’s digital statistics are really impressive with approximately 243 million internet users. Social Survey, 2014 revealed that the Internet penetration in India remains at 20%. However, the low penetration means that India presents unmatchable growth opportunity for the Internet sector in coming years. There’s enough development in devices, networks, operating systems and operator strategies to suggest that India is on track to resolving the challenge of affordable, easy Internet access. The average price of smart phones that deliver much richer content, including video, is falling rapidly due to competition and economies of scale.

Digital marketing is associated with the term “digital or wireless connection” as digitalism includes wireless operations, such as are Internet, e-mail and mobile phones (Salmenkivi & Nyman 2007). Most of the digital marketing manoeuvres are done on the Internet as it is currently the most popular practice to search information and connect with people (web 1.0) and to generate content to other people (web 2.0).

Digital marketing is a term that has been around for quite a while but hasn’t been very well defined. Some people confuse it with internet marketing but digital marketing has broad appeal and scope than the internet marketing. Digital marketing not only includes many of the techniques and practices of internet marketing but also extends itself beyond this by including other channels with which to reach people that do not require the use of the internet.

The most common digital marketing channel available today are: banner advertising, search engine optimization (SEO), pay per click, email, RSS (Real Simple Syndication), voice broadcast, fax broadcast, blogging, podcasting, video streams, digital brand engagement, blog, wireless text
messaging, instant messaging, mobile phones, sms/ mms, display/ banners and digital outdoor (Kent Wertime and Ian Fenwick 2008). So, digital marketing is the promoting of brands using all forms of integrated digital advertising channels to reach consumers.

DIGITAL CONSUMER BEHAVIOR

Digital marketing has affected the consumer behavior up to a great extent. Digital marketing is characterized by speedy information flow round the globe, shift of control from producer to customer and active involvement of the customers in the marketing process etc., has not left traditional marketing unchanged. Now customers are not passive as they used to be traditionally. As far as promotion is concerned, it is indispensable to take permission before sending the promotional material to the customers. Leave the promotion to the people, the users and consumers. They will shape and spread the message to the targeted groups. Customers now exert a significant pressure on the pricing also.

Digital technology is changing consumers. Earlier consumers who used to seek out family and friends for word-of-mouth product recommendations now read online reviews, compare features, compare prices on web sites and discuss options via social-networking sites. This information flow not only empowers consumers but also allows marketing departments to be part of the conversation that the consumers have as they actively learn about product categories and evaluate choices. In fact, now consumers want marketers to help them in order to make rational decisions. They just don’t want to feel subjected to the hard sell but they expect marketers to engage them, not dictate to them. Many marketers consider this as a new form of buzz marketing and designing a podium for effective interaction to the consumers.

In the digital age, product is no longer something that has been made after a long customer research according to the preferences of the customers. Now you have to take decisions even on the hourly basis. Make such a product that has the capability of being communicated. Leave it to the people. They will pull the content and via threads send it to others. Retailing has also felt the effects of digital revolution. Here also there is no need to focus more on physical layout and merchandize, easy availability to make it customer friendly. Customers will do that for you. All it needs is few clicks and you get the items sorted on the basis of price, quality, size, colour etc.

The influence of the traditional marketing tools has lately diminished as customers have become accustomed to interactive and virtual connections
with the marketer (Wertime & Fenwick, 2008). As a result of these profound changes, the field of marketing is going through a major modification that has never been seen before. This change compels to re-write the basic models of marketing and to re-consider the multiple choices in media and channels. What more important is to understand the new models of customer behaviour—what makes the new digital channels, services, and networks important, and how to use and prioritize these opportunities. The consumer is more approachable and involved at all the phases from product design to distribution activities.

DIGITAL MARKETING BY INDIAN CAR SEGMENT PLAYERS

Digital marketing by car companies includes the utilization of digital channels that includes leveraging the power of social media, behaviourally targeted advertising, search engines, lead generation including micro sites, landing pages and other tactics that involve other digital channels. Indian car segment players are actively embracing digital marketing practices.

Automobile sector is emerging as the top advertiser in the digital space. By 2009, the automobile sector in India had surpassed other leading advertisers in FMCG and Telecom in the digital and mobile media advertising space. Print and television attract over 80% advertisements by the auto sector, but digital spends by the sector has crossed the 10% mark in 2012. Digital advertising by automobile sector is reportedly growing at over 100% rate in India with search queries for cars growing more than ever.

Indian consumers are ahead of US and Europe in using the Internet to research for car and bikes purchases and many Indian consumers use Internet as the first place to do their research before deciding on the vehicle of choice (Google Report 2011). Neilson McKinsey Social Media Brand Equity Rankings Index (1st report 2012) listed 6 auto companies out of 20 companies with best social media presence. In the second report (Q3 2012) there were three companies. Ford was No. 2 in the first report and Maruti came up to No. 1 from 3 in the second report. Neilsen said auto companies enjoy huge following on social media and there are a lot of reviews and multimedia sharing online.

Companies now spend as much as 30%–40% of their marketing budget on social media (ASSOCHAM Survey, 2012). Auto companies use social media platforms, particularly, Facebook, Twitter and YouTube to build their own communities, forums and webpages. Tata Nano, Maruti Ritz, Mahindra Scorpio, and Volkswagen India have some of the biggest fan pages on Facebook and obviously they are putting huge advertisement spends in
building the renowned communities. Hyundai is on Google Plus and Pinterest. Campaigns are integral to social media marketing. Tata Nano and Ford came with Tata Nano Drive and Ford Discover Smart Drive concepts where they used the actual experience of the car users. Maruti also came up with the campaign whereby participants could enter details of which Maruti car they drove, how many kilometers clocked, and average run monthly and the app told them how much money they have saved.

Many companies integrated their social media campaigns with the traditional media like Volkswagen’s ‘Anything for Jetta’ and Maruti’s ‘Ritz Moments’ campaigns. Maruti Suzuki in 2009 was able to sell one lakh cars due to digital marketing initiatives. Maruti Suzuki India (MSI) first tasted success with online marketing with its small car A-Star, which generated huge interest on the Internet with over 2.5 lakh online hits. Maruti launched new Swift completely on Facebook replacing the traditional road shows, media campaigns and gala parties.

Tata developed a website dedicated only to Nano that got over 30-million hits from the date of launch of the car to the closure of the booking. Tata was also able to book 4000 cars online when Nano was launched. Other car makers are also actively tapping the interactive social networking sites and blogs on the web advertising space. Honda Siel spent around Rs 5 crores on digital marketing in 2011 in order to promote the cars in Indian market. The prominent digital channels used for the same included search, social display and mobile marketing. A relatively new player in Indian car market Volkswagen does not lag behind at all. In the year 2011, the company invested 3% of its marketing budget on digital marketing whereas 8% of its total marketing spend was kept reserved for digital marketing for the year 2012. This budget is expected to increase to 12% next year and continue leveraging this medium in the coming year as well. Volkswagen has been very dynamic player in digital marketing areas like being active on social networking sites like Facebook, Twitter, LinkedIn, YouTube to very interactive sites with campaigns like ‘Innovations for Everyone’ and ‘Think Blue’ to talking newspaper, silver newspaper and the latest in line is the vibrating newspaper.

**LITERATURE REVIEWED**

People are becoming digital consumers and effects are evident in car segment also. Potential car buyers are taking decisions online. Online activities of the customers generate digital footprint and critical information that drives brand perception and influence purchase decisions in the digital
Recent studies show that automobile sector is the largest producer of the online conversations. More than 30% of consumers who receive automobile content, view it weekly and an additional 21% do so daily (Millennial Media 2011). Creative and engaging content marketing campaigns offer a simple way for businesses to drive conversions. A leading online research company’s survey shows that 62% of the people in near future will use Internet as a primary source of information in near future while purchasing a car. People are also falling for Smartphone/mobile car applications.

People are becoming active and proud members of internet forums of respective car companies where they share their experiences with like-minded people. They vent off their dissatisfaction also on the social platforms. People are also the active receiver of all the digital strategies from the company’s end like banner advertising, online booking of the vehicle as well as test drive, personalized marketing etc. So it can be safely concluded that digital technologies and digital marketing is transforming consumer behaviour in car market. Companies have also realized the immense potential of digital marketing and maintaining the digital marketing portfolio along with giving a digital edge to their products and services.

McKinsey (2012) conducted a study of about 24 touch points of customers while purchasing a car on over 9000 customers and it was found that digital experience was placed at 2nd point just behind the live experience. It was also found in the study that digital channels dominate the purchasing “journey”. The purchasing journey for cars involves a number of different phases; from awareness to consideration, to shortlisting, to purchase, to service and ultimately, repurchase. While running through their journey, customers increasingly rely on digital channels, e.g., checking brands’ websites, reading reviews, and visiting social networks and community forums in the consideration phase. Recent insights have actually revealed that more than 50% of customers make their decision online, emphasizing the importance of managing the online channel for car makers. This digital revolution is altering the consumer behaviour towards traditional buying channels. For example, the average number of showroom visits prior to purchase has dropped from about four in the past to one today. This situation illustrates that role of dealer has significantly reduced as far as information is concerned as now people focus on direct product experience and price negotiations.
RESEARCH METHODOLOGY

The study aimed to study consumer behaviour whereby researcher wanted to understand the most preferred digital channels of the customers, demographic profile of the customers who use digital channels while buying car and the impact of digital marketing on consumer behavior. The time period of the study in January 2014 to April 2014 and data was collected from the Indian consumers.

Data Collection

A structured questionnaire was administered to analyze the impact of digital marketing practices on consumer buying behaviour process. Data was collected from 100 car owners in Delhi/ NCR area. Reliability of the data was checked with the help of Cronbach alpha. Independent sample t-test and chi-square test were applied as test of significance.

Research Objectives

The present study aims to assess whether there is any impact of digital marketing practices adopted by Indian Car Marketers on the consumer behaviour or not. The purpose of the study is to review how do consumers get access to digital information, i.e., which is their preferred medium of getting information about cars, how do they evaluate it and finally, whether the digital marketing practices alter their purchase decision? To be more precise, following objectives are conceptualized in the study:

1. To study the most preferred digital media channels among customers while buying a car.
2. To know the demographic profile (age, income, gender, education and occupation) of the people using different digital channels while buying a car.
3. To study the impact of digital marketing practices on consumer buying behaviour.

Hypotheses of the Study

Hypotheses of the study are as follows:

- There is no relationship between demographic profile of the consumer and type of digital media channel used while buying a car.
• There is no impact of digital marketing practices on consumer behaviour in Indian Car market.

Data Analysis

Data was analyzed with the help of SPSS version 17.0. Reliability of the data was checked with the help of Cronbach’s Alpha. A pilot study was undertaken by getting the questionnaire filled from 25 respondents in order to check the reliability of the questionnaire. Reliability of the scale was analyzed with the help of Cronbach’s Alpha. Value of the statistic was found to be 0.954 which is more than 0.5, the minimum required value for the test. The value 0.954 indicates that scale used was very reliable. After checking for reliability, questionnaire was administered for 100 people and results are as follows.

Usage of Digital Media Channels

Our data revealed that websites are the most used media channel as 97% of the respondents use websites to search information before buying a car. It was followed by digital outdoors (89%), social networking sites (70%), YouTube (69%) as discussed below in Table 1.1.

<table>
<thead>
<tr>
<th>TABLE 1.1: MEDIA CHANNELS USAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=100</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Error of Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Abbreviations Used:
SNS = Social Networking Sites
SA = Smartphone applications
Online C = Online communities
Trad = Traditional Sources
DO = Digital Outdoors

56% of the respondents also use traditional media channels like newspapers, magazines, radio, television etc., to gather information and 50% of the respondents use smart phone applications and 34% respondents refer to online communities for information search.

Age and Type of Digital Channel Used

Data was collected from 100 respondents who belonged to different age groups (Table 1.2)
Researcher wished to see the association if any, between types of digital media channels used and age.

Hypothesis Testing:

$H_0$: There is no association between age of the respondent and type of digital media channel used.

$H_a$: There is an association between age of the respondent and type of digital media channel used.

Ch-square was applied as test of significance at 5% level of significance (Table 1.3)

| Table 1.3: Age and Type of Digital Media Channel Used |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                              | Websites | SNS | YouTube | SA | Online C | DO |
| Pearson Chi-Square           | 0.485    | 0.853 | 0.012   | 0.063 | 0.175 | 0.348 |
| Likelihood Ratio             | 0.348    | 0.857 | 0.009   | 0.057 | 0.168 | 0.364 |
| Linear-by-Linear Association | 0.208    | 0.615 | 0.445   | 0.645 | 0.697 | 0.280 |
| N of Valid Cases             | 100      | 100  | 100     | 100  | 100   | 100  |

The result was found significant for YouTube only with significance value 0.012. Our data showed that YouTube is used frequently as digital media channel by the age group ranging from 26–30 years during car buying process. But it was found insignificant in case of websites (0.485), social networking sites (0.853), Smartphone applications (0.063), online communities (0.175) and digital outdoors (0.348). Hence, we accept the alternate hypothesis i.e., there is an association between the digital media channels and age of the person in case of YouTube.

**Digital Media Channels and Education**

It was also thought to see whether, is there any association between the digital media channel used by a person with its educational qualification (Table 1.4)
Hypothesis Testing:

\( H_0 \): There is no association between the type of digital media channel used by a respondent with his/her educational qualification.

\( H_a \): There is an association between the type of digital media channel used by a respondent with his/her educational qualification.

Chi-square test was applied as a test of significance at 5% level of significance (Table 1.5)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Qualification</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Post Graduate</td>
<td>41</td>
<td>41.0</td>
<td>41.0</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>27</td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>3</td>
<td>Any Other Higher Qualification</td>
<td>32</td>
<td>32.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The result was found significant for YouTube and Smart Phone Applications with significance values 0.00 and 0.045 respectively. Our data showed that postgraduate people tend to surf information about car more on YouTube (64%) and use Smartphone Applications (46%) as compared to graduates and people with higher qualifications. But, the result was found insignificant in case of websites (0.242), social networking sites (0.357), online communities (0.327) and digital outdoors (0.267). Hence, we accept the alternate hypothesis i.e., there is an association between the digital media channel used by a respondent with his/her educational qualification in case of YouTube and Smartphone Applications.

**Gender and Digital Media Channel Use**

It was thought to see whether there exists an association between the gender of a person and type of digital media used by him to search information (Table 1.6)
TABLE 1.6: GENDER OF RESPONDENTS

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Gender</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>67</td>
<td>67.0</td>
<td>67.0</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>33</td>
<td>33.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Hypothesis Testing:

\( H_0: \) There is no association between the type of digital media channel used by a respondent and the gender of the respondent.

\( H_a: \) There is an association between the type of digital media channel used by a respondent and the gender of the respondent.

Chi-square test was applied as a test of significance at 5% level of significance (Table 1.7)

TABLE 1.7: GENDER AND TYPE OF DIGITAL MEDIA CHANNEL USED

<table>
<thead>
<tr>
<th></th>
<th>Websites</th>
<th>SNS</th>
<th>YouTube</th>
<th>SA</th>
<th>Online C</th>
<th>DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>0.990</td>
<td>0.378</td>
<td>0.916</td>
<td>0.288</td>
<td>0.584</td>
<td>0.801</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>0.990</td>
<td>0.373</td>
<td>0.916</td>
<td>0.287</td>
<td>0.582</td>
<td>0.803</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.990</td>
<td>0.380</td>
<td>0.916</td>
<td>0.290</td>
<td>0.586</td>
<td>0.802</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

It is evident from the result that gender is not a deciding factor for type of digital media channel used. The significance value for each digital media channel is more than 0.05 which means there is no association between gender and type of media channel used. Hence we accept the null hypothesis.

Occupation and Digital Media Channels Used

It was thought to see whether there exists an association between the occupation of a person and type of digital media used by him to search information (Table 1.8)

TABLE 1.8: OCCUPATION OF RESPONDENTS

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Occupation</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service</td>
<td>62</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td>2</td>
<td>Business</td>
<td>20</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>3</td>
<td>Doctor</td>
<td>4</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>4</td>
<td>Lawyer</td>
<td>2</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>5</td>
<td>Academicians</td>
<td>12</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Hypothesis Testing:

\( H_0: \) There is no association between the occupation of a respondent and the digital media channel used by him/her.

\( H_a: \) There is an association between the occupation of a respondent and the digital media used by him/her.

Chi-square test was applied as a test of significance at 5% level of significance (Table 1.9)

**Table 1.9: Occupation and Type of Digital Media Channel Used**

<table>
<thead>
<tr>
<th></th>
<th>Websites</th>
<th>SNS</th>
<th>YouTube</th>
<th>SA</th>
<th>Online C</th>
<th>DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>0.115</td>
<td>0.470</td>
<td>0.749</td>
<td>0.189</td>
<td>0.234</td>
<td>0.884</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>0.040</td>
<td>0.456</td>
<td>0.646</td>
<td>0.103</td>
<td>0.152</td>
<td>0.778</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.814</td>
<td>0.363</td>
<td>0.582</td>
<td>0.452</td>
<td>0.421</td>
<td>0.816</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Results were found insignificant for Websites (0.115) Social networking sites (0.470), YouTube (0.749), Smart Phone applications (0.189), Online Communities (0.234) and Digital Outdoors (0.884). Hence, we accept the null hypothesis i.e. there is no association between the occupation of a respondent and type of digital media channel used by him/her.

**Income and Digital Media Channels Used**

It was thought to see whether there exists an association between income of a person and type of digital media used by him to search information (Table 1.10)

**Table 1.10: Annual Income**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Income</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt;3 lakhs &lt; 5 lakhs</td>
<td>18</td>
<td>18.0</td>
<td>18.0</td>
</tr>
<tr>
<td>2</td>
<td>&gt; 5 lakhs &lt;10 Lakhs</td>
<td>44</td>
<td>44.0</td>
<td>44.0</td>
</tr>
<tr>
<td>3</td>
<td>&gt;10 lakhs</td>
<td>38</td>
<td>38.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Hypothesis Testing:

\( H_0: \) There is no association between the income of a respondent and the digital media channel used by him/her.

\( H_a: \) There is an association between the income of a respondent and the digital media used by him/her.

Chi-square test was applied as a test of significance (Table 1.11)
The test was found insignificant for the digital channels except YouTube (with significance value of 0.021). Our data showed that people with income above 10 lacs (64%) used YouTube as digital media channel to obtain information about the car. So, we reject our null hypothesis and accept the alternate hypothesis that states that income is related to type of digital media channel used in case of YouTube as people having annual income above 10 lacs use YouTube more as compared to people from different income strata as per our study.

**Impact of Digital Marketing on Consumer Car Buying Behaviour**

The impact of digital marketing on consumer car buying behaviour was judged on the basis of steps involved in consumer decision-making process (i.e. problem recognition, search for information, evaluation of alternatives, selection of the best alternative and the post-purchase behaviour).

Hypothesis Testing

\[ H_0: \text{There is no impact of digital marketing on the consumers’ car buying behaviour.} \]

\[ H_a: \text{There is an impact of digital marketing on the consumer’ car buying behaviour.} \]

Hypothesis testing was done with the help of One Sample t-test at 5% level of significance. Table 1.12 shows the mean and standard deviation values of One Sample t-test along with standard error mean. The table clearly indicates that Digital Marketing is better than Traditional Marketing as the mean values of all the variables present in the Table 1.12 more than “3”.

**Table 1.12: One-Sample Statistics**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unimaginable quantity of information</td>
<td>100</td>
<td>4.18</td>
<td>0.730</td>
<td>0.073</td>
</tr>
<tr>
<td>Good quality of information</td>
<td>100</td>
<td>3.53</td>
<td>0.822</td>
<td>0.082</td>
</tr>
<tr>
<td>Easy Comparison</td>
<td>100</td>
<td>4.01</td>
<td>0.689</td>
<td>0.069</td>
</tr>
<tr>
<td>Convenient to get the opinion of others</td>
<td>100</td>
<td>3.36</td>
<td>0.905</td>
<td>0.090</td>
</tr>
<tr>
<td>Post-purchase Services</td>
<td>100</td>
<td>4.03</td>
<td>0.822</td>
<td>0.082</td>
</tr>
<tr>
<td>Easy selection of car brand</td>
<td>100</td>
<td>3.97</td>
<td>0.717</td>
<td>0.072</td>
</tr>
</tbody>
</table>

Table 1.12 (Contd.)...
...Table 1.12 (Contd.)

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Sig. 2-tailed</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>searching for information</td>
<td>100</td>
<td>3.57</td>
<td>0.769</td>
<td>0.077</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced Time in car buying process</td>
<td>100</td>
<td>3.56</td>
<td>0.770</td>
<td>0.077</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced cost of information searching</td>
<td>100</td>
<td>4.18</td>
<td>0.770</td>
<td>0.077</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy selection of dealer</td>
<td>100</td>
<td>3.76</td>
<td>0.653</td>
<td>0.065</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced visits to showrooms</td>
<td>100</td>
<td>3.73</td>
<td>0.851</td>
<td>0.085</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informed choices</td>
<td>100</td>
<td>3.95</td>
<td>0.642</td>
<td>0.064</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy financing options</td>
<td>100</td>
<td>3.33</td>
<td>0.792</td>
<td>0.079</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interesting Purchase Experience</td>
<td>100</td>
<td>3.53</td>
<td>0.731</td>
<td>0.073</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy Registration of on-line complaints</td>
<td>100</td>
<td>4.09</td>
<td>0.793</td>
<td>0.079</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharing Experiences with others</td>
<td>100</td>
<td>3.93</td>
<td>0.671</td>
<td>0.067</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of Expert Advice</td>
<td>100</td>
<td>3.75</td>
<td>0.609</td>
<td>0.061</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Booking a test drive online</td>
<td>100</td>
<td>4.06</td>
<td>0.750</td>
<td>0.075</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1.13 shows the test values of One Sample t-test. The values of two tail significance of all the variables present in the Table are 0.00 which is definitely less than 0.05. Thus, the output clearly indicates that there is a significant impact of digital marketing on consumers’ car buying behaviour. Hence, we accept our alternate hypothesis and reject the null hypothesis and state, “Digital Marketing has a significant impact on consumers’ car buying behavior.”

Respondents accepted that they get huge quantity of information from digital media. Moreover, they found it easy to compare the various brands of cars over digital channels rather than traditionally. They also gave their consent that digital marketing helps them taking more informed decisions as they can’t not only get unimaginable quantity of information over internet but they can also get the opinion of others that helps them in selecting a car brand. They also appreciated the fact that digital marketing has reduced the time and money involved while searching information before buying a car.

**Table 1.13: One-Sample Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Test Value = 3</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unimaginable quantity of information</td>
<td>16.164</td>
<td>99</td>
</tr>
<tr>
<td>Good quality of information</td>
<td>6.447</td>
<td>99</td>
</tr>
<tr>
<td>Easy Comparison</td>
<td>14.660</td>
<td>99</td>
</tr>
<tr>
<td>Convenient to get the opinion of others</td>
<td>3.979</td>
<td>99</td>
</tr>
<tr>
<td>Post-purchase Services</td>
<td>12.529</td>
<td>99</td>
</tr>
<tr>
<td>Easy selection of car brand</td>
<td>13.527</td>
<td>99</td>
</tr>
<tr>
<td>Feel at Ease while searching</td>
<td>7.414</td>
<td>99</td>
</tr>
</tbody>
</table>

Table 1.13 (Contd.)...
Respondents said that digital marketing has reduced the number of visits to showroom before buying a car. They are now able to select the dealer more conveniently. Availability of car finance information over digital channels has made the car selection process easy. Respondents also accorded to the fact that they now engage in various post-purchase activities like sharing their experiences, complaining about the car and booking for servicing of car over digital channels. In all, respondents agreed that digital marketing practices of car manufacturers have made the car buying process interesting right from information search to evaluation to post-purchase services.

**RESULTS OF THE STUDY**

Main results of the study are as follows:

- Websites are the most used media channel as 97% of the respondents use websites to search information before buying a car. It was followed by digital outdoors (89%), social networking sites (70%), YouTube (69%). About 56% of the respondents also use traditional media channels like newspapers, magazines, radio, television etc to gather information and 50% of the respondents use smart phone applications and 34% respondents refer to online communities for information search.

- Age was not found as a deciding factor while using digital channels except YouTube which is used the most by the people falling in the age group of 26–30 years.

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**Table 1.13 (Contd.)**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced Time in car buying process</td>
<td>7.276</td>
<td>99</td>
<td>0.000</td>
<td>0.560</td>
<td>0.41</td>
</tr>
<tr>
<td>Reduced cost of information searching</td>
<td>15.316</td>
<td>99</td>
<td>0.000</td>
<td>1.180</td>
<td>1.03</td>
</tr>
<tr>
<td>Easy selection of dealer</td>
<td>11.635</td>
<td>99</td>
<td>0.000</td>
<td>0.760</td>
<td>0.63</td>
</tr>
<tr>
<td>Reduced visits to showrooms</td>
<td>8.577</td>
<td>99</td>
<td>0.000</td>
<td>0.730</td>
<td>0.56</td>
</tr>
<tr>
<td>Informed choices</td>
<td>14.807</td>
<td>99</td>
<td>0.000</td>
<td>0.950</td>
<td>0.82</td>
</tr>
<tr>
<td>Easy financing options</td>
<td>4.166</td>
<td>99</td>
<td>0.000</td>
<td>0.330</td>
<td>0.17</td>
</tr>
<tr>
<td>Interesting Purchase Experience</td>
<td>7.250</td>
<td>99</td>
<td>0.000</td>
<td>0.530</td>
<td>0.38</td>
</tr>
<tr>
<td>Easy Registration of online complaints</td>
<td>13.753</td>
<td>99</td>
<td>0.000</td>
<td>1.090</td>
<td>0.93</td>
</tr>
<tr>
<td>Sharing Experiences with others</td>
<td>13.870</td>
<td>99</td>
<td>0.000</td>
<td>0.930</td>
<td>0.80</td>
</tr>
<tr>
<td>Availability of Expert Advice</td>
<td>12.310</td>
<td>99</td>
<td>0.000</td>
<td>0.750</td>
<td>0.63</td>
</tr>
<tr>
<td>Booking a test drive online</td>
<td>14.139</td>
<td>99</td>
<td>0.000</td>
<td>1.060</td>
<td>0.91</td>
</tr>
</tbody>
</table>
Postgraduate people tend to surf information about car more on YouTube (64%) and use Smartphone Applications (46%) as compared to graduates and people with higher qualifications. But education was not found as a deciding factor for type of digital media channel used.

There was no association found between gender and occupation and type of media channel used.

People having annual income above 10 lacs use YouTube more as compared to people from different income strata as per our study. However for other digital channels such association was not observed.

People agreed that digital practices of Indian car market players affect their consumer behavior process from information search to comparison of brands to evaluation to post-purchase behaviour. People get information from various digital sources, namely websites, YouTube, Smartphone applications, Digital Outdoors etc.

Respondents found it easy to compare the various brands of cars over digital channels rather than traditionally.

They agreed that they take more informed decisions over digital channels because they not only get unimaginable quantity of information over internet but they also get the opinion of others that helps them selecting a car brand.

Respondents agreed that they also undertake post-purchase activities like sharing their experiences, complaining about the car and booking for servicing of car over digital channels.

**SUGGESTIONS**

On the basis of study, following suggestions were found appropriate by the researcher:

- Consumers use digital communication because they find communication informative, personalized in nature and easily available. Marketers should ensure that they adhere to the features important to the customers while devising a digital communication program. Companies should ensure the availability of complete information online. Companies should make the online complaint registration process effective.

- The automobile companies should communicate the information on car servicing, due date of insurance etc. on time over various digital
platforms as all these are post-purchase activities which can significantly affect the post-purchase satisfaction level.

- While devising a digital marketing strategy, the companies should focus more precisely on the online evaluation as consumers give very high importance to ratings or evaluations given by other customers and it might affect the brand selection process also. Companies should also pay utmost attention to all post-purchase activities of customers like sharing their experiences, complaining about the car etc. as these activities affect the information search and evaluation stage of consumer behaviour for other customers. Therefore, it is suggested that automobile companies should constantly look for the content that is trending over digital channels about them. Moreover, efforts should be made to make the content more authenticated.

- Websites remain the most preferred digital channel for consumers for availing car related information; so it is advised that car marketers update the website regularly, making the website interactive and integrate with other digital channels so that customers may have cohesive information about the car brand.

- Differentiated marketing communication strategy may be adopted by the marketers whereby people falling in age group between 26 to 30 years with annual income above 120 lacs may be reached with YouTube as according to our study this group is most likely to use YouTube for availing information about car.

**Future Scope**

The current study deals with knowing the most preferred digital channel used by consumers while buying a car; along with knowing the impact of digital marketing practices of various car manufacturers on consumer decision making process. The study concludes that consumers use digital channels while making car purchase decision. However, it can’t be denied that customers don’t find themselves at ease regarding use of digital communication while buying a car because of technical nature involved. Some people also doubt the authenticity of the information over digital channels; that’s why according to them it’s not possible to take decisions solely on the basis of digital marketing. Moreover, car in India is a household product rather than an individual product; so it is quite possible that family plays an important role in deciding the car brand and using digital channels while buying a car. Digital channels being technology oriented medium in nature require behavioural change at the consumer’s end along
with necessity to deal with compatibility issue. All these issues have not been discussed in the study which widens the future scope of the study.

**CONCLUSION**

Internet revolution is not a new phenomenon in India. The rapid expansion of the internet facilities and the ubiquity of customers and social media, digital marketing has expanded at an unmatched pace. With the rapid adoption of online modes and social media platforms digital marketing has grown leaps and bounds. In fact, it is being widely used these days by businesses from all spheres of the society. It can be concluded from the study that digital marketing is significantly impacting the consumer behaviour.

As on today, only a few players in the Indian car market have begun to approach the digital opportunity from a holistic perspective. Still having a YouTube channel or innovative apps should be understood as a good start to fully leverage the digital opportunity. During the next few years, we believe digital marketing budgets in the automotive space will experience the largest increases in the industry.

**REFERENCES**


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**DIGITAL MARKETING AND CONSUMER BEHAVIOUR: AN EMPIRICAL STUDY IN INDIAN CAR MARKET**
Questionnaire

Impact of Digital Marketing Practices on Consumer Behaviour in Indian Car Market

We are conducting a study to analyze the impact of digital marketing practices followed by Indian Car Marketers through various digital marketing channels like Facebook, Twitter, LinkedIn, YouTube, Blogs, Websites, Digital outdoors etc. on consumer behaviour.

Instructions

From Question-2 Onwards, Please rate the following statements which make a comparison between digital and traditional marketing on a scale of 1 to 5.

Rate 1: when you strongly disagree with the statement with reference to Digital Marketing or you feel Traditional Marketing is Definitely Better than Digital Marketing.

Rate 2: when you disagree with the statement with reference to Digital Marketing or you feel Traditional Marketing is Slightly Better than Digital Marketing.

Rate 3: when you are neutral with the statement with reference to Digital Marketing or you feel there is No Difference between Traditional Marketing and Digital Marketing.

Rate 4: when you are with the statement with reference to Digital Marketing or you feel Digital Marketing is Slightly Better than Traditional Marketing.

Rate 5: when you strongly agree with the statement with reference to Digital Marketing or you feel Digital Marketing is Definitely Better than Traditional Marketing.

* Required Top of Form

Q1) Which of the following channels you use for getting information about various brands of car? (Tick as many as applicable) *

☐ Websites

☐ Social Networking Sites (Facebook, Twitter, LinkedIn)

☐ YouTube

☐ Smart Phone Applications
Online Communities like RSS Feeds (Virtual communities that exist online where members can post content such as a bulletin board system)

- Digital Outdoors (Also known as Digital Billboards, used to display multiple advertisers’ messages, and is typically located along a roadside where it is more visible to traffic and the public)

- Traditional Sources (Newspaper, TV, Radio, Friends and Family etc.)

Q2) Digital marketing offers unimaginable quantity of information about a car as compared to traditional marketing while buying a car. *

| Strongly Disagree | 1 | 2 | 3 | 4 | 5 | Strongly Agree |

Q3) Digital marketing offers good quality of information about a car as compared to traditional medium. (good quality information means true and authentic information). *

| Strongly Disagree | 1 | 2 | 3 | 4 | 5 | Strongly Agree |

Q4) I can compare various brands of cars more easily over digital media (visuals on YouTube, ratings by experts, opinion of users) as compared to traditional media. *

| Strongly Disagree | 1 | 2 | 3 | 4 | 5 | Strongly Agree |

Q5) It is convenient to get the opinion of others (customer reviews, blogs) online in comparison to direct interactions with my family, relatives, peers, friends, dealers and other users. *

| Strongly Disagree | 1 | 2 | 3 | 4 | 5 | Strongly Agree |

Q6) Information like Car servicing, due date of insurance, are conveniently communicated through digital sources (digital sources means emails and reminders on cell phones) as compared through traditional sources. *

| Strongly Disagree | 1 | 2 | 3 | 4 | 5 | Strongly Agree |
Q7) Digital marketing makes the selection of the brand of the car easy in comparison to traditional marketing. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q8) I feel at ease when searching for information from digital sources in comparison to the traditional sources. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q9) Time involved in car buying process has reduced because of digital media. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q10) The cost of searching information has reduced because of digital marketing as compared to the traditional medium. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q11) Digital media helps in convenient selection of the dealer for the car as compared to traditional media. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q12) Digital sources helps in reducing the visits to the showrooms in number in comparison to the non-digital sources *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q13) I can make informed choices because of digital media as compared to non-digital media. *

Strongly Disagree □ □ □ □ □ Strongly Agree

Q14) I find financing options more easily through digital media sources as compared to traditional medium. *

Strongly Disagree □ □ □ □ □ Strongly Agree
Q15) My experience to purchase a car has become more interesting because of digital media in comparison to traditional media. *

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Q16) It is easy to register complaints online via emails rather than going to the car showroom for making it in comparison to non-digital sources. *

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Q17) I can easily share my experience through digital sources (digital sources mean online customer reviews, blogs, communities) rather than non-digital sources. *

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Q18) Advice from experts is easily available in case of digital media as compared to traditional media sources. *

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Q19) It is convenient to book a test drive online as compared to going to the showroom for booking it. *

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>☐</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Q20) Which brand of car you own? *

Classification Variable

Age (in Years) *

- ☐ 18–25
- ☐ 26–30
- ☐ 31–35
- ☐ 36–40
- ☐ Above 40
Occupation *

Education *
- Under Graduate
- Graduate
- Post Graduate
- Any other Higher Qualification

Annual Income (in rupees) *
- Below 3 lakhs
- 3–5 lakhs
- 5–10 lakhs
- Above 10 lakhs
Evaluations of Private and National Brand in Men’s Apparel: Effects of Product Attributes

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Abstract—The purpose of this study was to study consumer preference towards private and national brand in men’s apparel among consumers. Literature review indicates that the current study argues, based on theoretical framework that product attributes dimension have an impact on attitude toward men’s apparel in Delhi-NCR.

The research design is cross-sectional based on descriptive methodology. The instrument designed for the research study relates to product attributes of men’s apparel. Validity and reliability of the instrument is established with appropriate statistical measure of Cronbach’s Alpha. Cluster sampling has been used with a sample size of 500 consumers. The mall intercept survey, structured questionnaire was employed to collect the primary data in Delhi NCR. A total of 460 respondents completed and returned useable questionnaires.

The findings reveal that factors affecting consumer preferences towards private versus national brand in men’s apparel differed significantly and product attributes of men’s apparels have significant relationship with brand preferences. Consumers had an overall more positive attitude towards national brand apparel over private label/brand apparel. Furthermore, the perceived quality of national brand apparel was rated higher than that of private brand. High price, lack of discount/offers and fashionable apparels are the reasons for not purchasing national brand whereas price consciousness, colour range, discount/offers are considered for preferring private brand in men’s apparel by the consumers.

Keywords: Men’s Apparels, National Brands, Private Label/Brands, Delhi NCR

INTRODUCTION

Organized retailing in India is showing strong growth as several retail chains have established a base in metropolitan cities and are spreading all over India at a rapid pace. The fact is that in the post-liberalization era, the economy had opened up and a new large middle class with spending power had emerged in this sector. The concept of retail as entertainment came to India with the advent of malls. Shopping Mall refers to a set of homogenous and heterogeneous shops adjoining a pedestrian, or an exclusive pedestrian street, that make it easy going for shopper to walk from store to store without interference from vehicular traffic.
**INDIAN RETAIL EVOLUTION CLASSIFICATION**

- Initiation: Pre 1990s
- Conceptualization: 1990–2005
- Retail Expansion: 2005–2010
- Consolidation and Growth: 2010 onwards

Kotler, P. & Armstrong, G. (2006) define National Brand (also called manufacturer’s brand) as ‘a brand created and owned by the producer of a product or service’. Lincoln and Thomassen (2008) explained private labels as retailer brands: ‘brands which are owned and sold by the retailer as well as distributed by the retailer’. Retailer brands are also called ‘store brands’ or ‘own labels’. According to Beneke (2009), private labels are usually manufactured by a third party under licensing, this third party is called contract manufacturer.

**Major Private Brand Players**

Major players in private brands which are offered by giant retailers such as Raheja’s Shoppers Stop offer stop! In apparels, Future group owned by Kishore Biyani having apparel brands John Miller, Bare DJ&C, Shrishti. Major retailers Pantaloon retail, Globus, Reliance Retail Trendz, Vishal Mega Mart, Vishal Fashion also lies in this category.

**Major National Brand Players**

Players in this group include Madura garments (Louis Phillippe, Van Heusen, Allen Solly, Peter England, Byford), Arvind Mills (Arrow, Newport, Lee, Wrangler, Flying Machine, Ruggers, Excalibur, Ruf and Tuf), Zodiac, Raymond (Raymond, Park Avenue, Parks) and Colour Plus.

**Indian Scenario of Apparel Market**

India is a film-crazy nation, and the largest producer of films, with more than 1,000 every year. They provide entertainment and an escape from reality for India’s masses, and set the popular fashion trend. Bollywood fashions have become pan-Indian. They affect various sectors of the Indian market, particularly apparel sector.

India is the second largest apparel market after China owing to its easily available and cheap manpower. The word ‘apparel’ is not just restricted to a shirt, a pant or rather a beautiful dress. It extends far beyond that. The growth of readymade men’s wear business in India was very slow till the early 1980s.
The Indian apparel retail industry varies within even short distances, as the designs of the outfits are based on the regional fashion trends, as of now the menswear segment has a majority share in the apparel market with 43% and is growing at 9%. Big players like Tata, Raheja, Biyani, etc have intensified the competition with their professional retail chains like Westside, Shopper’s Stop and Pantaloons. In the large urban centres, apparel retailers, like Shopper’s Stop, Westside and Pantaloon have popularized their private labels, which have attracted urban shoppers.

Fig. 1: Men’s Wear Segment

**Selection of Men’s Apparels Area**

Men’s wear categories contribute almost 46% of the total apparel industry sales. In India men are more than children and women; their ratio is far more ahead than the combination ratio of both. Men’s wear includes casual clothes, shirts, formal shirts as well as trousers and inners.

There are many brands, especially in men’s wear like Levi’s, Lee Cooper, Allen Solly, Van Hansen, Peter England, Arvind Mills, Raymond, Madura Fashion & life style group etc. At present, a few major business tycoons like Tata, Future group, Rahejas group have heightened the competition with their professional apparel retail chains like Westside, Pantaloon, and Shopper’s Stop. Now, India is going to become a hub for men’s wear with high quality fashion. Internationally, Indian market is appreciated now-a-days and many major groups are trying to enter the Indian market which is full of potential and still untapped.
Preference for readymade garments is increasing and this has become inevitable with the rise in urbanization. The preference for the branded Western and Indo-western apparels among the working men is on the rise, which is a welcome relief for the manufacturer and retailers of branded apparel. India’s Gen Y is increasingly being exposed to Western culture through films and cable television. A large young working population, growing employment opportunity in different sectors and the resultant increase in disposable income is likely to offer marketing opportunity for men’s private brand apparels.

Much research has been focused on apparel purchase behaviour of foreign country consumers in generic circumstances, but very less has been studied in Indian context. However, in this study efforts have been made to find shoppers apparel purchase behaviour in concert with private and national brand choice behaviour.

The consumer market in Delhi NCR is selected to reflect variations in level of market development, level of retail competition and consumer’s demographic and psychographic factor. This segment of population was selected due to their adoption of modern lifestyle patterns inclined towards going out for shopping and trying new things.

RATIONALE AND SIGNIFICANCE OF THE STUDY

Studying consumer preferences for branded apparel has been a mysterious and challenging job for researchers. Studies conducted in Delhi NCR have generally focused on consumer preferences for food and grocery items. Hence, there was a wide scope to carry out such a study in men’s apparel and that too in NCR which is the hub for commercial activities in India. The present study made an attempt to study product attributes variables in order to examine the preference of consumer.

The findings of the study are expected to benefit in a long way the retailers and manufacturers devising various marketing strategies related to men’s apparel. Retailers and manufacturers shall get a better idea of the characteristics of the consumers who prefer a specific product and thus would be able to evolve better business strategies when they understand the buying behaviour of their clientele.

REVIEW OF LITERATURE

Collins & Zaichkowsky (1999) found that a few small apparel retailers used copycat brand in men’s apparel to sustain in the apparel market, as they copy design of national brand but in terms of quality they were far behind
the national brand. Dhar & Hoch (1997) discussed about focal factors of private brand: low consistency in quality, high gross margin, low promotional expenditure national wide. Bontems et al. (1999) focus on quality of private brand so that they can compete with national brand because private brand apparel retailer cannot compete with national brand without good quality. Vakariya & Chopde (2011) studied on the retailer and national brand for the apparel segment and found that the store brands are less costly as compared to national brands. It examined that national brand is superior in quality and advertisement in comparison to store brand. As store brand is rising so they are also having good concentration on quality and its brand image also. Nair Suja (2011) mentioned that private brand which primarily uses to accommodate to a specific section that was price conscious but not quality, has also improved with emotional touch and improved life style. Kadialy et al. (2000) studied that those national brand companies who involve in good quality products get a large share of the profit due to increase in sale. Abhishek & Abraham (2008) found that private and national brand quality gap is tightening with the passage of time as the retailers are having more focus on quality to compete with national brand. Retailers understand the need of consumer and provided variety in product attributes. Bhatnagar (2004), Verma (2011) indicated that private (store) brands are in introductory stage of PLC in organized retail. As Indian retail market is mostly captured by unorganized retail market, very few giant corporate houses are in organized retail market. But now the organized retail market is in growing stage, due to permission of FDI in single as well as multi-brand retail. The two major leading categories in organized retail market are FMCG and apparels and men’s apparel is contributing 43% market share in total organized apparel retail market. So, there was a need to study consumer preferences for private and national brand with reference to special focus on men’s apparel attributes.

In the earlier research it was found that retail industry is growing and many giant domestic corporates have entered in Indian retail market specifically in apparel sector like Tata, Mahindra, Kishore Biyani etc. As in earlier research, it found that research not much focused on attributes of apparel and Beaudoin et al. (1998) model of twelve product attributes has not been used in India. As there were two items in this model ‘good fit’ and ‘appropriateness for occasion’ were not fit in Indian context. So modified Beaudoin model is used in this study based on ten attributes in men’s apparel.
RESEARCH GAP

On the basis of literature review, two gaps have been identified across time and geography. These are as follows:

1. Beaudoin et al. model of brand attributes based on twelve variables has not been addressed in men's apparel.

2. The brand preferences of men's apparel with respect to important attributes are yet to be analyzed in Delhi NCR.

PROBLEM STATEMENT

Based on literature review, consumers living in different regions can have different experiences and expectations about private and national branded apparels, it was also expected that Indian consumers' preferences for private and national brands would differ from other countries. Based on the literature review and to address the objective of the study, the key research question is:

What are the attributes of apparels influencing the consumer to purchase specific branded men's wear?

OBJECTIVES

- To examine consumers' preferences towards private and national brand in men's apparel.
- To identify product attributes on which consumers evaluate both private brands (PBs) and national brands (NBs) in men's apparel.
- To suggest the measures for promotion of private as well as national brands in men's apparel.

HYPOTHESES

$H_{10}$: There is no difference in consumer preferences for Private and National Brands in men's apparel attributes.

RESEARCH METHODOLOGY

A properly devised and well defined framework has been used to carry out the study. Therefore, research methodology describes the methodology used in this study as well as justification of the methods used. Research methodology explains research design, sampling design, data collecting procedure, research instrument, time dimension, pilot testing, reliability, validity and the statistical tools used to analyze the data.
RESEARCH DESIGN

The study is cross-sectional descriptive research which reflects consumers’ preferences at a specific point of time. As researcher collects data only once, it comes under cross-sectional study and descriptive methodology leading to conclusions.

SAMPLING DESIGN

The study was conducted in National Capital Territory of Delhi as well as urban areas in neighbouring states of Haryana, Uttar Pradesh and Rajasthan which includes Delhi, Gurgaon, Noida, Greater Noida, Ghaziabad and Faridabad.

The sample was selected from all the regions of Delhi NCR. The primary sampling units (PSU) were the 20 selected malls representing different parts of National Capital Region and the secondary sampling units (SSU) were chosen as the selected consumers visiting these malls as the respondents for the purpose of the study. The population for the study has been the age group of 18–60 within the National Capital Region.

The method of choosing sample from different parts of NCR has been the cluster sampling. The different parts of the region have been divided into clusters and sample has been chosen from each cluster to make the study representative of the entire population.

A total of 20 malls were selected for the study of final element of sample with due representation of all the five regions of Delhi NCR, selecting four malls from each region.

SAMPLE SIZE

When Population Size Known

\[ S = \frac{X^2NP(1-P)}{d^2(N-P) + X^2P(1-P)} \]

\[ S = \frac{(3.841)^2 \times 2,27,46,915 \times 0.50(1 - 0.50)}{0.05^2(2,27,46,915 - 1) + (3.841)^2 \times 0.50(1 - 0.50)} \]

\[ S = 413 \]

s = Required sample size.

\[ X^2 = \] The table value of chi-square for 1 degree of freedom at the desired confidence Level 3.841
$N = \text{The population size} = 2,27,46,915 \text{ (Census data from Government of India 2011)}$

$P = \text{The population proportion (assumed to be .50 since this would provide the maximum sample size)}$.

$d = \text{The degree of accuracy expressed as a proportion (.05). (Desired Margin of error 5%)}$

Thus the sample size determined was 413. However, to increase the reliability of data, sample size has been increased to 500.

- Number of shoppers selected from each mall (A) = 25
- Number of malls selected from each region (B) = 04
- Number of regions selected for the survey (C) = 05
  (Delhi, Gurgaon, Noida, Ghaziabad & Faridabad)
- Total number of shoppers = $A \times B \times C$

Hence, total number of shoppers selected for the survey (25x04x05) =500

The study included multi-brand outlets and exclusive outlets for men’s apparel in malls. About 25 consumers were approached and intercepted to fill up the questionnaire from each mall. Respondents were taken from each primary sampling unit i.e. malls.

**RESEARCH INSTRUMENT**

Structured questionnaire based on five-point scale propounded by Rensis Likert were developed on the basis of foregoing literature review for data collection from consumers.

Questionnaire consisted of various factors related to brand attributes with respect to national and private brand men’s apparels.

**Data Collection and Procedure**

The data for this study is based on primary and secondary sources. Primary data has been collected through a questionnaire. The questionnaire so administered was pre-tested before actual use.

**Primary Data**

Collected through mall Intercept Survey method has been used to collect the primary data in the vicinity of the malls visited after seeking permission from the mall managers to do so in and around the store premises. The
researcher approached the target respondents in the vicinity of the malls under study and asked for their interest to participate in the survey. The target respondents were those consumers who had awareness of national/private brands and who had purchased any of these in the men’s apparel segment and were in the age group of 18–60.

**Secondary Data**

Secondary data has been collected mainly from related publications of Deloitte Touche Tohmatsu India Private Limited (Consultancy), Retail Authority of India (RAI), Retail books, KPMG, Confederation of Indian industry (CII) and also through web sources, books, journals and newspapers.

**PERIOD OF STUDY**

The data and information collected from respondents pertains to the period 2013–14. Data collection for the study was spread over five months covering shoppers of NCR.

**Reliability and Validity**

**Reliability Tests**

In the present study, reliability was obtained by using established measures. These measures include the Beaudoin et al. (1998) model for product attributes. In this study, Cronbach Alpha used to test internal consistency so as to determine the reliability of the questionnaire. In the present research, multi-item scale was checked with the help of SPSS Version 20.0. The outcome of results showed that the reliability of the construct product attributes is 0.715 for 20 items. These values are more than 0.60 indicating that the scale has internal consistency. Hence, the data generated by using this questionnaire is reliable.

**Table 1: Measure Descriptions and Reliabilities**

<table>
<thead>
<tr>
<th>Construct (Multi-Item Measure)</th>
<th>Number of Items</th>
<th>Cronbach Alpha (α)</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Attributes</td>
<td>20</td>
<td>.715</td>
<td>5 Point</td>
</tr>
</tbody>
</table>

**Validity Assessment**

According to Malhotra (2010), validity is the extent to which a measurement represents characteristics that exist in the phenomenon under the investigation. It may be valid for use in one situation but invalid in another.
Following types of validity are tested in research: content validity, construct validity and external validity.

Content Validity is based on judgment estimation, i.e. whether the scales measure the domain they are supposed to measure. The content validity for the present study was performed as all the scales adopted have been borrowed from previous studies on the same subject. The pre-test questionnaire was given to 25 respondents, the result reveal that the questionnaire satisfies the condition of content validity.

Construct Validity refers to the extent to which the measures relate to other measures in a manner consistent with the theoretically based concepts (Malhotra). The study used a questionnaire used in various reliable studies and thus did not require a recheck for construct validity. Further the language of the statements was not altered or translated from English to Hindi so as to dispel any apprehension of disturbance in the construct validity.

External validity is defined as establishing the domain to which a study can be generalized. In order to increase the external validity of a study, theoretical model need to be tested through replication of the findings in similar surroundings, where the theory expects the same results to surface.

**DATA ANALYSIS AND STATISTICAL TOOLS**

The data collected was analysed to derive logical conclusions. The analysis has been performed through SPSS 20.0 (Statistical Package for Social Sciences). Descriptive analysis, mean scores, standard deviation, skewness and kurtosis was performed to assess the spread and normality of the distributions. Besides, percentage was used to study the demographic characteristics of the sample respondents like age, gender, educational status, occupation and family size. The buying behaviour of consumers in men’s wear purchase decision was also analyzed using percentage analysis.

Paired t-test analysis was used to study the difference between two means, since all respondents answered on both brands. Apparel attributers were compared with respect to private brands and national brands and paired t-statistics was performed to test hypotheses.
### Demographic Characteristics of the Sample

#### TABLE 2: DEMOGRAPHIC PROFILES OF CONSUMERS

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>No. of Valid Responses</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>257</td>
<td>55.9</td>
</tr>
<tr>
<td>Female</td>
<td>203</td>
<td>44.1</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>183</td>
<td>39.8</td>
</tr>
<tr>
<td>Married</td>
<td>277</td>
<td>60.2</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18–28</td>
<td>172</td>
<td>37.4</td>
</tr>
<tr>
<td>29–39</td>
<td>107</td>
<td>23.3</td>
</tr>
<tr>
<td>40–50</td>
<td>82</td>
<td>17.8</td>
</tr>
<tr>
<td>51–60</td>
<td>99</td>
<td>21.5</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Matric</td>
<td>37</td>
<td>08.0</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>113</td>
<td>24.6</td>
</tr>
<tr>
<td>Graduate</td>
<td>169</td>
<td>36.7</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>141</td>
<td>30.7</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>91</td>
<td>19.8</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>117</td>
<td>25.4</td>
</tr>
<tr>
<td>Home Maker</td>
<td>145</td>
<td>31.5</td>
</tr>
<tr>
<td>Others</td>
<td>73</td>
<td>15.9</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>07.4</td>
</tr>
<tr>
<td><strong>Yearly Household Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 2 Lac</td>
<td>87</td>
<td>18.9</td>
</tr>
<tr>
<td>2 Lac-up to 6 Lac</td>
<td>105</td>
<td>22.8</td>
</tr>
<tr>
<td>6 Lac-up to 10 Lac</td>
<td>162</td>
<td>35.3</td>
</tr>
<tr>
<td>More than 10 Lac</td>
<td>106</td>
<td>23.0</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
<tr>
<td><strong>Family members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>68</td>
<td>14.8</td>
</tr>
<tr>
<td>2-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-5</td>
<td>166</td>
<td>36.1</td>
</tr>
<tr>
<td>6 and above</td>
<td>134</td>
<td>29.1</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delhi</td>
<td>94</td>
<td>20.4</td>
</tr>
<tr>
<td>Noida Gr. Noida</td>
<td>97</td>
<td>21.1</td>
</tr>
<tr>
<td>Ghaziabad</td>
<td>80</td>
<td>17.4</td>
</tr>
<tr>
<td>Faridabad</td>
<td>94</td>
<td>20.4</td>
</tr>
<tr>
<td>Gurgaon</td>
<td>95</td>
<td>20.7</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 2 presents the basic characteristics of the consumer households surveyed. Out of the 460 respondents surveyed, 55.9% were male and 44.1% were female. Majority of the respondents, 60.2% were married, while the rest 39.8% were unmarried.

With regard to age, 37.4% of the respondents were between 18–28 years of age, followed by 23.3% from 29–39 years. This indicates the age groups of 18–28 and 29–39 years are the major consumers of men’s apparels.

Table 2 reveals that 30.7% of respondent had post-graduation, 36.7% had graduation level qualifications. Most of the surveyed consumers, i.e., 31.5% belong to student fraternity followed by business and others.

Further, the surveyed household fall between the yearly income groups of 6 lac to 10 lac representing 35.3% of the total respondents, followed by income group of more than 10 lac with 23% share are the people who generally visit malls for purchase of men’s apparel.

Table 2 also indicates that the majority of the respondents were from small size families comprising of 2–3 members, followed by 4–5 member families.

The table also reveals that 21.1% of the respondents were from Noida-Gr.Noida, 20.7 percent from Gurgaon, 20.4% from Delhi and similar percentage of 20.4% from Faridabad while 17.4% was from Ghaziabad, therefore indicates a fair selection of respondents from each part of Delhi NCR.

**Brand Preferences of Consumer**

<table>
<thead>
<tr>
<th>Awareness Level</th>
<th>No. of Respondents</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Brand</td>
<td>286</td>
<td>62</td>
</tr>
<tr>
<td>Private Brand</td>
<td>174</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>460</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3 shows that 62 per cent prefer national brands and 38% prefer private brands in men’s apparel.

**TESTING OF HYPOTHESES**

The descriptive statistics discussed earlier and inferential statistical techniques like paired t-test; mean scores were used for testing the formulated hypotheses. The results are presented in the preceding paragraphs and tables.

\[ H_{10} \]: There is no difference in consumer preferences for Private and National Brands in men’s apparel attributes.
TABLE 4: PAIRED t-TEST BETWEEN PRIVATE AND NATIONAL BRAND APPAREL ATTRIBUTES

<table>
<thead>
<tr>
<th>Apparel Attributes</th>
<th>Private Brand Apparel</th>
<th>National Brand Apparel</th>
<th>t-value</th>
<th>P-value Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Design</td>
<td>2.5413</td>
<td>3.2783</td>
<td>-8.042</td>
<td>0.000</td>
</tr>
<tr>
<td>2. Quality</td>
<td>2.4174</td>
<td>3.4196</td>
<td>-12.269</td>
<td>0.000</td>
</tr>
<tr>
<td>3. Durability</td>
<td>2.6978</td>
<td>3.1500</td>
<td>-5.134</td>
<td>0.000</td>
</tr>
<tr>
<td>4. Colour Range</td>
<td>3.1652</td>
<td>2.5522</td>
<td>7.369</td>
<td>0.000</td>
</tr>
<tr>
<td>5. Variety</td>
<td>2.8500</td>
<td>3.4630</td>
<td>-12.131</td>
<td>0.000</td>
</tr>
<tr>
<td>6. Reasonable Price</td>
<td>3.7804</td>
<td>2.8065</td>
<td>14.757</td>
<td>0.000</td>
</tr>
<tr>
<td>7. Discounts/Offer</td>
<td>3.0652</td>
<td>2.7000</td>
<td>4.406</td>
<td>0.000</td>
</tr>
<tr>
<td>8. Fashionableness</td>
<td>2.8457</td>
<td>2.7674</td>
<td>0.901</td>
<td>0.368</td>
</tr>
<tr>
<td>9. Brand Name</td>
<td>2.8109</td>
<td>3.2696</td>
<td>-5.442</td>
<td>0.000</td>
</tr>
<tr>
<td>10. Prestige</td>
<td>2.3239</td>
<td>2.5391</td>
<td>-2.032</td>
<td>0.043</td>
</tr>
<tr>
<td>Overall Preference</td>
<td>28.49</td>
<td>29.94</td>
<td>-5.257</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The mean scores of consumer preference towards private and national brand apparel attributes are presented in Table 4. The mean score of respondents overall preference towards national brand apparels is 29.94 and the mean score of respondents overall preference towards private brand apparels is 28.49. The mean difference is 1.45 in overall preference and found significant at 5% level of significance with (P<0.05). Therefore, it can be concluded that Delhi NCR consumer preference toward private brand apparel attributes differ significantly from consumer of national brand apparel attributes.

It can be noticed from Table 4 that higher ratings for national brand in men’s apparel than private (store) brand in men’s apparel. To further assess the difference of preference among respondents on national and private brands, mean scores on all ten apparel attributes indicate that six out of ten men’s apparel attributes prefer national brands (refer Table 4). T-statistics was also performed to examine the difference of preference among respondents on national and private brands. The respondents differ on nine out of ten apparel attributes as revealed by the statistics presented in the Table 4.

The results reveal that national brands in men’s apparel category are perceived to be superior to private brands in terms of quality, durability and design, variety, brand name and prestige. Private brands attract the attention of the customers by its reasonable price, colour range, fashionableness and discount/offers compared to national brands. Additionally, the findings further indicate that there was no significant difference between national and private apparel regarding fashionableness.
HYPOTHESES TESTING RESULTS

Reject Null Hypothesis (H10), consumer preference toward private brand apparel attributes differ significantly from consumer of national brand apparel attributes. Therefore, alternative hypothesis for product attributes like Design, Quality, Durability, Colour Range, reasonable price, discount/offers, prestige, variety, brand name were proved to be significant relationship with brand preferences, where as fashionableness attribute had not shown any effect on brand preferences.

CONCLUSION

Trends in the apparel industry are changing rapidly and marketers need to be adoptable in order to respond positively. An understanding of buying behaviour with respect to apparel purchase decisions can be of great value to marketers. The results of the present study reveal that most important product attributes include price, quality followed by discount offered. Besides, design, durability and colour. The result of the study indicates that consumer preferences towards private brand apparel attributes differ significantly from consumer of national brand apparel attributes. Further national brands are perceived to be superior to private brands in terms of quality, durability, design and variety. Private brands are preferred for reasonable price, colour range, fashionableness and discount/offers compared to national brands. Additionally, the findings further indicate that the fashionableness attribute had not shown any effect on brand preferences.

Consumer Preference towards Private Versus National Brand Apparels

Delhi NCR consumers on the whole appeared to have more positive attitude towards national apparel than private one. Six apparels attributes received higher evaluations for national-made apparel, i.e. quality, durability, design, variety, brand name and prestige, implying that Delhi NCR consumers favoured national apparel over private apparel for these attributes. Consumers consider national apparel to be more desirable for having better brand name, recognition, better quality, being more durable, with more variety and better choice of styles. On the contrary, Delhi NCR consumers perceive private apparels reasonable in price, fashionable, discounted with wide colour range.

IMPLICATIONS

The findings of this study have a number of workable implications for both academia and apparel industry, besides, the information could also be used for the development of a theoretical model towards understanding consumer
apparel purchasing decisions. Several of these findings have implications for national brand manufacturers and private brand retailers to provide opportunities to develop and examine new construction.

**Academic Implications**

The study has significantly added to the knowledge domain in the area of consumer behaviour by identifying priorities/preferences of consumers in developing economies like India and particularly the elite class living in capital and metropolitan. The study has created a space for academicians to carry out such works in underdeveloped countries and differently circumstanced areas.

**Managerial Implications**

Brand owners need to evolve suitable strategies at their respective levels so that the priorities of different consumers are addressed. By devising suitable strategies, owners of national as well as private brand of men’s apparel could enhance the market share.

**SUGGESTIONS**

In view of the findings of the present and earlier studies, suggestions will make deeper impact into the performance of private labels and its implications to national brands in their marketing strategy as national brands are preferred because of their image conferring higher status to the user, better quality and durability. Private brands are taken distinctive because of reasonable price, discount offers and fashionableness. Both the brands can capitalize on the attributes of other brands wherein these are lacking.

**DIRECTIONS FOR FUTURE RESEARCH**

The study has wider scope for future research in other category of apparel because this study cannot be generalized to women and kids wear. Moreover, a significant extension of this study can be conducted in other metropolitan and B class cities of India and a few more variables can be added in the future study.

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evaluations of private and national brand in men's apparel


[22] Retail Authority of India (2014), Retrieved 26 October 2013, from: http://www.rai.net.in/


Issues and Regulations of Derivatives Market in India: An Overview

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Abstract—Due to the wave of globalization and liberalization sweeping across the world, the volume of international trade and business has increased. This has led to rapid and unpredictable variations in financial asset prices, interest rates and exchange rates. The importance of risk management has increased due to the highly uncertain business scenario. Derivatives provide an effective key to the problem of risk caused by uncertainty and volatility of the underlying asset. The present article encompasses in its scope, the issues and regulations of derivatives market in India. The study is descriptive and based on the information compiled from the various websites.

Keywords: Derivatives, Risk Management, Regulations of Derivatives Market

INTRODUCTION

Derivatives, today, have become an essential element of the financial system of a country. They have influenced almost every aspect of capital and money markets all over the world ranging from investing, raising of funds and managing the risk. A key facet of derivatives market performance is the degree of liquidity in the market (Cuny, 1993).

Derivatives are risk management instruments, whose value is based on one or more underlying assets. Generally, it is a contract between two parties that specifies conditions under which payments are to be made between the parties. The circumstances are particularly the dates, resultant values of the underlying variables and estimated amounts. The most common types of derivatives are forwards, futures, options, and swaps. The most common underlying assets include commodities, stocks, bullions, bonds, interest rates and currencies.

The key objectives of this study are to examine the regulations of derivative market in India and to find out the concerned issues of the derivative market. The study is based on secondary data compiled from the various websites and journals. The main limitations of the study are limited time, based on only secondary data compiled from the various websites and covering some of the aspects of the derivatives market.
CONCEPTS AND CHARACTERISTICS OF DERIVATIVES

Concept of Derivatives: A derivative security is a financial contract whose value is derived from the value of something else, such as a stock price, a commodity price, an exchange rate, an interest rate, or even an index of prices. It requires no initial investment. Most of the financial derivatives are not revolutionary new instrument; rather they are only combinations of older generation derivatives.

Dodd (2003) has suggested, “Derivatives allow financial institutions to change the shape of financial instruments in such a way as to circumvent financial regulations in a fully legal way.” Gilbert (1985) highlighted that derivatives markets offered a more effective way of dealing with price volatility. It is also revealed that risk reduction encourages producers to undertake more risky investment projects (Newbery, 1987).

Thomas and Shah (2003) have indicated important characteristics of the Indian financial derivatives market which are liquidity, volatility, costs and width of the market.

Underlying Assets in Derivatives Contracts

Different forms of underlying assets available in derivative market are:

1. Commodities including grain, coffee beans, orange juice;
2. Precious metals, such as gold and silver;
3. Foreign exchange rates or currencies;
4. Bonds of different types, including medium to long term negotiable debt securities issued by governments, companies, etc;
5. Shares and share warrants of companies traded on recognized stock exchanges and Stock Index;
6. Short term securities such as T-bills,

The Participants in a Derivatives Market

There are mainly three types of participants in the derivatives market, which are hedgers, speculators and arbitrageurs.

Hedgers: They use the derivatives markets to reduce or eliminate the risk associated with the price of an asset. The majority of the participants in the derivatives market belong to this category. In India, most derivatives users are described as hedgers (Fitch Ratings, 2004).
**Speculators:** They manage futures and options contracts to get control over future movements in the price of an asset. By usage of derivatives, they can increase both the potential gains and potential losses.

**Arbitrageurs:** Arbitrageurs are in business to take advantage of a difference between prices in two different markets.

**The Need for a Derivatives Market**

Hathaway (1998) noticed that the most important contributory factors for the accomplishment of the derivative market are market culture, the underlying market including its depth, liquidity and financial infrastructure. The derivatives market performs a number of economic functions:

- A derivative enables a trader to hedge some preexisting risk by taking positions in derivatives markets, which offset prospective losses in the underlying or spot market.
- Derivative instruments help in the discovery of future as well as current prices.
- Derivative securities offer businesses a valuable set of tools for managing the risk due to price fluctuations creating uncertainty in the estimation of future production costs and revenues.
- Derivatives help in transferring risks from risk averse people to risk oriented people.
- This lead to increased integration of national financial markets with the international markets.
- Derivative trading acts as a catalyst for new entrepreneurial activity.
- Derivatives assist in appropriate allocation of resources in the economy.
- The derivative trading encourages the competitive trading in the market.
- Derivatives enhance liquidity and reduce transaction cost in the market for underlying assets.
- Derivatives will smoothen out the price fluctuations; integrate the price structure at different points of time.

According to Pennings and Leuthold (1994), perceived performance, risk attitude, perceived risk exposure, market orientation, etc are the factors
which influence the use of derivatives. Patrick et al. (1998) concluded that common factors influencing the use of derivatives are identified experience, education, enterprise size, expected income change from hedging.

**Regulation of Derivatives Trading in India**

A serious part of overall capital market of India is the regulatory framework of derivative market. A sound regulatory framework that defines financial infrastructure, product design and scope for innovation is predictable. The regulatory framework in India is based on the L.C. Gupta Committee (1998) Report, and the J.R. Varma Committee Report. SEBI (Securities Exchange Board of India) created a 24-member committee under the supervision of Dr. L.C. Gupta with the main purpose to develop a well organized regulatory framework for derivatives trading in India. The Report provided by this Committee shows a perspective on division of regulatory responsibility between the exchange and the SEBI. SEBI accepted the recommendations of this Committee on 11 May 1998 and approved the phased introduction of derivatives trading in India beginning with a stock index future.

SEBI Advisory Committee (2002) worked on the development and regulation of derivative market in India after seeing powerful growth in this sector. This committee covers some significant issues such as: physical settlement of stock option and stock future contract; review of the eligibility criteria of stocks on which derivative products are permitted; use of sub-brokers in the derivative market; and norms for the use of derivatives by mutual funds. In the 2006, RBI drafted comprehensive guidelines on derivative instruments under which it covers most of the terms and policy of derivative markets.

The main purpose is to address the common concerns of investor protection, market efficiency and financial integrity. Summary of derivative regulations is given below:

- **Two Level Regulation**: There should be two-level regulations such as Exchange level and SEBI level. The self-regulatory competence of derivative exchange falls under the overall supervision and guidance of SEBI.

- **For Derivative Trading by any Exchange**: Any exchange in India, which is interested in starting derivative trading, has to fulfill the eligibility criteria as recommended by the Dr. L.C. Gupta Committee Report and apply to SEBI for the purpose of approval for derivatives trading.
• **The Limit for Derivative Trading**: Derivative trading or clearing member, i.e. number of trading members should have a limit to maximum of 40% of the total members of the council and the particular exchange should have a separate governing council.

• **Starting new Derivative Product by Broker or Dealers**: All brokers, dealers and clearing members of derivative market should take approval, along with registration in SEBI to start new derivatives product.

• **Starting of Trading in any Derivative Contract or Product by Exchange**: The exchange should get prior approval of SEBI before starting of trading in any derivative contract or product.

• **Necessity of Submission of Details**: Exchange must submit details of the futures contract they intend to introduce.

• **Compulsory Registration of Client**: L.C Gupta Committee provided more emphasis on “know your customer” rule and the prerequisite that every client shall be registered with the derivatives broker.

• **Clearing and Settlement Process**: Clearing and settlement of derivative contract or trade should be done through a SEBI approved clearing corporation or houses and approval from SEBI is also necessary to start clearing and settlement process.

• **Criteria for Clearing Member**: It should deposit minimum of Rs. 50 lakhs with clearing corporation and should have a net worth of Rs. 3 crore.

• **Online Trading**: The trade on a derivative exchange will disseminate trade and price information on a real time basis. It should inspect 100% of the members of every year.

• **Awareness of Clients**: The members of derivative segment are also required to aware their clients about the risk participation in a derivative contract. Risk awareness document is also attached to customer documents, which generate awareness to customer or client about derivatives losses.

• **Certification Program**: Every person of trading unit should be qualified as per SEBI requirement and he or she should have also passed a certification program approved by SEBI.
Various committees have been set up for these regulations, such as:

- **International Organisation of Securities Commissions (IOSCO) (1996a):** This committee observed that the successful regulatory system can balance the incentives of self-regulation.

- **Prof. J.R Varma Committee (June 1998):** This committee studied the risk control measure for derivatives trading in the Indian derivative market which is not covered by Dr. L.C. Gupta Committee before implementation of derivative trading in India. The J.R. Varma Committee suggested a methodology for risk containment measures for index-based futures and options, stock options and single stock futures. The risk containment measures suggested by this committee are calculation of margins, position limits, exposure limits and reporting and disclosure.

- **Shri K.R Ramamoorthy Committee (February 2003):** This committee was appointed by SEBI to look on the various aspects related to participation of security market brokers in commodity future market. It gave specific focus on following issues: whether securities brokers could participate in commodities market and whether the existing infrastructure of stock exchange could be used for the commodities futures market.

- **The RBI–SEBI Standing Technical Committee (2008 and 2009):** This committee drafted the policy and trading guidelines for various aspects as: Product Design, Risk Management Measures, Surveillance & Disclosures, Eligibility criteria for members of the currency and interest rate future segments and finally Design Regulatory & Legal Aspects.

### ISSUES RELATED TO COMMODITY DERIVATIVES MARKET

Wave of globalization and liberalization sweeping across the world led to rapid and unpredictable variations in financial asset prices, interest rates and exchange rates. This indicates that the main motive of setting the derivative exchange has not been achieved. Investors and the companies are using derivatives for hedging risk and gaining access to cheaper money.

Thomas (2003) concluded that main issue in the derivative market is the lack of price transparency, both in the (fragmented) futures and spot markets for many commodities and there is also absence of certified warehouses. According to Lokare (2007) the main issue which hinders the
growth of the market is lack of awareness about the role and technique of derivatives trading among the potential beneficiaries. He also identified the other common concerns in the derivatives market as lack of efficient mechanism for collection of spot prices, existence of different regulators for spot and futures markets etc.

Bose (2006) found issues like consequent lack of width and depth across segments and suggested that adequate regulatory measures are also being put in place to try and ensure the minimum adverse effects from excessive leverage in derivatives market. Pavaskar (2007) also revealed that FMC’s (Forward Markets Commission) role is supposed to be that of being one of offering recommendations and advice to the Ministry. FMC has acquired a few regulatory powers indirectly under the byelaws of the associations recognized by the Act.

There are various unresolved issues which must be addressed for the sustainable growth in derivatives market. Some of these issues are listed below:

- **Comparatively simpler and fewer instruments of trade**: Instruments available in the derivatives market are simpler to use. Number of instruments available for trade in the derivatives market are also less.

- **Risk of Higher Volatility**: Volatility refers to the lively alters in price, that securities/ F&O Contracts/ Currency Derivatives Contracts, experience when trading action continues on the Stock Exchanges. The outcome of volatility is that the price at which your order got executed may be substantially different from the last traded price. Such changes substantially result in notional or real losses.

- **Instability of financial system and Increased regulatory burden**: Others issues of derivatives market are instability of financial system and higher level of regulation. There are numerous regulations which need to be followed by all the participants and investors.

- **Risk of Lower Liquidity**: Liquidity refers to the ability of market participants to buy or sell securities/ F&O Contracts/ Currency Derivatives Contracts at a competitive price with nominal price difference. It is assumed that more the numbers of orders available in a market, the greater is the liquidity.

- **Inadequate depository system**: Depository system which is available in the derivatives market is inadequate.
• **Speculation and gambling motives**: All the investors have main motive for investing in derivatives is speculation and gambling. This leads to volatility in the derivatives market.

• **Risk of News Announcements**: Issuers create news announcements that may affect the price of the security/ F&O Contract/ Currency Derivatives Contract. These statement may take place during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative progress in the price of the security/ contract.

• **Risk of Rumors**: Rumors regarding companies/ currencies at periods float in the market by word of mouth, newspapers, websites or news agencies, etc.

• **Credit Risk**: This is the risk of a counterpart to execute its obligations as per the contract. Also known as default or counterpart risk, it varies with dissimilar instruments.

• **Market Risk**: Market risk is a risk of financial loss as a consequence of adverse movements of the prices of the underlying asset.

• **Liquidity Risk**: The incapability of a firm to place a transaction at prevailing market prices is expressed as liquidity risk.

**CONCLUSIONS AND RECOMMENDATIONS**

• Derivatives are risk management tools that assist an organization to effectively shift risk.

• In India, derivatives users generally deal in derivatives for hedging purpose only.

• SEBI’s role should be limited to approving rules, byelaws and system of a derivatives exchange.

• Various committees emphasized supervisory and advisory role of SEBI such as maximizing regulatory effectiveness and minimizing regulatory cost.

• There is need for the establishment of a separate clearing corporation, maximum exposure limits, awareness of client, accounting and disclosure requirements for derivatives trading.
• Dr. L.C. Gupta Committee strongly favoured the beginning of financial derivatives in order to provide the hedging facility.

• Both the committees found that stock exchanges, due to transparency, settlement guarantee and better risk management, are better equipped to undertake trading in derivatives.

• There is a need to strengthen the input delivery system, ensure timely and adequate credit delivery and awareness.

• There should be a sound and vibrant physical market to ensure a vibrant and transparent derivatives market.

• The government should continue its efforts to strengthen the commodity exchanges and instill confidence and awareness among the market players for increasing participation in derivatives markets.

• Furthermore, efficient clearing, settlement and exchanges have to grown-up by implementing to the best international practices.

• Participation in commodity derivatives market needs to be enlarged by including mutual funds, financial institutions and foreign institutional investors, which would enable them to reallocate assets, maximize returns and diversify risks.

REFERENCES


Gender Discrimination: A Sting which Affects Nurses Work Attitudes in Indian Hospitals

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Abstract—In Indian culture women possess a very respectful, important and high status in the society. Despite the fact that India has a patriarchal society, still women played an important role in the family which is a basic building block of a society. Therefore, India is symbolized as Mother India. Women are known for their characteristics like patience, endurance, affection, love, sympathy and generosity. Women, from ancient period, are perceived as aradhangani of male, means without her support there was no existence of male. Women is the source of energy and life, she has potential to generate new life. Despite all these facts women employees are still not getting proper respect from their male counterparts at workplace and facing problem of gender discrimination in the workplace. This rotten mentality of male employees is creating a big challenge in front of HR Managers in handling women employees and reducing turnover intentions in them.

Through this paper we are trying to investigate the impact of gender discrimination on work related attitudes, that is, turnover intentions and organizational commitment. Sample consisted of 122 female nursing staff in which 62 nurses were employed in a central government hospital and 60 nurses belonged to a prestigious private hospital chain in North India.

It was hypothesized that perceptions of gender discrimination from male counterparts would be negatively related with organizational commitment and positively with the turnover intentions of nurses. The result of stepwise regression showed that in both the sectors, gender discrimination was negatively associated with organizational commitment and positively with turnover intentions. The study is presenting basic humanitarian solution for Indian hospitals in the private and public sector which are currently facing problems of retaining their nursing staff due to perception of gender discrimination in workplace environment.

Keywords: Gender Discrimination, Turnover Intentions and Organizational Commitment

INTRODUCTION

In this study, we are basically focusing on the nursing professionals which are the cornerstone of the nation’s health care industry—not only do they offer care and comfort, but also serve as role models for good health care. Nurses form the backbone of any medical services or patient care in the health sector. The role of a nurse in a hospital is very important because the word “CARE” itself stands for “courtesy”, “attentiveness”, “responsiveness”,
and “empathy”. We expect these characteristics combinely present only in a lady, who govern the art of management by birth and handle the different roles easily.

In the nation’s hospitals, they can significantly influence the quality of care provided and ultimately, treatment and patient outcomes. Nurses are integral to improve quality of hospitalized patients’ care. Consequently, hospitals’ pursuit of high-quality patient care is dependent on their ability to engage and use nursing resources effectively, which will likely become more challenging as these resources become increasingly limited. Universally, respondents described how vital nurses are to hospitals; that nursing care is a major reason why people need to come to a hospital. As the CEO of one hospital said of nurses, ‘they are the “heart and soul of the hospital”.’

But in India, this important section of workers is highly exploited, with lack of respect and dignity at workplaces. Despite the importance of their role in hospital they were treated as merely a handmaiden by the male counterparts. Now in the 21st century, when women are emerging on the organizational canvas as flying colours of rainbow, still nursing professional face problem of identity crisis and gender discrimination at workplace, getting less recognition, respect, power and opportunity to take independent decisions related to patients. They are still used as scapegoats for male counterparts to be blamed for any mistake or error. All these things combined, generate emotional exhaustion in nurses. Job satisfaction and their commitment have always been important issues for health care administrators. After all, high levels of absenteeism and staff turnover can affect the patient care quality.

**GENDER DISCRIMINATION**

‘Gender’, may be defined as how the roles and relations between women and men have been socially constructed (Eldis, 2009). However, gender affiliation and identity are strongly influenced and formed by cultural values, social interaction and family. Gender discrimination based on a person’s gender or sex, often affects girls and women. Because of gender discrimination, girls and women do not have the same opportunities as boys and men for education, meaningful careers, political influence, and economic advancement. Traditionally, the do’s and don’ts of both sexes are assigned by society and culture. This is what is referred to as gender roles. For example, there are more women than men who are nurses and more men than women who are engineers (Lips, 2003). At the same time, successful performance in these jobs is viewed as requiring gendered traits, skills, and
attributes. A successful manager, for example, is described as having stereotypically masculine traits (Heilman, Block, Martell & Simon, 1989), while a successful nurse may be expected to exhibit more feminine, or communal traits (e.g., Glick, Wilk & Perreault, 1995). It follows that male gender-typed jobs are those that are typically male-dominated and are perceived as requiring traditionally masculine characteristics, while female gender-typed ones are primarily staffed by women and thought to require feminine attributes (Cejka & Eagly, 1999). Heilman & Okimoto (2005) replicated the earlier research by showing that successful women in male gender-typed jobs were rated as interpersonally unpleasant. Schein (2001) demonstrated that around the globe, the role of manager is viewed as more closely aligned with the characteristics ascribed to men than women: this was the case in Asian countries, Germany and the United Kingdom. Because of the perceived lack of fit between what women are like and the traits presumed to be necessary for success at many of the most prestigious jobs and occupations, women are viewed less favourably than their male colleagues. Gender stereotypes, thus, preclude the accurate assessment of men’s and women’s capabilities to do the job (Martell, Parker, Emrich & Crawford, 1998). So, successfully performing at male gender-typed jobs presents a conundrum for women employees.

Owing to the unfairly non-proportional division, women tend to work longer and more fragmented days than men; they should behave in nurturing, sympathetic ways, and show high concern for others. The roles that are assigned to women are usually divided into three: reproductive role, productive role and community management roles. Current evidence suggests that gender discrimination has significant consequences for working women. The continued expression of gender discrimination begs for redress within organizations, not only because it may affect the optimal movement of talent between organizational ranks, but also because it affects the quality of employees’ organizational experiences. The presence of gender discrimination causes women to experience less-positive attitudes toward their jobs and less engagement in their work (Enscher, Grant-Vallone & Donaldson, 2001). So, understanding the underlying dynamics of discrimination is necessary before organizations can take effective action to reduce it.

**Effect of Gender Discrimination on Organizational Commitment**

Gender discrimination represents an organizational problem that looms larger than the effect it has on individual women who personally feel discriminated against. Women’s perceptions that discrimination occurs
within their work environments, regardless of their own personal experiences with it, can lead them to more negatively assess their organizations and organizational experiences than men do. Moreover, while women are less likely to perceive themselves as victims of discriminatory treatment, they perceive that women as a group face discrimination (Crosby, 1984), they are still affected by its occurrence. Gutek, Cohen & Tsui (1996) found that the belief that women are disadvantaged as compared to men within their organizations was associated with women’s lowered feelings of power and prestige and reported reluctance to make the same career choices.

Many women who believe they have experienced discrimination, or have seen colleagues affected by it, show less engagement in their work. The more strongly participants believed that their supervisors discriminated against them because of their gender or race, or that they had experienced organizational level discrimination (defined as the belief that organizational policies and practices were discriminatory), the less satisfied they were with their jobs and the less committed they were to the organization. Furthermore, women were less likely to engage in organizational citizenship behaviours when they reported experiencing co-worker discrimination (Ensher, Grant-Vallone & Donaldson, 2001).

**EFFECT OF GENDER DISCRIMINATION ON TURNOVER INTENTIONS**

Organizational climate and intention to leave has been found to be an antecedent to turnover (Griffith *et al.*, 2005). A poor organizational climate may motivate workers to leave and at the same time high turnover may negatively affect employees perceptions of organizational climate (Stone, Mooney-Kane, Larson, Pastor, Zwanziger & Dick, 2007). In the same context, studies demonstrate that discriminatory work environments can encourage the psychological disengagement of women from their work—they are less satisfied and committed when they believe that they, or other women, have been the target of discrimination. In a study by Rosin and Korabik (1991) one sample of female managers, working in a male-dominated environment was significantly related to low satisfaction and commitment and to a high propensity to leave the firm. Female managers leave their organizations because they “bump their heads” against a glass ceiling thus, perceived gender discrimination will increase turnover intentions (Morrison, White, & Van Velsor, 1987). Stroh *et al.* (1996) also found that female managers who are frustrated at their lack of career opportunities are more likely to quit their organizations.
The full impact of gender discrimination is felt not only by women, however, but also by organizations that may be losing out on the skills women bring into the workplace as they leave at higher rates. A study by Schaffer and colleagues (2000) showed that perceived gender-bias in organizational decision-making has negative effects across cultures. The more that women employee in the United States and Asian countries believed they had experienced gender discrimination, the less satisfied they reported being with their jobs, the less effectively committed they were to their organizations, and the stronger was their intention to leave their jobs.

![The Theoretical Framework of the Study](image.png)

**HYPOTHESIS**

From Fig. 1, we derive hypotheses as outlined below to test the impact of gender-discrimination on turnover intentions of nurses and their organizational commitment.

$H_1$: The greater the experience of gender discrimination at workplace, the greater will be the turnover intentions of nursing professionals in hospitals.

$H_2$: The greater the experience of gender discrimination at workplace, the lower will be the organizational commitment of the nursing professionals in hospitals.

**METHOD**

**Sample**

The sample consisted of 122 nursing staff. Within the sample, 60 participants belonged to a private hospital and 62 belonged to the public hospital.
**Private Hospital**

Apollo, AbdurRazzaque Ansari Memorial Hospital (ARAM) located on the Ranchi-Hazaribagh National Highway No. 33.

**Public Hospital**

Sir Sunderlanl Hospital, located in the campus of Banaras Hindu University, Varanasi, was selected as the central government hospital.

**Measures-(Attached in Annexure 1st )**

Scales used in the present study:

a. *Perceived Gender Discrimination*: Four items adopted from Sanchez and Brock (1996), were used to measure respondents’ perception of gender discrimination in the workplace. Coefficient alpha for this scale was 0.86.

b. *Turnover Intentions*: This scale was constructed by Mobley, Horner, and Hollingsworth (1978) initially consisted of 3 items. The Cronbach’s alpha for this scale was 0.97.

c. *Organizational Commitment*: The uni-dimensional scale developed by Kalberg (1996) consisting of 6 items was used for this variable. The reliability coefficient of the scale was 0.75.

**RESULTS**

Stepwise Regression Analysis was conducted to see the impact of gender discrimination on work attitude of nurses in both the sectors.

**Table 1.a:** Stepwise Regression of Turnover Intentions with Gender Discrimination in Private and Public Hospitals

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Public Hospital (N=60)</th>
<th>Private Hospital (N=62)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R²</td>
</tr>
<tr>
<td>Gender- discrimination</td>
<td>0.536</td>
<td>0.288</td>
</tr>
<tr>
<td></td>
<td>0.472</td>
<td>0.223</td>
</tr>
</tbody>
</table>

*p<.05; **p<.01

a. *In Public Hospital (Table 1a)*: Result showed that perception of gender discrimination at workplace by nursing professionals positively (0.53) predicted 29% variance in turnover intentions which means that gender discrimination is showing positive correlation with turnover intentions. So, when nurses perceive higher gender discrimination in workplace they show higher intentions to quit.
b. In Private Hospital: Result showed that perception of gender discrimination at workplace by nursing professionals positively (0.47) predicted 22% variance in turnover intentions. Thich means that gender discrimination is showing positive correlation with turnover intentions. Result follows the same trend which was found in public hospital that when nurses perceive higher gender discrimination in workplace they show higher intentions to quit.

<table>
<thead>
<tr>
<th>TABLE 1.b: STEPWISE REGRESSION OF ORGANIZATIONAL COMMITMENT WITH GENDER DISCRIMINATION IN PRIVATE AND PUBLIC HOSPITALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Hospital (N=60)</strong></td>
</tr>
<tr>
<td>Predictor</td>
</tr>
<tr>
<td>Gender discrimination</td>
</tr>
<tr>
<td><strong>Private Hospital (N=62)</strong></td>
</tr>
<tr>
<td>Predictor</td>
</tr>
<tr>
<td>Gender discrimination</td>
</tr>
</tbody>
</table>

*a. In Public Hospital (Table 1b): Result showed that perception of gender discrimination at workplace by nursing professionals negatively (-0.34) predicted 12% variance in organizational commitment which means that gender discrimination is showing negative correlation with organizational commitment. So when nurses perceive higher gender discrimination in workplace, they show lower commitment towards organization.*

b. In Private Hospital: Result showed perception of gender discrimination at workplace by nursing professionals negatively (-0.19) predicted 4% variance in organizational commitment which means that perception of gender discrimination is showing negative correlation with organizational commitment.

**DISCUSSION**

The result of the study proved the hypothesis correct, that inequality or discrimination of any kind will guarantee that employees will be unsatisfied and the resulting performance will be negatively affected (Jake & Lee, 2010). In the present study, research suggested that when the workplace environment demonstrates discrimination, the satisfaction of the workers will be influenced negatively, which will also negatively influence the productivity of the organization through poorer performance by the workers that are affected by this discrimination (David, 2006).
Nurse–physician relationships have long been the focus of ongoing debate. In the past it was assumed that “there was clear agreement between the two disciplines that the relationship was hierarchical with doctors being superior to nurses” (Stein, Watts & Howell; 1990). Therefore, nurses are not allowed to take any decision related to patient. Ironically, nurse is the person who knows each and every minor detail of the patient and stand beside the patient during entire treatment procedure.

Stein (1967) compared the nurse–physician relationship to a game model, with nurses making recommendations for patient care in such a way that it appeared as if the physicians initiated them. The major drawback with this sort of game is not without rewards and penalties. If the game was played correctly, both sides would benefit; however, any divergence could result in severe penalties. And nurses act as scapegoat for those penalties, which was totally physician’s responsibility.

As a result, nurses were commonly treated as doctors’ handmaidens (Williamson, 2003). The stereotype-consistent view between the two disciplines was very carefully structured so as not to disturb the hierarchy of superior and inferior. So, the training of medical and nursing students was believed to be the root of the problem, as this was acknowledged as shaping the future attitudes of nurses and doctors (Stein, 1967).

Employees who perceived sexist policies and practices in their organizations reported less job satisfaction and organizational commitment (Ensher et al., 2001) and are less likely to choose the same career if they could start over (Gutek et al., 1996).

**Implication**

Managers need to realize that decreasing employees’ perceptions of unfairness and discrimination is as important to employee retention as increasing job satisfaction and organizational commitment. The direct effect of gender discrimination on intentions to leave also has practical implications. The perception of gender discrimination in the workplace directly affects employees’ intentions to leave regardless of how satisfied they are in their job or how committed they may be to the organization. Gender discrimination creates an overall negative work environment for all employees (Ensher et al., 2001). Thus, individuals who perceive gender discrimination may be more likely to consider leaving the organization. Our result should alert managers to the negative consequences of employees’ attributing differences in treatment to their gender. Management decisions and communications with employees should be carefully shaped to prevent perceptions of differential treatment based on gender.
SUGGESTION AND RECOMMENDATION

The birthright of each and every human is that they should be treated equally and respectfully by others in the society. Therefore, female nurses are not exceptional. so unequal treatment of nurses in the workplace will undeniably have a direct effect on the satisfaction of the nurses who are being treated unfairly. The performance level of such employees is also directly challenged, as they are not allowed to fully exploit the resources of the organization. Not only this, they are also barred from climbing the organizational ladder. A combination of these factors will decrease the performance and satisfaction of the women who are half of the workforce, thereby influencing productivity.

So, such a sensitive issue needs a great concern of society because “A woman is the full Circle. Within her is the power to create, nurture and transform”

—Diane Mariechild

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[1] Despite the Importance of Nurses in the Healthcare Organizations, Stereotype of Nursing being a Profession Suitable to Women also Contributions to its Inferior Status Especially Since Nurses are Expected to be Obedient and act as Merely Doctors’ Handmaidens (Williamson, 2000)


GENDER DISCRIMINATION: A STING WHICH AFFECTS NURSES WORK ATTITUDES IN INDIAN HOSPITALS


APPENDIX 1st

A six-point Likert-type scale format (1 = Strongly Disagree; 6 = Strongly Agree) was used to measure employees’ perceptions and job attitudes in this study.

Perceived Gender Discrimination (α = .868)

1. At work, I sometimes feel that my gender is a limitation.
2. My gender has a negative influence on my career advancement.
3. At work, many people have sex stereotypes and treat me as if they were true.
4. At work, I feel that others exclude me from their activities because of my gender.

Scale for Measuring Turnover Intentions

Tick your responses on these statements given below on the five point scale ranging from (1) Never to (5) Always

<table>
<thead>
<tr>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Very Often</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

1. I think a lot about leaving the hospital.
2. I am actively searching for an alternative to the hospital.
3. As soon as it is possible I will leave the hospital.

Scale for Measuring Organizational Commitment

Tick your responses on these statements given below on the five point scale ranging from (1) Totally Disagree to (5) Totally Agree

<table>
<thead>
<tr>
<th>Totally Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

1. I am willing to work harder than I have to in order to help this hospital succeed
2. I would take up almost any job to keep working for this hospital
3. I feel very little loyalty towards this hospital
4. I find that my values and the hospital’s values are very similar
5. I am proud to be working for this hospital
6. I would turn down another job for more pay in order to stay with this hospital
Responsible Management and Sustainable Economic Development

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Abstract—Sustainable business development and responsible management are the latest topics in Management Science. For a business entity, sustainable development means incorporating business strategies that meet its needs and its stakeholders of present, while sufficing and sustaining the human and natural resources that will be needed in the future.

Sustainable development has three broad goals: environmental stewardship, social accountability and economic affluence for both: the organization and its stakeholders. In a fruitful sustainability oriented business plan, the three goals will be inter-linked with each other.

The need for discussion on this topic has cropped up due to increased ecological and social pressures and inculcating sustainable development; as a conception, any entity requires a complete business reengineering.

Sustainable development is a difficult subject to pin down since it encompasses so many different things. Due to the complexity of this subject, it is important to look at the importance of sustainable development in a holistic way that approaches the issue rationally.

Keywords: Sustainable Development, Responsible Sustainable Innovation, Carbon Footprint

INTRODUCTION

Although the term sustainable development first emerged during the 1970s, it only really became integrated into the mainstream vocabulary leading up to and following the 1987 World Commission on Environment and Development (WCED, 1987)—also known as the Brundtland Commission. The Commission defines sustainable development as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED).

The three aspects of sustainability—environmental protection, economic growth and social equity were furnished in the term “sustainable development” developed in 1987. Many countries started scrutinizing the activities of companies under these three aspects of sustainable development. A few governments even made the sustainability reporting mandatory. Table 1 summarizes developments of a few countries in the area of environmental and social reporting.
**Table 1**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1999</td>
<td>Director’s report with details about the entities performance in relation to environmental regulations must be prepared by all companies</td>
</tr>
<tr>
<td>France</td>
<td>2001</td>
<td>Listed companies are required to describe social, environmental, and financial outcomes in their annual reports</td>
</tr>
<tr>
<td>USA</td>
<td>1986</td>
<td>The Toxic Release Inventory (TRI) requires certain companies to submit data on emission of certain toxic chemicals to the U.S. government.</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1997</td>
<td>The Environmental Protection Act includes a section on environmental reporting sec 300.companies must disclose their environmental activities (two annual reports, one for the government and one for the public).</td>
</tr>
</tbody>
</table>

As businesses become more and more engaged in sustainability around the world, we are presented with a growing range of examples of companies actively engaged in sustainable development; a few of them are explored below:

**Table 2**

<table>
<thead>
<tr>
<th>Country</th>
<th>Sustainable Business Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>La Poste, mail service of France has put in place an ambitious zero-carbon policy with eco-driving classes, electric vehicles and carbon compensation. Through this, sending your mail in France no longer emits CO₂.</td>
</tr>
<tr>
<td>Finland</td>
<td>St1, a Finnish energy company has taken the lead in sustainable bioethanol production and is using industrial waste products as raw material (instead of e.g. palm oil, much criticized by environmental organizations).</td>
</tr>
<tr>
<td>Scotland</td>
<td>A restaurant named IGLU in Edinburg city of Scotland promotes sustainability; 90% of the restaurant’s fresh vegetables and farmed meat is organic, reducing the restaurant’s carbon footprint. This all serves to sustain rural community life. Auchentoshan Whisky Distillery is working to reduce waste and ensure that any waste is used like spent grain is used as animal food or for biofuel.</td>
</tr>
<tr>
<td>Egypt</td>
<td>IDEA, a Canadian-Egyptian consortium are converting 350 or so brick factories south of Cairo from heavy oil to natural gas, thus drastically reducing the amount of CO₂ and pollutants emitted by the factories.</td>
</tr>
</tbody>
</table>

Even India is not behind in the race for sustainable development. About 80 Indian companies including big names such as Wipro, Infosys, TCS, ITC are now adopting sustainability reporting practice developed by the Global Reporting Initiative. It enables companies to measure their performance in environmental, economic and social areas. Moreover, ITC’s e-Choupal is a glaring example of how the company created opportunity for rural farmers to have a sustainable living, which in turn benefitted the company to eliminate unnecessary supply chain costs.
However, as per the Sustainable Development Index of British Telecommunications Plc. on sustainable issues disclosed that the performance of Indian corporates is not good enough when compared with companies from European Union, China and Japan. As per their findings, many issues like inclusive employment, education, employment creation, health, corporate/ government collaboration, land and displacement, natural resource management, climate change, corporate governance, solid waste and water are yet to be addressed by Indian companies. Several challenges like lack of technical know-how, R&D, lack of coordination with the government, etc., are their hindrance while dealing with sustainability issues.

The 2015 budget not only lacked initiatives on environmental protection and sustainable economic development but it also cut funding to the Ministry of Environment, Forest and Climate Change. However, there were a few takeaways such as clean energy cess was doubled from Rs.100 to Rs.200 per metric tonne of coal which will be used to finance clean energy projects. Apart from that, there is nothing positive from environmental perspective in the budget. Moreover, Ministry of Renewable Energy’s target of 175000 MW of energy by 2020 via renewable energy sources like solar, wind etc. is very hard to achieve considering the fact that current installed capacity is only 34000 MW.

**PEDAGOGICAL OBJECTIVES OF THIS STUDY**

- To understand the growing need for sustainability in the current global environment.
- To analyze and debate on the role of companies, their management and their stakeholders in achieving desirable standards in sustainable development.

**RESEARCH METHODOLOGY**

The paper is descriptive and analytical in nature, formulated from an informal interview with executive manager of the company and view-points of the researcher. The issue ‘sustainable development and role of management’ is too large to be handled single-handedly. It was, hence, decided to study the same via a case study of L’Oréal, a leading giant in cosmetic industry. The responses of the management were corroborated with the sustainability report of L’Oréal available on the company’s website. During the course of study, L’Oréal India Pvt. Ltd. provided the utmost cooperation and hence the initiatives taken by the same company are elaborately discussed.
NEED FOR SUSTAINABLE DEVELOPMENT (CARBON FOOTPRINT OF THE COSMETIC INDUSTRY)

The carbon footprint of the cosmetics industry is very big as it is left at every stage—production, packaging, consumption and also at the time of disposal of not only the ingredient but also the packaging. For instance, approximately 43,000° toothbrushes made of non-biodegradable plastics equivalent to 23,000 tonnes gets dumped in US landfill annually, a number that would be higher if more people changed their toothbrushes quarterly as recommended and two° billion disposable razors are disposed off in the US annually.

The consumption of cosmetics causes many adverse effects to the environment; here are a few of the main concerns:

- The tagline for product marketing—‘Contains 100% Natural Ingredients’

Consumer demand for natural cosmetics products grew 13.9% in 2011 alone, according to research firm Kline & Company. Companies are cashing in on the word ‘natural’, they think by putting natural ingredients makes their product natural, even though it is laden with other chemical and toxic ingredients. Because companies want to put “natural” on their bottle, the demand for more natural ingredients has increased, thereby more farming and mining needs to occur which is all right if it was done sustainably. However, cosmetic companies want it in huge quantities and they want it cheap and fast. So, more pesticides are being put in the earth and sustainable farming has gone for a toss. Excessive mining of minerals for natural ingredients and of oil for petroleum based products destroys ecosystems and diminishes non-renewable natural resources.

Packaging

Once shampoos, moisturizers and other cosmetic containers are empty, they are dumped in landfills where they can take centuries to break down. In 2008, the cosmetics industry created 120.8 billion units of packaging; 40% this was, as you might expect, rigid plastic (of varying plastic types, serving only to confuse consumers who would actively seek to recycle it). In UK, this figure is at around 55%.

Environmentally Damaging Chemicals

1. P-phenylenediamine is a toxic, coal-tar derived chemical found in dark hair colouring and lipsticks which is shrinking the animal plankton population, altering fish behaviour and causing death in many aquatic species.
2. The cosmetics preservatives BHA and BHT found in many lipsticks and moisturizers cause death in fish and shellfish.

3. Dibutyl phthalate, or DBP, is a chemical added to nail polish to keep the paint from becoming brittle. DBP is used to make PVC pipe. DBP is introduced into the environment when polish is removed, either down the drain or into the trash can. DBP alters behaviour, biochemistry, genetics, growth, and reproduction cycle of fish. It is also known to cause genetic mutation in amphibians.

4. Diethanolamine, or DEA, is added to almost every cosmetic and personal care product available in the market. This chemical is used as a ‘pH’ adjuster which neutralizes the acidic properties of the other chemicals in the product. DEA gets absorbed in the environment and also reacts with nitrates to form nitrosamines. Nitrosamines are highly toxic to both human and animal life.

**Sustainability in the Cosmetics Industry**

Readers may be amazed to know that cosmetic and cosmetic ingredient companies are regularly featured in green lists of global enterprises. Seven cosmetic companies were listed in Ethisphere Institute’s vi 2014 ‘World’s Most Ethical Companies’ list. Cosmetic companies on the WME list were L’Oreal, Shiseido, Colgate-Palmolive, Henkel, NaturaBrasil, Kao Corporation, and Kimberley-Clark. Another study by Corporate Knights vii listed the 100 most sustainable corporations in the world; NaturaBrasil, L’Oreal, Johnson & Johnson, and Unilever were listed in top 100 this year.

![Fig. 1: Growth of Natural & Organics Cosmetics Market](image-url)
Natural and organic cosmetics companies have benefitted from the sustainability concept. Such products contain natural and organic plant-based ingredients and avoid synthetic chemicals, including parabens, phthalates, sodium lauryl sulphate, etc. As shown in Figure 1viii, the global market for natural and organic cosmetics has rocketed from less than US $1 billion in the mid-1990s to US $9.1 billion in 2011. Sales had reached US $10.4 billion in 2013.

**Sustainable Development of L’Oréal**

**Overview**

The L’Oréal Group is a French cosmetics and beauty company having its registered office in Paris. It is one of the world’s largest cosmetics companies and the group generated sales amounting to 22.5 billion euros in 2014 and employs 78,600 people worldwide. As the world’s leading cosmetics company, L’Oréal is present across all distribution networks: mass market, department stores, pharmacies and drug stores, hair salons, travel retail and branded retail. Its popular brands in India are L’Oréal Paris, Garnier, Maybelline, Ralph Lauren, Diesel, The Body Shop to name a few.

L’Oréal’s new sustainability aim for 2020—“Sharing Beauty with All” sets out ambitious sustainable development goals across the Group’s value chain. Launched by Jean-Paul Agon (Chairman and CEO) in October 2013, the “Sharing Beauty with All” programme focuses on four spheres of commitment for L’Oréal, completely integrated in its value chain:

- Sustainable innovation, to reduce the carbon footprint of its products and formulae;
- Sustainable production, to diminish greenhouse gas emissions, water consumption and waste generation;
- Consumer behaviour, so they are well aware of environmental impacts;
- Sharing success with employees, suppliers and communities.

A year after the launch of “Sharing Beauty with All” programme for sustainable development, the Group has unveiled the results:

- A reduction of CO₂ emissions of the Group’s production by 50% in absolute terms, from a 2005 baseline;
- 54,000 jobs created for people from underprivileged communities in social or financial struggle.
Alexandra Palt, L’Oréal’s Chief Sustainability Officer, said: “The reduction of CO₂ emissions of our production by 50% in absolute terms since 2005 was achieved while our production increased by 22% over the same period. This result proves that performance and responsibility can go hand in hand.”

**Sustainable Development Operations from an Environmental Angle of L’Oréal: Global**

L’Oréal’s mission of reducing CO₂ emissions in manufacturing and distributing operations by 50%, between 2005 and 2015 was reached even though production volumes actually increased by 21%. They demonstrated that business can be conducted without compromising on the sustainability aspect. The Group is now targeting a 60% reduction by 2020.

To supplement the efforts of its production operations, L’Oréal also aspires to reduce CO₂ emissions from transportation/distribution of finished products too. The goal is a 20% decrease per finished product between 2011 and 2020. The Group is relying on two things to achieve this: integrating low-emission transport options as soon as possible and developing and implementing optimized transport plans.

L’Oréal aspires for a 60% reduction in water consumption per finished product by 2020, from a 2005 baseline. To achieve this, the Group is channelizing its efforts into development of water reuse and recycling projects on L’Oréal sites.

Palm oil is an important raw material for cosmetics and by 2012, all of L’Oréal’s palm oil was purchased in accordance with sustainable procedures, the aim of which is to ensure the preservation of biodiversity. Since 2010, direct purchases of palm oil, amounting to approximately 850 tonnes in 2012, are based on RSPO R6 (Roundtable on Sustainable Palm Oil, Segregated Model) certified total traceability. The objective in the long term is that all palm raw materials should come straight from plantations that the RSPO certifies as sustainable.

L’Oréal has committed to a 60% reduction in the waste generated by its plants and distribution centres, and to send zero waste to landfill by 2020, an ambitious objective for the Group considering its stringent definition of waste—“any solid substance that is not a marketed finished product”. Currently, out of the waste generated by its plants and distribution
operations through reuse and recycling, only 3.8% of waste is sent to landfill with the goal of achieving zero industrial waste to landfill by 2020.

L’Oréal’s Libramont plant in Belgium installed line bins with smart cards at the four weighing stations across the production area and connected via special software. The technology compiles the produced waste tonnage based on type, line, machine, team, etc. As the waste generated can be measured and analyzed as per its origin, measures can be undertaken to curb wastage.

The L’Oréal plant in Settimo, Italy, recovers ten million litres of water annually using a new technology: the evapo-concentrator. It works by recovering an available heat source for use in treating effluents, separating them into two segments the good quality, treated water that can then be reused free from the segregated concentrates. The evapo-concentrator can potentially treat about 30,000 litres of water daily.

**Sustainable Development Operations from a Social Angle of L’Oréal: Global**

The cosmetics sector can act as a catalyst to social inclusion and employment: it strengthens social ties by its very nature. In 2009, the L’Oréal Foundation launched the humanitarian training programme known as “Beauty for a Better Life”, which helps people in very challenging social or monetary situations regain their self-esteem and achieve social recuperation through top quality vocational training in the wellness sector. In 2014, almost 1,400 people benefited from this programme, nearly 30% more than in 2013, and took advantage of free training in hairstyling and make-up application.

In Nigeria, L’Oréal has entered into collaboration with a consortium of hairdressing and cosmetic professionals to help people with disabilities open their own salon and training them in hairdressing. After two sessions, eight hairdressers had a dependable source of income by the end of 2014.

To ensure that all products used by the customers do not possess a health hazard, testing needs to be done. Due to the development of alternative methods, L’Oréal was able to terminate all testing of its products on lab animals as early as 1989, but, when it comes to evaluating the safety of new ingredients and responding to certain specific questions from the international health authorities, these alternative approaches do not yet
fully provide a adequate safety evaluation like skin allergies caused by certain ingredients. Hence L’Oréal for 1% of its ingredient safety evaluations use lab rats or mice for testing. L’Oréal wants to completely replace this small amount of animal testing with other evaluation methods and the Group has played a pivotal role in the discovery of most of the alternative solutions currently approved within the cosmetics sector and is continuing to develop new ones. In November 2012, its joint research project with the University of Leipzig was acknowledged by the European Partnership for Alternative Approaches to Animal Testing (EPAA).

In 2012 L’Oréal participated in The 11th World Biodiversity Summit “Cop11” held in Hyderabad, India. The conference was organized under the umbrellas of the UN and attended by representatives from 160 nations. Working collaboration with the InstitutduDéveloppement Durable et des Relations Internationales (Institute for Sustainable Development and International Relations), the L’Oréal Group presided a round-table discussion on the sustainable use of biodiversity as a source of innovation. L’Oréal was also able to promote its commitment to co-valorization to improve the use of plants such as argan in ways that preserve resources and local people. L’Oréal presided further by bringing together the chief Indian nongovernmental organizations to discuss its sustainable development policy.

**Sustainable Development Operations of L’Oréal in India**

In Rajasthan and Haryana, guar gum is cultivated which is used as a thickener and emulsifier in haircare & haircolour products. L’Oréal, with its supplier, Solvay, the producer of this raw material, is currently developing a project to improve the lives of 1,500 farmer-harvesters, while endorsing environmentally-friendly agricultural practices.

In 2014, L’Oréal tested a new inclusive business model in India around waste management, particularly for packaging of shampoo. The experiment was conducted in collaboration with Stree Mukti Sanghatna, an association offering a solidarity waste-picking programme, and Ampolt Electronic, a firm that develops green solutions in energy & technology. Implemented in 13 Mumbai districts with a team of 200 women overseeing the waste collection, the project gathered and recycled 540 tonnes of waste between April and December 2014. In 2015, it is proposed to be extended to all Mumbai districts, as well as other parts of the country.
Together with Inora, an NGO into training, the Pune plant of L’Oreal India Pvt. Ltd. chose 20 women from the Kalokhe Mala Dehugaon village with the aim of helping local farmers cultivate their own low-cost organic compost via vermiculture. The compost, which earthworms produce from agricultural waste, has substituted the 8 tonnes of chemical fertilizers used by the villagers. This ecological alternative has saved the farmers 20,000 rupees in fertilizers annually.

Advanced water harvesting technologies, ‘one of the major innovations in 2012 was the introduction of a water recycling system’, explains Aditya Narayanan, Sustainable Development Project Manager at the Pune plant. By late 2012, this installation was recycling approximately, 40-50 kilolitres of water daily, which is 15% of the plant’s requirements.

**CONCLUSION**

The role of business in contributing to sustainable development remains infinite. While all business enterprises can make a contribution towards its attainment, the ability to make a difference varies by sector and organization size. The positive change in attitudes and practices of business units is echoed by the Organization for Economic Cooperation and Development, which says: ‘There is now a realistic prospect of harmonizing environmental and economic considerations, and thus of gradually incorporating these objectives in policy.’

India as emerging superpower is now in public eye and is cost-effective and high quality destination. So, the world business fraternity also anticipates that it will show some actions taken for developing some environmental friendly and socially responsible practices. Indian corporate sector can seize sustainability reporting as a business platform and use it as a stepping stone to demonstrate good governance and carve out a niche on the global front.

Companies ought to have management accountants in strategy-setting roles to accomplish the best sustainability outcomes. Management accountants are ideally placed to provide the alignment mechanisms and collaborate with senior management in producing fully integrated reports, reflecting sustainable strategies adopted by organizations which fulfill the needs of stakeholder groups.
SUGGESTIONS/ RECOMMENDATIONS

As with all good ideas, the real problem facing businesses today in terms of achieving sustainable development is to find a way to motivate participants to change underlying behaviours and activities that are “unsustainable”. Education can be a tool to sustainable development when it is clubbed with other initiatives that enable the promotion of sustainable practices, such as the reduction of consumption, recycling, and reuse of goods.

In such situations business schools can play a pivotal role in providing intellectual and ethical leadership on the complex challenges of sustainability and spreading the suggested roadmap.

Many business schools include sustainability or CSR through an elective unit in their MBA programs, yet few incorporate sustainability or CSR into the undergraduate business school program. B-Schools should address this issue and actively lead any public debate related to such issues or create E-group to set up a forum to share information and experiences. The B-Schools should include sustainability in all aspects like operations, curriculum, policy, and so forth—students should not just learn about sustainability in lessons, but should also see sustainable practices modeled every day and see it as a part of the everyday culture.

REFERENCES

[3] Sakarama, Somayaji, Environmental Concerns and Sustainable Development: Some Perspectives from India.
The Global Reporting Initiative (GRI) is a leading non-profit organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development.

e-choupal is an initiative of ITC Limited to directly connect with rural farmers via Internet for procurement of agricultural and aquaculture products like soybeans, wheat, coffee, and prawns. Computers with Internet access are installed in rural areas of India to offer farmers up-to-date marketing and agricultural information.

Source: US Environmental Protection Agency

The Ethisphere Institute is an American management consulting firm whose declared goal is to promote the best practices in corporate ethics. The company publishes The Ethisphere Magazine & announces its "World's Most Ethical Companies" awards annually.

Corporate Knights (CK) is a media, research and financial information products company. It has magazines - Corporate Knights, and CK Capital, which produces corporate rankings, research reports and financial products based on corporate sustainability performance.

The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit group that was started in 2004 with the goal of "promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders".

The oil from the fruit of the Argan tree is traditionally used as a treatment for skin diseases.

The Potential of Culinary Tourism in India

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Abstract—With the branding of India as a tourist destination, the role food plays in attracting tourists is attracting attention. This is because of the symbiotic relationship between food and tourism. A tourist destination’s cuisine plays an important role in determining the quality of the overall tourism experience. Countries such as France, Italy and Thailand which are known for their unique food have been using their cuisine as an effective promotional and positioning tool for many years now. This paper hypothesizes that the potential of culinary tourism in India is enormous. This is not only because of its uniqueness but also because of its sheer diversity with flavours changing every 200 kilometres across the country (Mohanty, 2014). Nevertheless, people do not visit India more for its history, art and culture. There is a general perception amongst foreign tourists that Indian food is extremely spicy and unsuitable for their palates. Other issues are related to hygiene and safety. The purpose of this paper is to explore these perceptions amongst foreign tourists in India, understand their views on Indian food, theirlikes and dislikes. On the basis of these findings this research will clarify whether, in addition to all its other manifold attractions, India’s cuisine has potential to draw tourists to the country. Here, food becomes the primary attraction and the main motivator for a visit to the country. Whether this potential exists with respect to Indian cuisine will be explored. A quantitative approach will be used including theoretical and experimental methods. The theoretical method will explore literature on Indian cuisine and what other researchers have discovered on tourist perception on Indian food. The experimental method includes administering a questionnaire to foreign tourists in Bangalore and Chennai to understand their views on Indian food. The data analysis tool will be Microsoft Excel. On the basis of the findings of the data analysis, the author will identify the perceptions of foreigners on Indian food, the impediments that possible hamper their enthusiasm for sampling Indian cuisine, what will change their perceptions and also make recommendations on how Indian food can become one of the main reasons for foreign tourists to visit India.

Keywords: Culinary Tourism, Indian Cuisine, Perception, Motivator, Promotion, Uniqueness

INTRODUCTION

Culinary tourism is a sub-set of cultural tourism, which considers regional cuisine as being amongst its main attractions. The potential of culinary tourism has already been demonstrated by countries such as Italy, France, Thailand and Taiwan. Here local cuisine has been actively promoted, forms a distinct market segment by itself, augments other tourist attractions and
creates elements of differentiation from other countries. However, culinary tourism has largely been ignored in India. According to Bhasin et al., (2011) foreign tourists are limited in their knowledge of Indian cuisine. Choudhary and Goswami (2011) point out that tourists suffer from various misconceptions about Indian food which is perceived to be spicy, greasy, unhygienic and unsuited to Western palates. There exists limited literature on Indian cuisine from the perspective of tourism. While the AdithiDevoBhava campaign focuses on India’s art, culture and natural beauties, its culinary heritage has been ignored (Mohanty, 2014). For this reason, tourists visit India more for its cultural and artistic offerings rather than for its food. In addition, there exists a contextual gap on the role and scope that Indian cuisine has with respect to international tourism. Its importance within the overall repertoire of tourist offerings in the country has therefore been ignored. It is this gap in the research that this paper seeks to bridge.

The significance of this research is that it highlights a hitherto unexplored area of Indian tourism namely its cuisine. While other tourist offering such as art and culture have been well documented, showcased and experienced by tourists and to that extent threaten to become rather trite, its cuisine offers an important supplement to the range of tourist offerings in the country. For this to happen however, it is necessary to explore tourist perceptions with respect to Indian food and the challenges inherent in getting them nurture a passion for Indian cuisine.

**AIMS & OBJECTIVES**

- To analyse and examine perceptions about Indian cuisine amongst foreign tourists
- To examine how satisfied foreign tourists are with respect to dining establishments in the country
- To study the challenges foreign tourists face with respect to Indian cuisine
- To understand comparisons made between tourist culinary experiences in India and other countries

**REVIEW OF LITERATURE**

According to Long (2004) culinary tourism consists of participating in a style of cuisine not one’s own during travel. In this way, tourists get to encounter and engage with other regions and their cultures. However Molz (2007) said
that culinary tourism occurs when travellers visit a particular region mainly to sample its food. Here food becomes the primary motivation for the trip. Thus culinary tourism may be defined as travel undertaken with the sole objective of exploring, searching, participating and engaging in unique gastronomic experiences.

Shah and Dongre (2014) said that expenditures on food account for almost 50% of total tourist spends. Where food becomes the primary motivation for visiting a place, the expenditures are significantly higher. In addition, culinary tourism generates significant multipliers such as indirect employment generation, promotion of agriculture and development of the domestic food processing sector as well (Ryu and Han, 2010). Food thus assumes economic importance from the perspective of the tourist destination.

There are various aspects related to culinary tourism. Kim et al., (2008) said that understanding tourist motivation is critical in successful promotion of a regions cuisine. According to D’Antuono and Bignami (2012), the goal of culinary tourism is to make cuisine as the main motivation for travel. Indicates physical motivation for culinary tourism includes excitement, escape from routine, sensory titillation and health. Using food to explore other cultures, to establish social bonds and to showcase one’s culinary explorations are other motivations.

Another aspect of culinary tourism is that of image which Elliot et al., (2011) said is the subjective interpretation travellers have about a cuisine. Image is important as it determines whether or not a region’s cuisine will be its main attraction. According to Irimias (2011), sources of image creation include written material, television, documentary programs, films, testimonials and oral reputation. Personal experience can also result in an image being formed. The implication here is that a region wishing to establish itself as a culinary destination must use all of these sources of information to market its cuisine. Here the marketing efforts must prompt the desired action. For example, a website about a particular cuisine must not only provide information about regional cuisine, its ingredients, recipes and food related traditions but must prompt potential travellers to make a culinary visit to the region.

The way in which attributes of a particular cuisine are perceived is significant as this distinguishes a particular cuisine from all others. Lee and Cho (2012) point out that the key attributes of any cuisine includes its taste, smell, visual appeal, health value, cost, novelty and holistic nature. While the first four attributes impact the senses and create sensory perceptions,
the last three impact such aspects as adventure, variety, surprise and affordability all of which were found to be highly regarded by culinary tourists.

Satisfaction is another important aspect related to culinary tourism and relates to feelings of well-being and happiness that results from partaking of a particular product or service—such as food and how and where it is served. Tsai and Lu (2012) say that dining satisfaction accrues from tangible and intangible elements. The tangible elements include the food itself, its taste, range and variety, how hygienically it is prepared and the way it is presented; atmospherics in terms of type of dining establishment patronized, its décor, ambience and its cleanliness; its cost and how tangibly it is differentiated from other cuisines. The intangible elements are more related to service criteria such as perceptions about friendliness, promptness, knowledge, consistency and quality.

Another aspect related to culinary tourism is the challenges which are the barriers that pre-empt tourist motivation. According to Burusnukul et al., (2011) concerns on safety, hygiene and fear of contracting disease, indigestion etc is a big challenge particularly for those tourists visiting third world countries. Cultural differences in the way food is prepared, served and differences in eating customs are other challenges. Bardhi et al., (2010) point out how ingredients that are perceived to be rare or unusual create challenges while the method of preparation can also be a barrier. Language barriers can prevent tourists from making informed selections from menus.

Crofts (2010) points out how to the extent a region’s cuisine is showcased such that it opens up that regions culture to tourists, to that extent will it be a primary motivation for tourist visits. This is because tourists rarely undertake effort and expenditure to travel, particularly to long haul destinations such as India, just to sample its cuisine. Dawson (2012) recommends presenting a region’s cuisine in such a way that it introduces the unique characteristics and traditions of that region. This will allow tourists to appreciate that regions culture as they sample its cuisine. Some of the recommendations made by researchers such as AbKarim and Chi (2010), Henderson (2009) and Mak et al., (2012) include establishing food outlets where food may be sampled, activities that invite, engage and encourage tourists to participate in a region’s cuisine, events that showcase the regions culinary heritage and organizations such as food associations that actively promote regional cuisines are all ways in which regional cuisines may be used to showcase a region’s unique culture and traditions.
Based on the above elements, the conceptual model indicated in figure 1 may be formulated.

**Fig. 1: Conceptual Model–Culinary Tourism**

From figure 1 it is observed that culinary tourism consists of six dimensions. These include motivation, imagery, attributes, satisfaction levels, challenges, culture & tradition. These dimensions will be explored with respect to Indian cuisine.

**Methodology**

The research method is quantitative using both theoretical and analytical approaches. The theoretical approach involves study of secondary literature to identify the various dimensions of culinary tourism and formulation of the conceptual model. The analytical approach includes collection and analysis of primary data. The primary data collection tool was an online questionnaire administered by the author to a sample of 100 foreign tourists who had visited India in January/February 2015. The tourists were identified through the author’s contacts in the hotel industry in Bangalore and Chennai. The questionnaire was used to gather information on tourist’s perceptions on Indian cuisine and the data was then analysed using Microsoft Excel. Weighted average was the statistical parameter considered.
DISCUSSION & ANALYSIS

The respondents were asked if this was their first visit to India.

From figure 4.1 it is observed that 96% of respondents indicated this was their first visit. This is important because it provides an indication of what first time visitors to India experience with respect to its cuisine. The respondents were asked as to what their main motivation was to visit India.

**Table 4.1: Motivation**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure</td>
<td>68</td>
<td>23</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>4.5</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Business</td>
<td>22</td>
<td>39</td>
<td>0</td>
<td>20</td>
<td>18</td>
<td>3.3</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Culture / Art / Architecture</td>
<td>92</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Food</td>
<td>0</td>
<td>3</td>
<td>11</td>
<td>79</td>
<td>7</td>
<td>2.1</td>
<td>Disagree</td>
</tr>
<tr>
<td>Education</td>
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<td>1</td>
<td>0</td>
<td>10</td>
<td>89</td>
<td>1.1</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td>Medical</td>
<td>18</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>69</td>
<td>2.1</td>
<td>Disagree</td>
</tr>
<tr>
<td>Family / Friends</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>92</td>
<td>92</td>
<td>1.1</td>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>

Responses in table 4.1 indicates that Indian art, culture, architecture followed by leisure are the main motivations to visit India. Respondents strongly disagree that education, health, family, friends are motivations to visit India. They disagree that their main motivation is Indian cuisine. When compared with the literature review, it is clear that culinary tourism is still in a very rudimentary stage of evolution in India and that Indian cuisine is not a major attraction for tourists.
Respondents were asked as to what activities they enjoyed most during their visit to India.

**Table 4.2: Enjoyable Activities**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
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<td>Visiting Historical</td>
<td>99</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
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</tr>
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<td>Visit cultural exhibitions, dance performances</td>
<td>92</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Shopping</td>
<td>89</td>
<td>11</td>
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<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Outdoor / Adventure activities</td>
<td>12</td>
<td>18</td>
<td>23</td>
<td>3</td>
<td>44</td>
<td>2.5</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Eating local food</td>
<td>16</td>
<td>12</td>
<td>42</td>
<td>5</td>
<td>25</td>
<td>2.9</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Relax on the beach</td>
<td>9</td>
<td>18</td>
<td>19</td>
<td>42</td>
<td>5</td>
<td>2.7</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Spa / Wellness</td>
<td>8</td>
<td>23</td>
<td>32</td>
<td>8</td>
<td>29</td>
<td>2.7</td>
<td>Not Sure</td>
</tr>
</tbody>
</table>

Responses in table 4.2 indicate that sampling India’s historical and cultural offerings as well as shopping are the most preferred activities amongst foreign tourists. Other activities including adventure, beach, wellness tourism have elicited more tentative answers. Respondents are not too sure whether eating local cuisine was particularly enjoyable during their journey to India. Respondents were asked as to how often they ate Indian food during their visit to India.

![Fig. 4.2: Frequency of Sampling Indian Cuisine](image)

The majority of respondents (46%) indicate that they ate Indian cuisine now and then only. Another 22% said that they ate Indian food often while 2% indicated that they ate Indian food regularly. The remaining 30% of
respondents ate regularly or not at all. This finding is important given that most of the respondents did eat Indian food during their visit. The challenge therefore is to convert the more tentative amongst them to more enthusiastic consumers of Indian cuisine. Table 4.3 indicates the most popular Indian dining establishments amongst foreign tourists.

**Table 4.3: Type of Dining Establishment**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Restaurants located within hotels</td>
<td>37</td>
<td>36</td>
<td>0</td>
<td>20</td>
<td>7</td>
<td>3.8</td>
<td>Agree</td>
</tr>
<tr>
<td>Restaurants located outside hotels – like Darshinis</td>
<td>0</td>
<td>12</td>
<td>28</td>
<td>30</td>
<td>30</td>
<td>2.2</td>
<td>Disagree</td>
</tr>
<tr>
<td>Roadside eateries located on highways such as Dhabas</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>89</td>
<td>2</td>
<td>2.2</td>
<td>Disagree</td>
</tr>
<tr>
<td>Street Vendors</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>99</td>
<td>1.0</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td>Western style fast food establishments</td>
<td>44</td>
<td>45</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>4.2</td>
<td>Agree</td>
</tr>
<tr>
<td>Non – Indian restaurants</td>
<td>12</td>
<td>18</td>
<td>6</td>
<td>62</td>
<td>2</td>
<td>2.8</td>
<td>Not Sure</td>
</tr>
</tbody>
</table>

From table 4.3 it is evident that the most widely proliferated type of dining establishment in India–Darshin’s, roadside Dhabas and street vendors–are almost never patronized by foreign visitors. It is mainly the Indian restaurants located within hotels that are visited along with Western style fast food establishments.

Table 4.4 indicates most common perceptions about Indian food amongst foreign tourists.

**Table 4.4: Common Perceptions about Indian Cuisine**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian food is very hot and spicy. I can’t have too much of it</td>
<td>86</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Indian food is oily and greasy.</td>
<td>96</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Indian food is mainly chicken tikka masala, butter chicken and curry. Nothing more.</td>
<td>85</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Tandoori and Indian are one and the same</td>
<td>76</td>
<td>24</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.8</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>
Indian food is perceived to be hot, spicy, oily and limited to few Tandoori/ Mughlai options only. Given that 96% of the respondents are first time visitors to India, this may be taken to mean this is the image of Indian food amongst the majority of foreigners. Table 4.5 indicates most common sources of information amongst foreign tourists.

Table 4.5: Common Perceptions about Indian Cuisine

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian restaurants back home –</td>
<td>63</td>
<td>19</td>
<td>0</td>
<td>10</td>
<td>8</td>
<td>4.2</td>
<td>Agree</td>
</tr>
<tr>
<td>Personal Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books, Magazines, Brochures,</td>
<td>86</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Flyers,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Media, Twitter, Websites,</td>
<td>92</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>the internet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word of mouth through friends</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>and relatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourist reviews on the internet</td>
<td>68</td>
<td>32</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.7</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>

Reading collateral in the form of books, magazines, social media, word of mouth and tourist reviews formed the most common sources of knowledge about Indian food amongst foreign tourists. They also agree that personal experience in Indian restaurants back home is a source of knowledge. This only indicates how Indian food is stereotyped by various sources in foreign countries. The respondents were asked that now they had tasted Indian food, what their opinion of it was. Table 4.6 indicates their response.

Table 4.6: Current Opinion of Indian Tourism

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian food is tasty, aromatic</td>
<td>86</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>It is fresh, healthy</td>
<td>6</td>
<td>8</td>
<td>68</td>
<td>2</td>
<td>6</td>
<td>2.8</td>
<td>Not Sure</td>
</tr>
<tr>
<td>It is spicy, hot and oily</td>
<td>36</td>
<td>37</td>
<td>68</td>
<td>2</td>
<td>18</td>
<td>3.7</td>
<td>Not Sure</td>
</tr>
<tr>
<td>It is healthy and nutritionally balanced</td>
<td>0</td>
<td>16</td>
<td>69</td>
<td>13</td>
<td>2</td>
<td>3.0</td>
<td>Not Sure</td>
</tr>
<tr>
<td>It is visually appealing</td>
<td>46</td>
<td>44</td>
<td>0</td>
<td>8</td>
<td>2</td>
<td>4.2</td>
<td>Agree</td>
</tr>
<tr>
<td>It has a pleasing / aromatic smell</td>
<td>92</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>

From table 4.6 it can be seen that tourists agree that Indian food is tasty, aromatic, has a pleasing/ aromatic smell and is visually appealing. They also consider it to be spicy, hot and oily. However, they are still not sure how
fresh or healthy it is and whether it is nutritionally balanced. Table 4.7 continues the responses on opinion on Indian food.

**Table 4.7: Opinion on Indian Food**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Food is easily digestible</td>
<td>0</td>
<td>0</td>
<td>68</td>
<td>23</td>
<td>9</td>
<td>2.6</td>
<td>Not Sure</td>
</tr>
<tr>
<td>There is a very large range and variety of items</td>
<td>86</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>It is inexpensive / good value for money</td>
<td>26</td>
<td>62</td>
<td>0</td>
<td>10</td>
<td>2</td>
<td>4.0</td>
<td>Agree</td>
</tr>
<tr>
<td>It is very unique</td>
<td>99</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>It is of good quality</td>
<td>23</td>
<td>24</td>
<td>28</td>
<td>23</td>
<td>2</td>
<td>3.4</td>
<td>Not Sure</td>
</tr>
</tbody>
</table>

Respondents agree that Indian food features a large range of items, that it is unique and very good value for money. However, they are not too sure about its quality. Table 4.8 indicates what characterized respondents dining experience in India.

**Table 4.8: Dining Experiences**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe that the food I was served is authentic Indian food</td>
<td>25</td>
<td>23</td>
<td>28</td>
<td>24</td>
<td>0</td>
<td>3.5</td>
<td>Agree</td>
</tr>
<tr>
<td>I am confident that the food served was healthy</td>
<td>2</td>
<td>18</td>
<td>62</td>
<td>12</td>
<td>6</td>
<td>3.0</td>
<td>Not Sure</td>
</tr>
<tr>
<td>The interior and exterior decors of the dining establishment were attractive and appealing</td>
<td>26</td>
<td>24</td>
<td>28</td>
<td>12</td>
<td>10</td>
<td>3.4</td>
<td>Not Sure</td>
</tr>
<tr>
<td>The interiors were clean and hygienic</td>
<td>0</td>
<td>8</td>
<td>11</td>
<td>39</td>
<td>42</td>
<td>1.9</td>
<td>Disagree</td>
</tr>
<tr>
<td>The service apparatus including plates, bowls, spoons etc were clean</td>
<td>1</td>
<td>28</td>
<td>39</td>
<td>30</td>
<td>2</td>
<td>3.0</td>
<td>Not Sure</td>
</tr>
</tbody>
</table>

While the respondents agree that the food they sampled was authentic Indian food, they disagree or are not sure that the food was healthy or that the dining establishments they visited were clean, hygienic, attractive, appealing or that the dining apparatus they used in terms of spoons, bowls and plates were clean and hygienic.

Table 4.9 indicates satisfaction levels on service given to tourists in dining establishments.
Respondents strongly agree that the staff were friendly. However, they are not sure how knowledgeable they were and because of lack of knowledge they were not very helpful. They disagree that staff were particularly neat and clean or that service was consistent across all the establishments they visited. Table 4.10 indicates key culinary challenges experienced by the respondents.

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The serving staff were knowledgeable and helpful</td>
<td>26</td>
<td>29</td>
<td>10</td>
<td>19</td>
<td>16</td>
<td>3.3</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Serving staff were neat, clean, presentable and professional</td>
<td>0</td>
<td>19</td>
<td>12</td>
<td>45</td>
<td>24</td>
<td>2.3</td>
<td>Disagree</td>
</tr>
<tr>
<td>Staff were friendly</td>
<td>96</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Service was dependent and consistent across different dining establishments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>89</td>
<td>11</td>
<td>1.9</td>
<td>Disagree</td>
</tr>
<tr>
<td>Staff were able to satisfactorily answer my queries</td>
<td>0</td>
<td>8</td>
<td>29</td>
<td>49</td>
<td>14</td>
<td>2.3</td>
<td>Disagree</td>
</tr>
</tbody>
</table>

**Table 4.10: Culinary Challenges**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality of service in dining establishments is poor</td>
<td>19</td>
<td>20</td>
<td>19</td>
<td>20</td>
<td>22</td>
<td>2.9</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Staff was not able to understand me and I was not able to understand them</td>
<td>14</td>
<td>11</td>
<td>37</td>
<td>22</td>
<td>16</td>
<td>2.9</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Food served is of poor quality and not tasty</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>10</td>
<td>1.9</td>
<td>Disagree</td>
</tr>
<tr>
<td>Hygiene leaves a lot to be desired</td>
<td>85</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>I feared contracting an illness through food I ate</td>
<td>99</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Foot was too hot, spicy and not very palatable</td>
<td>26</td>
<td>34</td>
<td>0</td>
<td>32</td>
<td>8</td>
<td>3.4</td>
<td>Not Sure</td>
</tr>
<tr>
<td>I was not comfortable eating with my hands</td>
<td>26</td>
<td>42</td>
<td>0</td>
<td>30</td>
<td>2</td>
<td>3.6</td>
<td>Agree</td>
</tr>
<tr>
<td>I don’t like having late dinners</td>
<td>63</td>
<td>19</td>
<td>0</td>
<td>10</td>
<td>8</td>
<td>4.2</td>
<td>Agree</td>
</tr>
<tr>
<td>There is a lack of variety in culinary establishments</td>
<td>39</td>
<td>28</td>
<td>0</td>
<td>26</td>
<td>7</td>
<td>3.7</td>
<td>Agree</td>
</tr>
<tr>
<td>Lack of diversity in menu</td>
<td>42</td>
<td>52</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>4.3</td>
<td>Agree</td>
</tr>
<tr>
<td>There were no challenges at all</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>1.0</td>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>
Table 4.10 indicates that all the respondents strongly disagree that there were no challenges at all in dining in India. The biggest challenge was related to hygiene and fear of contracting illness. Other challenges were cultural. Whereas in India, eating with the hands is common, foreign respondents indicated discomfort in doing so. Also the Indian custom of having late dinners was disliked by the tourists. It is also evident that tourists found Indian cuisine to be somewhat hot, spicy and unpalatable. They also complain of a lack of variety in dining establishments and in menus. This may be attributed to the ‘sameness’ of food in Indian dining establishments. For example, all South Indian restaurants serve the idli-vada-dosa menus while all North Indian restaurants serve the roti–dal type food. The inability to communicate with staff due to language problems is another challenge. The respondents however disagree that the food they ate was not taste or was of inferior quality.

From the literature, it was identified that cuisine opens the window on regional cultures and to that extent is a subset of cultural tourism. Table 4.11 indicates whether the respondents were able to make out any aspects of Indian culture or ways of living from the food they ate.

**Table 4.11: Culture**

<table>
<thead>
<tr>
<th>Options</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Not Sure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Weighted Average</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I realize how varied the cultures across India are</td>
<td>44</td>
<td>52</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>4.3</td>
<td>Agree</td>
</tr>
<tr>
<td>I believe Indian culture to be as rich, colourful and vibrant as its cuisine</td>
<td>41</td>
<td>45</td>
<td>2</td>
<td>11</td>
<td>1</td>
<td>4.1</td>
<td>Agree</td>
</tr>
<tr>
<td>I believe Indians are very hospitable people</td>
<td>99</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Indian culture is very unique and one of its kind. The way food is prepared, the kind of items used and the way it is</td>
<td>96</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Indian’s must be very friendly people</td>
<td>94</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>It is evident that India is not a very clean country</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.0</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>I find eating Indian food helped me to cope with the weather</td>
<td>25</td>
<td>32</td>
<td>23</td>
<td>11</td>
<td>9</td>
<td>3.5</td>
<td>Agree</td>
</tr>
</tbody>
</table>

From table 4.11 it can be seen that respondents agree that Indian food gave them some indication of the country’s culture. It indicated that
diversity that characterises India, its richness and vibrancy. It indicated how hospitable Indians are and how unique Indian culture is. Indians were perceived to be friendly people and the food helped them cope with the hot weather in India. However, they also point out that concern on hygiene made them aware that India is not a very clean country.

Figure 4.3 indicates overall satisfaction levels with respect to Indian food.

![Graph showing overall satisfaction levels with respect to Indian food.]

**Fig. 4.3: Overall Satisfaction Levels–Indian Food**

Figure 4.3 indicates that the majority of respondents—75%—were not satisfied with their culinary experiences in India. Only 3% were very satisfied and 22% were moderately satisfied.

It may be inferred from this that personal experience with Indian food in India, does little to recommend Indian cuisine amongst foreign tourists. This is indeed a pity, given the richness and diversity of Indian food. A key finding from the responses is that it is not Indian food per se—in terms of its taste, variety, cost, appearance, and range of offerings—that is itself the problem. The key dissatisfiers include concerns on healthy, cleanliness and hygiene and the spiciness and oiliness of the food. The dining establishments and service levels in them are other challenges.

It may be inferred from this that Indian food is largely perceived to be detrimental to health and well-being of respondents. At the same time it is considered to be unique and tasty. However, health concerns pre-empt more frequent sampling of the food.
CONCLUSION & RECOMMENDATIONS

The conceptual model was developed based on factors impacting culinary tourism and applied to the Indian tourism industry. Several key findings were made. It was found that India is not yet a culinary destination. That is, tourists do not visit India solely for its culinary offerings. However, it seems quite far fetched to assume that tourists would make such long journeys for the sake of Indian cuisine only. That being said, it must be remembered that a region's cuisine can form an important adjunct or supplement to that region's main tourist offerings and form a significant part of tourist revenues as well. However, from the findings in the questionnaire, it may be inferred that for this to happen, several challenges have to be overcome. What is unsaid by the tourists is that they would have loved to sample more of Indian cuisine if it can be made less spicy, hot or greasy. They would not mind sampling Indian food more if they may be reassured of its provenance, its health and nutritional value. Indian establishments of all kinds would be more patronized if they can be made more attractive and reassure tourists on cleanliness and hygiene. All of this would go a long way in creating a more positive impression on tourist perception and create good word of mouth back home as well. It would also eliminate most of the stereotypes that foreign tourists harbour with respect to Indian cuisine.

These findings have important implications for the “Incredible Tiffin” campaign launched by the Indian tourism sector in 2012 to promote Indian cuisine. There is a recognition that India cannot market the Taj Mahal forever and an important supplement to the country’s attraction needs to be created. That supplement can be its cuisine if the following recommendations are followed:

1. There is an urgent need to change the perception of Indian cuisine and the best way to do this is to use sources of information which from this paper was found to be literature collateral, the internet and word of mouth. Creating interesting content, supplemented with pictures and videos can go a long way in showcasing Indian cuisine, its rich variety and diversity.

2. There must be investments made in creative development of events and promotions surrounding culinary tourism. These must promote Indian cuisine as much as the country’s cultural heritage is promoted. Food festivals, setting up of regional cuisine food parks
near important tourist destinations, organizing food festivals more attuned to Western palates—such as wine and beer—must form part of the tourist repertoires.

3. Restaurants within hotels are the most visited dining establishments in India. These provide a unique opportunity to showcase Indian cuisine. Creating live counters which showcase ingredients, methods of cooking and different dishes can be one of the ways to do this.

4. There must be a focus on in-hotel restaurants rather than wasting time and effort in promoting roadside cuisine and stand alone Indian eateries which are anyway rarely patronized by foreigners. Investing in understanding what foreign tourists consider to be attractive, clean and hygienic is the first step in creating décor and ambience that create these perceptions amongst foreign tourists.

5. Food served in dining establishments must be tailored to tastes and tolerance levels of foreign tourists. This requires special efforts, but they must be made given the low tolerance to excessive spicy and oily food. This will also eliminate excessive concerns on health and well-being displayed by the tourists.

6. Investments must be made in training serving staff on how to answer tourist queries. Here the first step is to improve their English so that communication problems are avoided. They must be made knowledgeable on various facets of Indian cuisine and the menus provided so that they can adequately answer tourist queries.

REFERENCES


Sustainable Entrepreneurship, Opportunities and Challenges

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Abstract—The last decade has made it clearly visible we cannot afford economic development on the expense of environmental and society. Our Society is currently galloping natural resources at such a fast rate for their own needs that is compromising on the needs and ability of future generations. Our continuously growing population needs clean drinking water, lots of energy, nutrition and want protection from the cascading results of climate change. Sustainable Entrepreneurship is one of the response to these challenges. Sustainable Entrepreneurs use to search for technologies and products that are environment friendly and also tries to identify eco-friendly technologies that can succeed in providing a sustainable solution to current environment and society problems. Degradation of environment and sustainability offer opportunities for sustainable entrepreneurs to create radical technologies and innovative business models. This paper makes contribution by focusing on sustainable entrepreneurship, opportunities & challenges they face in business in India. Paper also discusses sustainable entrepreneurship case and suggests strategies to succeed in their business.

Keywords: Sustainable Entrepreneurship, Opportunities, Challenges and Strategy

INTRODUCTION

The last decade has made it clearly visible we cannot afford economic development on the expense of environmental and society. Our Society is currently galloping natural resources at such a fast rate for their own needs that is compromising on the needs and ability of future generations. World is currently facing lot of environmental challenges today from clearly evident Climate change caused by greenhouse gas emissions, ozone hole, societal challenges to social injustice.

There are number of ways that businesses can respond to these challenges. Some organizations are adopting worsening and unethical environment condition as their fortune and some are managing by adapting themselves to these constraints. Only few are responding to the need to make clear cut choice between what is better for the environment, society and economy. Entrepreneurs are making proactive and positive responses to champion and lead business for positive societal and environmental change. It has become apparent that economic, environmental, societal development and associated problems are interrelated. That’s why nowadays Government,
environmental and societal activists, media and shareholders etc. are speaking against the business houses that encouraged dangerous, immoral and unfair practices. Business schools and organisations are also devoting whole lot of time on sustainability and sustainable development topic. Also, Recently Kofi Annan on United Nations Global Compact pointed out:

‘Let’s choose to unite the powers of markets with the authority of universal ideals. Let us choose to reconcile the creative force of private entrepreneurship with the needs of the disadvantaged and the requirements of the future generation...’

ENTREPRENEURSHIP

The term entrepreneurship means someone who undertakes a specific project or activity. The term entrepreneurship was first used in 1723. In nineteenth century, French economist Jean Baptiste Say has redefined term entrepreneurship. According to him entrepreneur are individuals who use to create value by making a shift in resources from lower value to high value activities. The high value activities could be activities that usher value to both people and society. According to Porter (1990), Entrepreneurship makes it possible to make new business where no previous industry or business existed. Entrepreneurs also make it possible to recombine existing business processes to form new value chains. New and entrepreneurial companies are formed on the basis of the entrepreneur having an innovative, novel or creative idea (Mellor, 2009). According to Schumpeter (1934), entrepreneurs are a driving force for realizing fundamental change in society through “the process of creative destruction” which involves the discovery and exploitation by entrepreneurs of new combinations of technologies, products, markets, processes and organizational forms that create revolutionary changes in the economy. Entrepreneurship is defined as study of how opportunities are produced, by whom and with what consequences. Also study of how future sustainable goods and services are discovered and the way opportunities are evaluated and exploited (Shane and Venkataraman, 2000).

Entrepreneurs have great potential to experiment, due to their potential to experiment and offer varieties in term of new product and services, entrepreneurs are supposed to contribute to the changeover towards sustainability. This changeover should increase economic and creative competitiveness through the generation of sustainable innovations which are value driven.
SUSTAINABILITY AND SUSTAINABLE DEVELOPMENT

Sustainability is a way of living, searching for the something better by making possible the best conditions of life for everyone. It is living in such a way that is capable of offering a life continuity for all. The objective is living the life in balanced and healthy way in which no one lives at the expense of other. It is a way of life lived by the society that seriously considers the future generation needs.

The sustainable development concept came into limelight in 1972 at United Nation Conference on the Human Environment. Sustainable development has been defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In 1987, the term 'sustainability' was expanded to 'sustainable development' at the World Commission on Environment and Development (WCED) of the United Nations which is also known as the Brundtland Commission. According to it, sustainable development is the process which keep in concern the needs of current and future generations. In this process the allocation of capital investments, misuse or exploitation of natural resources, technological development and organizational change are in consonance with each other. The stated definition of WCED specify the conflux of three pillars of sustainable development–economic, environmental and social sustainability. The aim of sustainable development is to use renewable resources as much as possible and to reduce or recycle non-renewable resources in order to prevent environmental degradation (Hall et al., 2010; Shepherd & Patzel, 2010). Elkington (1997) proposes a framework known as triple-bottom-line (TBL) to encapsulate the fusion of sustainable development into business activities. Elkington emphasizes that the triple-bottom-line of sustainability focus on economic development, environmental problem and social justice.

In business context, Triple bottom line is referred as three pillars of sustainable development. Sustainable development interpret an integrated concern for People, Profit and Planet and focus on wise selection and usage of natural resources. This attempt to search for tactics and strategies by which human business ventures can be strengthen and intensified through better organizational culture and environment quality while bearing the responsibility towards society for serving the world for future and churning good financial returns for maintaining sustainable business. A business having sustainable development approach can bring number of benefits to society and hence can add up a real change in environment and society.
Sustainable Entrepreneurship

According to Gerlach, (2003) sustainable entrepreneurship can be defined as innovative behaviour of an individual or an organisation in private business sector that are focusing on environmental or social issues as its core objective and competitive advantage. WBSCD (World Business Council for Sustainable Development) defines sustainable entrepreneurship as the “continuing commitment of business to behave in an ethical way and contribute toward economic development while improving the quality of life of the workforce, their families, and the local and global community, as well as future generations”. Sarasvathy, (2001, 2008) states sustainable entrepreneurship as all entrepreneurial actions which have orientation towards renewable resources are treated as environmentally sustainable. Bhushan and Sanghvi (2012) defines sustainable entrepreneurs as sustainable entrepreneurs are more aware of the negative effects of pollution, energy dependence, and climate change than ever before. These environmental challenges are opportunities for them which can be capitalised through innovative business solutions that benefit the environment, create jobs, and generate wealth. Batra (2012) exerts that the entrepreneurial mind set should consciously envision the larger sustainability dimension as the value creation which the entrepreneurs should strive for. In his article an approach was developed to make a conceptual linkage between sustainable entrepreneurship, innovation and knowledge based development.

Taking standpoint of sustainable entrepreneurship, entrepreneurs have obligation towards shareholders and investors. They are also responsible towards society, nature and future generations. It stimulate the creative process of generating eco-friendly solutions for social and environmental problems in a unique way. Whereas typical business entrepreneurs measure their business performance in terms of revenues and return, Sustainable entrepreneurs take into consideration a return which is positive to society. Their mission is to create social and ecological value Instead of only financial value.

Opportunities

Saraswathy et al (2005) on entrepreneurial opportunities states about having competitive advantage of time and place knowledge, the importance of which only an individual can judge. “This dispersion of knowledge is the root explanation for presence of uncertainty, giving rise to entrepreneurial opportunities, as well as the root explanation for the nexus between an
entrepreneur and the opportunity to discover, create and exploit new markets.” Shane & Venkataraman, (2000) suggest that the environmental problems facing the global community are not simply market failures and consequently cannot be overcome only through traditional business entrepreneurship. On providing opportunity for generating more sustainable solutions, Nath (1999) emphasizes that by reducing production and consumption of resources and by adopting a more simple and less polluting life-style, we can provide a real solution to all environmental problems and challenges the planet is facing today.

Sustainable Entrepreneurship represent a different class to entrepreneurship. Sustainable Entrepreneurs can continuously make strides by tracking under exploited opportunities and those that their competitors have not yet tracked. In India, the continuous environmental degradation, climate change, limited stock of natural resources, high chemical usage in FMCG goods, rising social instability, poverty, poor water and sanitation system is offering abundant opportunities to exploit. Indian rural and urban areas whose most of need are still unmet offer an untapped market that why sustainable entrepreneurs need to have an aptness to assess the system passionately.

CHALLENGES

Hogging light on key sustainability challenges, Best and kumar (2008) states generally sustainable project suffered from financial, technological, informational, and institutional challenges due to management, information, cultural and technological factors. In their study they found out that a sustainable project can encounter five type of failure: financial sustainability failure, social sustainability failure, technological sustainability failure, institutional sustainability failure and environmental sustainability failure. Beside challenges and failure, sustainable Entrepreneurship’s hurdle is a culture that cannot support entrepreneurship. Capital crunch, long distance between services and market, absence of industrial clusters, lack of communication and networking opportunities to accelerate creativity and innovation are challenges that are keeping sustainable entrepreneurs at bay. Following are the challenges that sustainable entrepreneur often confront in India

- Keeping the entrepreneurial spirit high in mid and mature business endeavors
- Lack of awareness in consumer and market towards sustainable options and alternatives
 Crafting out sustainable marketing strategies, operational and growth strategies  
Lack of government support with neither tax incentives nor subsidies  
Lack of capital and funds  
Lack of skilled manpower they generally employ manpower from the underprivileged section of the society  
High training and development cost as these people are generally uneducated and unskilled  
Lastly, the real challenge comes in matching profits with social & environmental value.

**CONCLUSION AND STRATEGIES**

Irrespective of all the challenges there are significant opportunities for sustainable entrepreneurs in India. This trend of sustainable entrepreneurship is getting pace in India and should be supported by legislative and executive power of our country. A new wave is coming in entrepreneurial culture which is creating a favourable grass root environment of service and resource providers.

Besides government agencies, lot of private player, mentors and NGOs are entering the field to give more momentum to this trend. In India sustainable entrepreneurs need to travel a long road to reach a better and mature entrepreneurial landscape but it is sure that the opportunities are abundant that the future of India will definitely be shaped by its sustainable entrepreneurs. To conclude it up sustainable entrepreneurs in India need to move ahead and following things are required to flourish this culture:

1. High capital Investment  
2. Improved business and environmental Policy Environment  
3. Better Coordination and Collaboration from government  
4. Training and skill development of sustainable entrepreneurs  
5. Increased Visibility and Recognition  
6. Networking

Following is list of six strategies that could help sustainable entrepreneurs to succeed in their sustainable business ventures.
1. New eco-friendly product development
2. Selection of materials that have low impact on environment
3. Reduction of wastage
4. Optimum utilization of production techniques
5. Building distribution system that have low carbon footprint

**Sustainable Entrepreneurship Case: Husk Power System**

According to a study, nearly 400 million people have no access to electricity in India. This problem is particularly acute in Bihar, which is third largest state in India having 83 million population and 85% of them have no access to electricity. People here generally use kerosene, wood, dung, diesel and agriculture waste to meet their household, farming and commercial needs. These options are rather costly and cause health problem to people and also damage environment. Bihar is also chief producer of rice and rice husk is treated as agriculture waste. This is where Husk Power System has found market opportunity and also abundant renewable source of energy in the form of agriculture waste.

Founded in year 2007, Husk power system is brain child of IITian Gyanesh Pandey who has taken up the challenge of rural electrification of nearly 250 villages of Bihar which were seen as ‘out of reach’ areas to indian government. Gyanesh Pandey with his team invented biomass gasificier which uses risk husk and agriculture waste to convert it into gas and accelerate an off the shelf turbine to generate power. Husk power system is “for profit” rural empowerment enterprise providing electricity to remote and rural villages of Bihar through its innovative technology at very cheap rate. Currently, HPS has installed 72 power plant and meeting electricity needs of more than 30,000 household of 250 villages. Each power plant make 30-50 kilowatt power and run entirely on rice husk. These plants are managed by trained local villagers and simple to operate. It has created 358 jobs till date and Farmers also get incentives for their supply. The company has got successful in keeping the cost low by developing an eco-friendly distribution system and smart meters. Service is provided to subscribers by running insulated wires which are connected to bamboo poles. HBS also receives capital expenditure subsidy of 66% per plant cost from Indian ministry of natural and renewable energy. HBS is currently saving 150 tons of CO₂ per plant per year as per CDM certification.
Husk power system through its rural electrification venture has created a self-sustaining environment in Bihar villages. It is serving and enabling economic, environmental and social development and giving strength to rural communities through its BOOM (Build, Own, Operate and Maintain) business model.

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Distribution of Foreign Direct Investment in Indian Regions: A Trend Analysis

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Abstract—Concentration of FDI in a few selected states reflects the location preference of the foreign investors to do business in India. States like Tamilnadu, Maharashtra, Karnataka and New Delhi are getting a significantly higher FDI than the rest of India. The concentration of FDI in these states is an old affair and they compete among themselves to be investors’ preferred regions in future. This paper takes an attempt to find the volatility in the FDI inflow and the trend of FDI inflow to the Indian states and then to forecast the FDI inflow to these regions.

The results show that the FDI inflow among the Indian regions do not have identical volatility and trend and there is a significant difference in the volatility of FDI inflow during pre-recession and post-recession period of the Indian economy. The region with high volatility in the pre-recession period can’t continue to maintain as a preferred location during the post-recession period. Whereas the region with a low volatility in the pre-recession period is able to collect a higher FDI in the post-recession period and thus promoted to a higher rank. Similarly, regions like Mumbai, New Delhi are projected to lose share of FDI in the country where as Bangalore, Chennai and Ahmedabad may get a higher share of FDI inflow.

Keywords: Foreign Direct Investment, Concentration Ratio, Per capita State FDI, Coefficient of Variance & Per capita State GDP

INTRODUCTION

India is the seventh largest in geographical size and the second most populated country in the world. This South Asian country is known for the diversity of its culture, for the inclusiveness of its people and for the convergence of geography since long. It is the largest democracy in the world and the country with highest number of English speaking youth. The demographic portfolio in India is very conducive for development and growth as a large portion of the population is in the group of 14 years to 60 years which can feed the second largest populated county. Indian economy is the tenth-largest economy of the world by nominal GDP and the third-
largest by purchasing power parity (PPP). On the basis of per-capita-income, India ranked 141st by nominal GDP and 130th by GDP (PPP) in 2012, according to the IMF. India is the 19th-largest exporter and the 10th-largest importer in the world. The increasing disposable income and its rapidly increasing market have all combined to enable India to emerge as a viable partner to global industry. Recently, investment opportunities in India are at a peak. But that does not mean that in each and every part of the country the investment opportunities are identical. This heterogeneity brings imbalanced regional economic development.

Balanced regional development has always been an essential component of the Indian development strategy in order to ensure the unity and integrity of the nation but the size of the country and the geographical diversity do create some imbalance in resource base. Not all parts of the country are equally well endowed to take advantage of the growth opportunities and since historical inequalities have not been eliminated to ensure that large regional imbalances do not occur, the government should intervene with a strong economic planning. But instead of a major regulator the Indian government has liberalized the economy in the New Economic Policy, 1991. The economic reforms of 1991 significantly opened up opportunities for foreign direct and interstate investment in India. The shift in policy making responsibilities empowered states vis-à-vis the national government.

The reduction of the role of government transfers and investments in India present major challenges to states. After reforms, they have had to compete via the investment climate for FDI and domestic investment. Specifically, the reforms of 1991 shifted India’s growth strategy from an inward-looking, import substitution based and highly interventionist policy to a more market-oriented, export promoting, consumption based strategy. In this paper, we shall discuss how states dealt specifically with one of the reforms – foreign direct investment (FDI).

**REVIEW OF LITERATURE**

Ahluwalia (2001) found Indian states with strong investment climate attracted more FDI, where as the states weak in this aspect have not tasted the growth impact of FDI due to lack of response from the foreign investors.

Driscoll & Paliwoda (1997) found that there are two main categories: ‘Firm-Specific’ & ‘Location Factors’ that influence the company’s choice of country. *Firm-specific* assets have both the tangible and the intangible competitive advantages that a company compares to potential host markets. The second reflects the *location factors* as endowments that a country
provides the investor; for instance, cheap labour, easy access to raw materials, host government benefits and cultural differences. In a standard economic model, the production is a function of labour, capital and technology. Again, the firms to carry on production must feel secure and institutionally protected. They may choose those destinations where inputs are available at the cheapest possible price, where the institutional climate ensures that they can reap the benefit of their investments, or where they are close to their consumers to cut shipping costs. Thus, economic planners often choose to provide certain public goods such as infrastructure, schools, and institutions to invite investment.

Chakraborty and Nunnenkamp (2008) point it out that the type of FDI and its structural compositions play significant role on economic growth. In many previous studies, the type of FDI and its structures are assumed to be homogenous on country level. On the subject of the effect of FDI on growth studies in literature, their research is one of the few works for a single country at the sectoral level. Further, they have found that the causality in the long-run between FDI and GDP is evidently unidirectional. In contrast, in the short-run null of “no short-run causality” between FDI to GDP and vice versa is rejected in favour of strong short-run causality between them.

Cheng and Kwan (2000) studied the influence of the determinants like labor wage, infrastructure level, per capita income, education level, policy designs and regional income on the FDI inflow to China. In his study, he found infrastructure, policy designs (i.e. SEZs) and regional income affect positively the inflow of FDI to China where as the wage cost has a negative impact on FDI.

Singh and Kwang (1996) established a correlation between the perception of favourable business operating conditions and attracting FDI and they explored the types of socio-political instability that are detrimental to FDI flows. In addition, using regression analysis the authors examined the socio-political instability, qualitative index for general business conditions and types of exports (primary or manufacturing) to assess whether export oriented economies attract FDI. The analysis led the authors to conclude that quantifying socio-political instability is a difficult task, and thus regression results differ according to the proxy used to capture the relationship between instability and FDI. Their study suggested that a qualitative index for general business conditions is a significant factor in attracting FDI. Lastly, they explain that exports and manufacturing exports in particular, are a significant determinant of FDI flows for high-FDI countries, but not for low-FDI countries.
Yakhou & Dorweiler (2006) distinguished countries into three categories, “developing”, “developed” and “controlled”, reflecting their current status as a nation. Of these three different markets, according to Head & Sorensen (2005), it is the “developing” nations that are working most actively to attract FDI. Moreover, Head & Sorensen (2005) described that developing countries are trying to understand and take advantage of the elements that foreign investors are searching for to gain economic growth.

Billington (1999), Kravis and Lipsey (1982), Wheeler and Mody (1992) studied a positive relationship between FDI and GDP growth rate. Davis and Weinstein (1999 and 2003), found the size of the local market as well as access to other neighbouring markets is likely to exert a strong influence on FDI location. In particular, market access can magnify the impact of local demand in presence of increasing return to scale in production.

Terza and Aromdee (1989) found positive association of the number of potential sites, state per capita income, manufacturing density within a state, better transportation infrastructure, unemployment rates and higher expenditures with FDI inflows whereas they found higher tax rates and higher wages had negative association with FDI inflow and thus a negative impact on FDI flows. According to Fisher and Alan (1998), incentives declared and offered by various regions/ states had a positive impact on investment flows. They studied the impact of incentives like job credits, property tax abatements, sales tax exemptions, grants, loan guarantees, firm specific job training and infrastructure subsidies on FDI inflow for both the US and the European Union. They used time series trend analysis and found that the regions/ states respond positively to the incentive declared and negatively to the revisions in taxations at local level both in the US and the European Union.

Nunnenkamp & Mukim (2012) used conditional logit models and assessed the location choices of 6020 foreign investors at the level of Indian districts and found that clustering of Foreign Direct Investment (FDI) is driven strongly by herding among investors from both, the same and other countries of origin. However, the behaviour of Non-resident Indians (NRIs) and German investors is strikingly different.

FDI usually represented a long term commitment to the host country and contributed significantly to gross fixed capital formation in developing countries. Since the 1991 reforms, FDI in India has increased dramatically. However, this increase has been far from uniform across and within Indian states. As outlined above, firms choose to locate where the relative advantages are best. Firms locate where their customers are, where inputs
are cheapest, and where institutions are strongest. My attempt is to find out the relationship of this regional concentration of FDI with state GDP, state per capita income, poverty ratio, literacy rate etc. The inter-state variation in FDI is not unexpected, but the causal mechanisms in the case of New Delhi, Maharashtra, Karnataka, Kerala, and Tamil Nadu are central to this paper.

**METHODODOLOGY**

The analysis is based on secondary data. The secondary database has been used extensively in the analysis as it is available easily from the Annual Report of Reserve Bank of India, Department of Industrial Policy & Promotion and Ministry of commerce & Industry. The information used is based on FDI actually received. We take data of the major states of India attracting maximum FDI and try to establish their relationship with the existing income inequality.

**Period of Study**

A time series data is taken for analysis from 2000 to 2011 for FDI in Indian economy whereas the poverty data was taken for the year 2004. The population data is collected from census report 2011.

**Sources of Data**

Secondary sources are helpful in this study. FDI data, state-wise break-up of FDI inflow, year wise break-up of FDI values are taken from RBI online database. The population report, literacy, etc. are taken from census 2011 web database and the data on GDP, poverty ratio, etc. are collected from the NSSO database.

**Characteristic of FDI in India**

India has become a preferred destination for FDI as it is the fourth-largest economy in the world in PPP terms. India has strengths in the consumption and production of information technology, telecommunication and other significant areas such as auto components, apparels, pharmaceuticals, chemicals and jewellery. Despite a surge in foreign investments, rigid FDI policies were a significant hindrance. However, due to positive economic reforms aimed at deregulating the economy and stimulating foreign investment, India has positioned itself as one of the front-runners of the rapidly growing Asia-Pacific region.

We can spot from Table 1 and Table 2 that there is a gradual change of ranking in the major cities including the metropolitan cities of India, *i.e.*, 

161
New Delhi, Mumbai, Chennai and Kolkata. In Table 1, amongst all the RBIs, Regional Office, New Delhi had ranked first in attracting the maximum FDI, that is about 26% of total FDI inflow from April 2000 to November 2005. Mumbai attracted 21% of total FDI inflow, the second maximum FDI from April 2000 to November 2005. Ahmedabad and Hyderabad stood at fifth and sixth position according to the cumulative FDI till 2005. Except Kolkata all other metropolitan regions are in the top five FDI receiving destinations in India. Regions like Guwahati, Jaipur, Kanpur and Patna are among those regions that get negligible amount of FDI for years. By observing the information in the Table 1, we can find that the table is divided in two parts where each of the first eight regions get more than 1% share in the FDI flowing into the country and the rest eight regions sharing each less than 1%.

**Table 1: Statement on RBI’s Regional Offices (With State Covered) Received FDI Equity Inflows (From April 2000 to November 2005)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>RBI’s Regional Office</th>
<th>State Covered</th>
<th>Amount ` in Crores Rs.</th>
<th>US$ in Million</th>
<th>Percentage to Total Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Delhi</td>
<td>Delhi, Part of UP and Haryana</td>
<td>21,839.84</td>
<td>4,840.20</td>
<td>25.964</td>
</tr>
<tr>
<td>2</td>
<td>Mumbai</td>
<td>Maharashtra, Dadra &amp; Nagar Haveli, Daman &amp; Diu</td>
<td>17,815.62</td>
<td>3,921.10</td>
<td>21.18</td>
</tr>
<tr>
<td>3</td>
<td>Bangalore</td>
<td>Karnataka</td>
<td>6,416.03</td>
<td>1,418.50</td>
<td>7.628</td>
</tr>
<tr>
<td>4</td>
<td>Chennai</td>
<td>Tamil Nadu, Pondicherry</td>
<td>5,089.62</td>
<td>1,116.70</td>
<td>6.051</td>
</tr>
<tr>
<td>5</td>
<td>Ahmedabad</td>
<td>Gujarat</td>
<td>2,793.23</td>
<td>611.5</td>
<td>3.321</td>
</tr>
<tr>
<td>6</td>
<td>Hyderabad</td>
<td>Andhra Pradesh</td>
<td>2,690.85</td>
<td>593.6</td>
<td>3.199</td>
</tr>
<tr>
<td>7</td>
<td>Chandigarh</td>
<td>Chandigarh, Punjab, Haryana, Himachal Pradesh</td>
<td>1,477.59</td>
<td>319.4</td>
<td>1.757</td>
</tr>
<tr>
<td>8</td>
<td>Kolkata</td>
<td>West Bengal, Sikkim, Andaman &amp; Nicobar Islands</td>
<td>1,102.16</td>
<td>242.1</td>
<td>1.31</td>
</tr>
<tr>
<td>9</td>
<td>Panaji</td>
<td>Goa</td>
<td>484.18</td>
<td>105.3</td>
<td>0.576</td>
</tr>
<tr>
<td>10</td>
<td>Kochi</td>
<td>Kerala, Lakshadweep</td>
<td>297.25</td>
<td>65.5</td>
<td>0.353</td>
</tr>
<tr>
<td>11</td>
<td>Bhubaneswar</td>
<td>Orissa</td>
<td>261.66</td>
<td>58.4</td>
<td>0.311</td>
</tr>
<tr>
<td>12</td>
<td>Bhopal</td>
<td>Madhya Pradesh, Chhattisgarh</td>
<td>163.37</td>
<td>36.1</td>
<td>0.194</td>
</tr>
<tr>
<td>13</td>
<td>Guwahati</td>
<td>Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura</td>
<td>41.74</td>
<td>9</td>
<td>0.05</td>
</tr>
<tr>
<td>14</td>
<td>Jaipur</td>
<td>Rajasthan</td>
<td>17.79</td>
<td>3.9</td>
<td>0.021</td>
</tr>
<tr>
<td>15</td>
<td>Patna</td>
<td>Bihar, Jharkhand</td>
<td>2.74</td>
<td>0.6</td>
<td>0.003</td>
</tr>
<tr>
<td>16</td>
<td>Kanpur</td>
<td>Uttar Pradesh, Uttaranchal</td>
<td>0.03</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Region Not Indicated</td>
<td>23,621.75</td>
<td>5,190.30</td>
<td>28.083</td>
<td></td>
</tr>
<tr>
<td>Sub. Total</td>
<td></td>
<td>84,115.45</td>
<td>18,532.20</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Fact Sheet on Foreign Direct Investment (FDI), RBI Annual Report, 2006, Reserve Bank of India, Mumbai
In Table 2, we can see that New Delhi has been ranked second after Mumbai. Mumbai could attract about 30% whereas New Delhi could attract 16% of the FDI inflowing to India in the period 2006 to 2013. A change is marked in Ahmadabad and Hyderabad too as each of them climbed up one rank and positioned themselves at fourth and fifth ranks where as Bangalore continues to retain 3rd position as before. Chandigarh, Kolkata and Panaji were ranked as 7th, 8th and 9th in FDI ranking in Indian region according to Table 1 and now in Table 2, they got a change in their position to 9th, 7th and 12th position respectively and 10th position is maintained with Kochi as before. It is quite interesting that Bhopal did not get a rank in the first 10 regions to attract FDI according to the Table 1 but in Table 2, we see that it could secure 8th position, jumping up by four positions in only eight years.

One more thing to refer in Table 1, i.e., among the top four regions, only Mumbai could raise its share from 21% to 29% whereas the other three regions—New Delhi, Bangalore and Chennai had lost their FDI share when we compare the FDI distribution for the two periods. This loss of FDI share in these regions had resulted in a gain in the FDI share in the small regions like Bhopal, Chandigarh, Kochi, etc.

Table 2 Statement on RBI’s Regional Offices (with State Covered) Received FDI Equity Inflows (from January 2000 To December 2013): (In Rs. Millions)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Regional Offices of RBI</th>
<th>States Covered</th>
<th>Inflow Measure: L in Million Rupees</th>
<th>% of Cum. Total of Region to cum. Total of India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MUMBAI</td>
<td>Maharashtra, Dadra &amp; Nagar Haveli, Daman &amp; Diu</td>
<td>2223077.75</td>
<td>29.37440212</td>
</tr>
<tr>
<td>2</td>
<td>NEW DELHI</td>
<td>New Delhi, Haryana</td>
<td>1211647.94</td>
<td>16.00998158</td>
</tr>
<tr>
<td>3</td>
<td>BANGALORE</td>
<td>Karnataka</td>
<td>512376.35</td>
<td>6.770230571</td>
</tr>
<tr>
<td>4</td>
<td>AHMEDABAD</td>
<td>Gujarat</td>
<td>404203.24</td>
<td>5.34089652</td>
</tr>
<tr>
<td>5</td>
<td>HYDERABAD</td>
<td>Andhra Pradesh</td>
<td>371743.25</td>
<td>4.911990016</td>
</tr>
<tr>
<td>6</td>
<td>CHENNAI</td>
<td>Tamil Nadu, Pondicherry</td>
<td>309165.44</td>
<td>4.085124759</td>
</tr>
<tr>
<td>7</td>
<td>KOLKATA</td>
<td>West Bengal, Sikkim, Andaman &amp; Nicobar Islands</td>
<td>110599.35</td>
<td>1.461392784</td>
</tr>
<tr>
<td>8</td>
<td>BHOPAL</td>
<td>Madhya Pradesh, Chhattisgarh</td>
<td>53199.29</td>
<td>0.702943177</td>
</tr>
<tr>
<td>9</td>
<td>CHANDIGARH</td>
<td>Chandigarh, Punjab, Haryana, Himachal Pradesh</td>
<td>44531.77</td>
<td>0.588415821</td>
</tr>
<tr>
<td>10</td>
<td>KOCHI</td>
<td>Kerala</td>
<td>43966.89</td>
<td>0.580951839</td>
</tr>
<tr>
<td>11</td>
<td>JAIPUR</td>
<td>Rajasthan</td>
<td>34771.06</td>
<td>0.459443714</td>
</tr>
</tbody>
</table>

Table 2 (Contd.)
A few states have performed better in the later part of the decade and moved up in the ranking orders. The cumulative FDI equity inflow received by India was Rs. 9990590.61 Millions during January 2000–December 2013. However, RBI’s Mumbai regional offices had received Rs. 3095304.18 Millions which is 31% of total Inflow. Where as in New Delhi Cumulative FDI equity inflows during the period from January 2000 to December 2013 was 1845538.31 Millions which is 18.47% of the total inflow.


### TABLE 3: STATEMENT ON RBI’S REGIONAL OFFICES RECEIVED ANNUAL FDI EQUITY INFLOWS (FROM JANUARY 2000 TO DECEMBER 2013) (IN RS. MILLION)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Regions</th>
<th>Measure: Annual in Million Rupees</th>
<th>% of Cum. Total of Region to Cum. Total of India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mumbai</td>
<td>32465 22729 156074 185172 626426 541551 291636 417219.8 428512.57</td>
<td>30.982</td>
</tr>
<tr>
<td>2</td>
<td>New Delhi 33036 42976 97898 136570 93543 365399 202745 313452.9 243547.45</td>
<td>18.473</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Chennai 3661 10985 51925 28919 58156 49827 58085 60473.44 111537.82</td>
<td>6.240</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Bangalore 10643 16070 28192 49632 96530 80465 96340 59253.5 57273.44</td>
<td>5.775</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Ahmedabad 6884.6 6352.1 16388 11834 173303 49884 24189 50913.8 34329.83</td>
<td>4.325</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Hyderabad 8580.9 7232.8 25175 31847 62030 54402 55154 44365.97 26600.09</td>
<td>3.995</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Kolkata 4595.6 4054.2 2882.9 16192 21508 2191.4 8239.9 17610.98 15921.21</td>
<td>1.232</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Chandigarh 718.95 3777.3 648.63 1922.6 0 2330.7 21887 7021.63 6133.85</td>
<td>0.594</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Shillong 1661.3 1382.4 2749.4 2045.5 1228.1 2762.6 19800 70677.8 8988.38</td>
<td>0.549</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Kochi 495.5 262.47 944.49 1027.8 3516.6 5568.6 2344.7 17353.2 8922.84</td>
<td>0.470</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Panaji 788.52 814.05 3508.8 368.3 2407.3 7402.4 14868 28806.9 993.9</td>
<td>0.367</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Jaipur 42.74 26.56 2308.5 778.78 18099 1947.9 2189.5 1038.9 5978.86</td>
<td>0.350</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Bhushaneshwar 0 2816.8 1035.9 302.63 0 3960.8 3979.8 13691.5 2876.37</td>
<td>0.171</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Kangur 0 0.3 556.15 160.17 0 1490.4 5216.6 8701.6 15967.7</td>
<td>0.171</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Guwahati 2002.0 0 110 1764.7 334.13 176.16 408.51 273.32 38.12</td>
<td>0.035</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Patna 0 0 6 0 0 0 581.39 1099.53 247.13</td>
<td>0.020</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Region not indicated</td>
<td>45076 74292 112131 186075 237947 180233 188664 598642.5 236873.3</td>
<td>26.253</td>
</tr>
</tbody>
</table>


*Reserve Bank of India, Mumbai*
According to the RBI report 2014, the cumulative FDI inflow to the RBI’s regional office, Mumbai is Rs. 3095304.18 million for the time period of 2000 to 2013 which is measured to be almost 30% of overall FDI that India got during the period followed by Delhi (18.56%), Chennai (6.2%), Bangalore (5.77%), Ahmedabad (4.325%) and Hyderabad (4%).

Tamil Nadu was the third-most preferred FDI destination in the country, attracting Rs. 623363.94 million during the period, followed by Karnataka (Rs. 576912.89 million), Gujarat (Rs. 432134.37 million) and Andhra Pradesh (Rs. 399115.51 million). FDI flows into different states in India have increased steadily since the early 1990s, when the Indian economy was first opened up to foreign investment.

![Chart 1: Trend of 4 Region Concentration](image)

The concentration of FDI in these top-6 RBI’s regional offices representing their states was still more pronounced with respect to the number of FDI projects (70% of total FDI inflow up to 2013 versus 67.3% of total FDI inflow up to 2005). It shows that the concentration ratio is increasing year-on-year. Going more close, when we consider the four regions concentration ratio for the period of 2004 to 2013, we find Mumbai, New Delhi and Bangalore are stable in their position of first, second and third place respectively but the fourth place is not stable. Sometimes it is occupied by Chennai and some other time by Ahmedabad or even some other time by Hyderabad. In 2004, 2007 and 2009 the major fourth region was Hyderabad and the four regions collectively got 57.32%, 61.87% and 78% of the total FDI came to India during those year whereas in 2005, 2006, 2010, 2011 and 2013, Chennai was the fourth region and the concentration ratio was 48.13%, 66.93%, 63.9%, 53.59% and 52.57% respectively (Refer Chart-1).
The four region concentration ratio is not smooth for the study period. Initially, it reduced from 57.32% in 2004 to 48.13% in 2005 and then a steep increase to 66.93% in 2006. Again, in 2007, it fell down to 61.87% with two consecutive increases in 2008 and 2009 to 71% and 78% respectively and another two consecutive falls in 2010 and 2011 to 64% and 53.6% respectively. The ratio had increased once more in 2012 to 69% and reduced to 52.57% in 2013. On this information, we constructed a non-linear trend to understand whether we are moving to a higher or a lower concentration ratio. A lower concentration ratio will ensure the equitable distribution of FDI among the Indian regions where as a higher ratio shows that the FDI remains with few regions and leading to an uneven economic development.

\[ Y = a + bx + cx^2 \]

Where \( y \) is the expected four regions’ concentration ratio

\( X \) is time period

\( a, b \) and \( c \) are the constants

\[ y = 43.88 + 8.644x -0.758x^2 \]

From the trend line, it is seen that the expected four regions concentration ratio is increasing till 2010 and then it is falling. It means we can expect that in future there will be equitable distribution of FDI among the regions. By the end of 2016, the ratio will reduce to 50% and by 2017 it will be near to 40%. On an average states like Maharashtra, Delhi, Karnataka, Tamil Nadu, Gujarat and Andhra Pradesh get about 70% of the total FDI whereas the rest of India gets only 30%. It’s because the above mentioned states have good infrastructure, high literacy rate, higher state per capita income and many more favourable factors. The good infrastructure of states like Maharashtra and Delhi made them more attractive FDI destinations than states with poor roads and power facilities. The concentration of FDI in these states helps the states to develop and attract more FDI in future which is quite self-propelling. Further, micro-level study says, Maharashtra and the NCR accounted for over 50% of foreign direct investment inflows into the country during 2006–12.

States like West Bengal, Madhya Pradesh, Chhattisgarh, Rajasthan, Kerala, Lakshadweep, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Orissa, Sikkim, Andaman & Nicobar Islands, etc have collectively enjoyed less than 4% of the total FDI inflow realized till 2013.
By putting the information of Table 3, in the chart 2, we can see that FDI inflow to Mumbai was increasing from 2004 to 2008 and it was falling from 2008 to 2010. It then slowly increased in 2011 and 2012 but it never touched the peak of FDI inflow, it got in 2008. If we observe the phase from 2007 to 2009, FDI inflow in Mumbai had increased in the first year and decreased in the second year and the reverse trend for the same can be observed for New Delhi. But after 2010 the trend of FDI inflow in the two territories are in the same falling direction. In the line chart, we can see that the negative slope of FDI inflow of Mumbai is quite steeper than that of New Delhi. The non-linear trend lines and equation for each region is shown in chart 2.

Thus, both in Mumbai and New Delhi foreign investment inflow is reducing from 2009 level whereas in Chennai and Bangalore, the movement in the FDI inflow is positive in most of the period. The non-linear trend lines of Chennai and Bangalore have got a slow positive movement. Ahmedabad got a very steep increase in the FDI inflow in 2008 and then for the two consecutive years it had seen a reduction in FDI inflow. When we draw the non-linear trend line for Ahmedabad we find the line slopes downward showing that it will lose the FDI share gradually in future. One important point to be observed is that the loss of expected FDI share is much higher than that of the gain in the FDI share according to the trend line extended for the future (refer chart 2). It means the other regions will definitely gain out of this loss of FDI share by these top five regions.

**Chart 2: Trend of FDI inflow in Five Major RBI’s Regional Offices**

To know the investor’s trust on the region we run the test of coefficient of variation. Coefficient of variation measures the relative dispersion or the deviation from average. A higher coefficient says the object is less reliable or the object has a higher fluctuation and vice versa. The coefficient of
variation is calculated by dividing the standard deviation upon the mean of the variable and it is referred in percentage. For the regional offices of RBI receiving the FDI, the values of the parameters are given in Table 4. We can see among the top five regional offices, Ahmedabad has got the highest coefficient of variation, \( i.e. \) is 112\% which shows that the region is less reliable in terms of investment. The regions like Bangalore and Hyderabad have got the least variation, near to 50\%. In the FDI data shown in Table 3, Bangalore sticks to the 3\text{rd} rank continuously from 2004 to 2013 supports to this view that foreign investors look Bangalore as one among those cities to be trusted for expanding their business in India. Hyderabad has many often came to the position of fifth or sixth ranking in the period of study.

**Table 4: Coefficient of Variation of FDI inflow among the Indian Regions/States**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Regional Offices of RBI</th>
<th>FDI Inflow from 2004 to 2008</th>
<th>FDI Inflow from 2009 to 2013</th>
<th>FDI Inflow from 2004 to 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>SD</td>
<td>Co Efficient of Variance</td>
<td>Average</td>
</tr>
<tr>
<td>1</td>
<td>Mumbai</td>
<td>205573</td>
<td>221261</td>
<td>107.631</td>
</tr>
<tr>
<td>2</td>
<td>New delhi</td>
<td>81194.6</td>
<td>38734.1</td>
<td>47.705</td>
</tr>
<tr>
<td>3</td>
<td>Chennai</td>
<td>30725.2</td>
<td>21578.1</td>
<td>70.229</td>
</tr>
<tr>
<td>4</td>
<td>Bangalore</td>
<td>40213.4</td>
<td>31183.6</td>
<td>77.545</td>
</tr>
<tr>
<td>5</td>
<td>Ahmedabad</td>
<td>26973.1</td>
<td>19919.5</td>
<td>73.849</td>
</tr>
<tr>
<td>6</td>
<td>Hyderabad</td>
<td>9846.5</td>
<td>7561.3</td>
<td>76.792</td>
</tr>
<tr>
<td>7</td>
<td>Kolkata</td>
<td>1453.6</td>
<td>1314.6</td>
<td>90.437</td>
</tr>
<tr>
<td>8</td>
<td>Chandigarh</td>
<td>1249.3</td>
<td>1168.3</td>
<td>93.511</td>
</tr>
<tr>
<td>9</td>
<td>Bhopal</td>
<td>135.5</td>
<td>120.3</td>
<td>75.357</td>
</tr>
<tr>
<td>10</td>
<td>Kochi</td>
<td>3992.7</td>
<td>6461.7</td>
<td>75.388</td>
</tr>
<tr>
<td>11</td>
<td>Panaji</td>
<td>40213.4</td>
<td>31183.6</td>
<td>77.545</td>
</tr>
<tr>
<td>12</td>
<td>Jaipur</td>
<td>30725.2</td>
<td>21578.1</td>
<td>70.229</td>
</tr>
<tr>
<td>13</td>
<td>Bhubaneswar</td>
<td>791.026</td>
<td>988.196</td>
<td>98.357</td>
</tr>
<tr>
<td>14</td>
<td>Kanpur</td>
<td>5038.3</td>
<td>4097.4</td>
<td>87.745</td>
</tr>
</tbody>
</table>

Source: Calculated from the annual FDI data, Various SIA Newsletters.

Chennai has got 71.5\% as the coefficient of variation which is second highest among these five major regions but the coefficient is marginally higher to the coefficient of variation of the FDI share by Mumbai. If we will go by trend line and compare the coefficient, then this region is still trustworthy for the investors.

Table 4 has three parts. Part I shows the FDI parameters from 2004 to 2008 which is pre-recession period in India and Part II shows the parameters from 2009 to 2013, that is the recession and revival period of Indian Economy. In part three, we consider the FDI parameters from 2004 to 2013. In the above two paragraphs, we discussed the third part. If we will look at Part I, we find the average FDI in Mumbai is the highest followed by
New Delhi and Ahmedabad, but the standard deviation of the FDI inflow in these five years is the highest in Ahmedabad region followed by Mumbai. Among the major five regional offices, New Delhi has got the minimum coefficient of variation and thus in the recession and post-recession period, it continues to lead the second position but Ahmedabad which was leading the third position in the pre-recession period is succeeded by Chennai and Bangalore and remained at fifth position. The high volatility depicted by a high coefficient of variation led to the loss of investors’ confidence on the region. Similarly, among Ahmedabad, Bangalore and Chennai, Chennai had got the minimum coefficient of variation, i.e., 70% but has got the fifth rank in average FDI inflow to the region whereas Ahmedabad had the highest coefficient of variation and in the second part it is seen that Chennai could jump up to third rank in the average FDI inflow, Bangalore continues at 4th rank and Ahmedabad in fifth rank. It is clear that with low volatility one region can continue to prosper and get higher FDI than before and the low volatility will lead to the promotion in FDI ranking too where as a high volatility will affect the region in adverse ways.

In part – II, Ahmedabad, Bangalore, Mumbai and New Delhi have got coefficient of variance within 20% to 30% whereas Chennai got 44% of coefficient of variance. It is predicted that in next five years, i.e. by 2018, Ahmedabad may again lead the third position and Chennai may lose the third rank. As the other regions have almost nearly equal magnitude of coefficient of variance, it is expected that there may not be any change. Going beyond the five major regions, we can mark that Hyderabad has got the lowest coefficient of variance i.e. 8.75%. So, by 2018, it may be possible for the region to enter into the top five positions in terms of FDI inflow. For Bangalore, Chennai and Hyderabad, the slope is positive in most of the period. The fluctuations in these three regional offices are less than that of Mumbai and New Delhi. Thus, from the graph, we can predict that the relative FDI inflow in these major two regions (Mumbai and New Delhi) will be falling. If this will continue in future, then Bangalore, Chennai, Ahmedabad and Hyderabad will register FDI inflow at an increasing rate.

**SUMMARY AND SUGGESTIONS**

In our study, we found the FDI distribution in some regions is highly concentrated but the concentration ratio is expected to fall in future which is calculated by the time-series non-linear trend method. By using the coefficient of variations we found that the region having lesser coefficient of variation is more trustworthy by the foreign investors to invest with and promoted to a higher rank whereas with a higher coefficient of variation the
region gradually loses its rank as the investors cannot rely on region for a good return on investment in the future. The Central government as well as the state government should undertake all the measures of our social and macroeconomic indicators to improve which collectively in turn will increase the FDI inflow to the states. The government cannot force the foreign investors to invest in a particular locality as it is the investors’ decision solely to choose the location of investment. So, to avoid the concentration of FDI in a few locations and to promote all-round development and equality in the distribution of FDI, it is the duty of the states to bring economic equality in all the regions which is the result of the investment made in education and infrastructure.

**LIMITATIONS**

In the above study, we analyzed and compared the share of FDI inflow and its trend in different regions. But this calculation is simply based on time-series. Time is not the only factor to decide the distribution of FDI among the states. Factors like state-level infrastructure, state GDP, state per capita income, literacy rate in the states, political and social mindset, etc, are playing a great role to decide the investment decision. Moreover, India is a country with diversity in every respect. The study has ignored some other fundamental determinants of state-level FDI distribution, like the infrastructure level, level of unemployment, the political atmosphere, the geographical situation of the states, etc. The study has a vast scope to analyze the relation of the FDI distribution at the state level with all these unexplained factors and to find out the important variables that influence location choice decision making at the state level.

**CONCLUSION**

The metropolitan regions in India have their roots in business from the ancient history and during the British rule these cities were the preferred locations for the British to establish their office and business headquarters. For the smooth running of their business in this colony they developed and redesigned some of the cities in India and now these cities and the regions accept a significant share of the FDI inflowing to the country. Though we made a trend analysis and found that the concentration ratio of FDI share in these regions is expected to fall in future, we know the reality is that these regions are well developed, planned and with adequate infrastructure level. Other regions have an inadequate volume of infrastructure, poor human capital, etc. The policymakers have to look at the issue to channelize the resources to ensure economic equality, adequate infrastructure, promote
literacy and education and remove poverty from all parts of the country. Then only a near equitable distribution of FDI among the Indian regions is possible.

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An Analytical Study of Factors Affecting Pester Power with Special Reference to Nagpur City

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Abstract—“Catch them young” is the key which was earlier used only by McDonalds but now a days used by many marketers. Kids these days are exposed to all the medias of marketing; be it TV, Internet, Smart Phones or anything, so the rise of pester power in last decade was tremendous. This research paper attempts to find the reasons for growing pester power and various factors which play significant role in agreeing to kids’ demand of buying products. The research paper can give an insight to the marketers, as to which are the most impactful factors which influence the pester power and to the parents as to which factors they may control to lessen the effects of Pester Power.

Keywords: Pester Power, Children and their Parents, Children’s Buying behaviour

INTRODUCTION

Marketers spend over $ 12 billion every year for marketing their products to children. Parents today, sometimes willingly and many a times unwillingly are buying more for their kids. Kids demand for many products have risen, and there are many reasons behind this. In the era of IT, because of their exposure to different media—be it television sets, mobile, social networking site or visit to shopping malls and movies in multiplexes, children are well aware of the latest trends and products in the market. Children demand numerous things, but do not have the ability to buy. Hence, their parents buy for them. Many a times, parents may be under pressure to buy items for them. And the pressure or influence is referred as pester power.

Pester Power: Firstly, there is no definitive definition of pester power. Those in existence include: ‘At its simplest, pester power can be defined as “repetitive asking/ requesting for a specific item and/ or service’’ Quinn (2007). ‘Underpinning the concept of pester power is children’s unprecedented power as consumers and their ability to deploy a variety of tactics to exert influence over purchasing by others’ (McDermott et al. 2006:513). The power children have, of influencing their parents, to buy items they want is referred to as Pester Power. Sheth G. et al. (2008) define pester power as “the nagging ability of children to purchase the product they desire due to some reason.” It is also explained as technique of selling
product, by attracting children and making them pester to their parents to buy things (who have capacity to buy). Pester power can also be defined as the ability of the children to influence their parents to buy something which they may not buy in some other conditions. In present days, marketers are trying to increase the pester power because they know the strength of this power. Parents are spending more on their children these days because they have more disposable income in their hand due to smaller family size and dual incomes. Marketers are trying to catch the attention of children using different means like advertisement, sales promotions and giveaways (Godhani 2012). Another study by one of the advertising executive (Barbara Martino) revealed that marketers market their product to children, as to pester to buy the product, rather than targeting the parents directly.

**Reasons for Growing Pester Power**

These days kids have greater power and independence to make their own decision, as well as influence their parents in decision making of buying products. ‘Pester power’ refers to children’s ability to nag their parents into purchasing items that they may not otherwise buy. (Soni, Upadhaya 2012). According to Tripathi (2014), there are many drivers which have provoked the pester power viz: more number of working mothers, increase in number of nuclear families, delayed parenthood, greater exposure to kids, hurried child syndrome, and hyper parenting. Another research finding (Jadeja and Khant, 2012) revealed that rise in six pocket syndrome, can be pampering by other family members like grandparents, uncle or aunt. The only child of their parents can also be a reason of growing pester power as these days parents tend to have less children. So, the only child receives all the pampering and love from their parents as well as grandparents. An underlying theme of the discussion is a concern that advertising can also trigger the so-called ‘pester power’ phenomenon, leading to nagging, unhappiness, or conflict (Bandyopadhyay, Kindra, & Sharp, 2001; Dens, DePelsmacker, & Eagle, 2007). Indeed, the pre-eminent role of the parent in the child’s socialization has been widely acknowledged to date, whereby in essence, a parent assumed the mantle of ‘teacher’ imparting wisdom to the child pupil. In other words, an ‘agent–learner’pattern of communication was seen to prevail (Lueg & Finney, 2007). However, an alternative, and arguably under-explored perspective, has emerged in the literature, namely that of ‘reverse socialization’ where a child can serve to inform or educate parents in the context of commercial information and offerings (Chavda, Haley, & Dunn, 2005; Ekstrom, Tansuhaj & Foxman, 1987). The changing pattern in families in India is also one of the reasons of growing pester power. Nuclear
families and working mothers, children get less time to spend with their parents. So, out of guilt, parents pamper their child by agreeing to their demands and bringing expensive gifts for them. (Khant, Jadeja 2012).

**Pester Power in India**

In the era of smartphones and other high-tech gadgets, children have also become highly tech-savvy. The new wave of information technology has reached to Indian subcontinent and affected every corner of it. And the most affected ones are the younger children (below 13 years). Above this, children have got a most influential tool i.e., continuous nagging to pressurize parents to get things for them. According to a study, India has around 400 million kids below the age of 15, and they are not buying just toys, but gadgets, clothes and phones. That’s good news for marketers in a consumption-driven economy. And it is not just because his burgeoning brood is demanding more clothes, more shoes, more toys and more games. Rather, these kids, who could be three-year-old tykes, are huge influencers in their parents’ big-ticket purchases—from luxury cars to laptops. According to a recent study by The Walt Disney Company and media investment major Group M, kids have a major role to play in the process of buying virtually anything—not just toys and games but Plasma TVs and mobile phones, too.

A study by Cartoon Network ‘New Generations’ last year found that kids heavily influence their parents’ buying decisions. In some of those findings 43% of parents of 4–6 year olds agree that kids today have far more influence on their parents than when they themselves were children; 29% of parents of 4–6 year olds have children asking them to buy certain brands when they go shopping; 31% parents of 4–6 year olds say that their children ask them to buy products they have seen advertised on television. The study’s sample were studied through face-to-face, in-home interviews of 3,431 kids in the 7–14 age segment and 1,012 parents of kids 4–6 across 15 centres (including all metros) in India and in SEC (socioeconomic categories) A, B and C. The biggest window to the world for Indian children, who make up 20% of the world’s young population is, of course, satellite television. For instance, 92% in the Cartoon Network study were frequent television watchers. Another study by Nickelodeon, a children’s entertainment channel, found that while almost all children watch TV, only a fourth of the 600 kids surveyed played outdoor games on a regular basis. Then, there is the internet that is proving to be a great channel for marketers to create a buzz through newsgroups, chatrooms and blogs about products ranging clothes to music.
According to another study, it was found that in 2005, there were more than 120 million teens (children aged between 8-2 years of age) in India (Soni & Upadhyaya, 2007). Among them, around 45 million live in urban areas who have the greater power to influence their parents which numbers to the whopping Rs. 20,000 crore worth purchasing decisions on food, mobile phones, apparel, cars and FMCGs. The arrival of niche TV channels like the Cartoon Network, Hungama, Jetix, Disney etc has driven to increase the children’s overall knowledge about the products available for them in the market. Quite often, they are successful in making parents almost redundant in family decision-making by enforcing their influence strongly. The total spending of the Indian youth is about $6.5 billion their own discretionary income plus what their families spend on them. Indian teens alone buy nearly 60% of the fizzy drinks, chocolates and jeans sold in India (Quart, 2004).

In a study by Datta D. (2010), she pointed that this change in Indian families is not due to women empowerment but the major change is due to attitudinal change in the parents towards their children. The children gets “like an equal” and friend too status. So, the study of consumer behaviour and most importantly decision-making should be studied in comprehensive manner as to study all the aspects of it (Douglas 1983 and Mangleburg 1990).

**REVIEW OF LITERATURE**

The concept of ‘pester power’ is arguably one of the most sensitive, emotive, and controversial aspects in current marketing practice. It has been broadly defined as children’s influence on family consumption patterns (Shoham & Dalakas, 2005), or more specifically in terms of children asking their parents to buy products for them (Gunter & Furnham, 1998). Other authors use more loaded terminology to describe such purchase request behaviour. For example, Bridges and Briesch (2006) refer to the ‘nag factor’. Elsewhere, McDermott, O’Sullivan, Stead, and Hastings (2006) espouse the use of the term ‘pester’, acknowledging the emotive connotations of such a word, whilst Marshall, O’Donohoe, and Kline (2007) refer to the practices of denigration and denial by critics and advertisers respectively towards pester power.

A research finding shows children are rising as a different target market for the marketers with peer group factor and mass media having an overwhelming impact on their choice of brands, and consumption patterns. Kids are innovators, always want to experiment and buy new things, but another contradiction is that they do not take everything for granted. Marketers need to be very cautious while targeting children as they pressurize their parents and influence the decision in the end (Tripathi 2014).

Influencing children cannot be a easy task but if you are successful in doing so, and if kids recognize your brand, their innocent nag and smiles
dictates the business. A study by Ingenuity Research found that 43% of urban Indian children persuade their parents to shop the products of their choice. What’s more, this figure is next only to the US and Japan. (Sawhney Anubha, 2 Dec 2003). A recent study by AC Nielsen reveals that children do have the ability to influence their parents’ decisions. The pester power is best displayed when it comes to toys and games, which is a market of Rs 362 crore (Rs. 3.62 billion), 41% of the purchases are influenced by children, i.e. Rs. 148 crore (Rs. 1.48 billion) worth of business. This may not be such a surprise—after all, who else would decide between Barbie and GI Joe (Soni, Upadhyaya 2012).

A research study found the relationship between the cartoon endorsement and children’s impulse buying behaviour of food items. The research findings suggested that there is no difference between the impulse buying behaviour of boys and girls. But there is vast difference between classes of parents in comparison of lower income. (Tanvir, Arif 2012).

A research by AC Neilson found that greater access to pocket money and a bigger say in purchase decisions has resulted in children being more informative and demanding. Impulse category brands are always being evaluated. The need for something new, something novel makes them experimenting on the retail front and keeps marketers on their toes, trying hard to keep their brands in the top-of-mind-recall at all days of the week and all times of the day.

Another research (Kaur and Singh, 2006) says that there are three types of market where kids can nag their parents demanding the product. The primary market, where they nag their parents over purchase which they actually use; second is influencers where they just influence their parents of their choice; and third one is of future market where children are going to constitute the future customers for the business firms.

Children can adopt various strategies to pester their parents. In a study, Soni and Upadhyaya, (2007), observed that kids can influence their parents using various tactics like doing extra chores, keeping on asking and asking, begging, doing better at school, as leverage to convince their parents to buy something the parents deny to buy.

Fan Y. and Li Y. (2010) concluded that children are very sensitive customers and need extra care from unfair and deceptive kind of communication from the marketers. In their study, Chaudhari and Marathe (2007) suggested that a comprehensive approach is required which should have voluntary activities, which industries should do to protect the
children.' Regulations and policies should be made by the government to advocate the strategies to bring a stronger voice. Wootan (2003) noted that many children lack the cognitive skills and advertisers exaggerate the claims that they are unable to understand what advertisers are trying to tell them.

**OBJECTIVES**

1. To study pester power of kids for the children of age between 3 years to 12 years.
2. To study the categories of product over which children pressurize their parents to buy.
3. To study the grounds on which parents agree to buy what their kids demand.
4. To study various factors which affect pester power.
5. To find the factor(s) which affect the most to pester power.

**RESEARCH METHODOLOGY**

**Research Design**

The research design was descriptive in nature as this study attempted to find out the various factors which affect pester power.

**Data Collection**

- **Primary Data:** A structured questionnaire was used to collect the primary data. The questionnaire was designed using Google docs and was sent through mail and Facebook to obtain responses.
- **Secondary Data:** Secondary data was collected through Research Journals, Magazines and Internet.

**Sample Design**

- Sample Size: 100 parents.
- Sampling unit: Children of age between 3 to 12 years.
- Sampling Technique: Convenient Sampling technique.

**Hypothesis**

Different factors have been identified by the researcher through the analysis of secondary data. Taking those factors into consideration, further a structured questionnaire was developed and responses were taken. Using
Google forms, the questionnaire was developed and mailed to different respondent via mail and Facebook.

The regression model developed was made by assumption. There are various factors which affect pester power and together affect on pester power is written through multi-regression model as follows:

\[ y_i = \beta_0 + x_{i1}\beta_1 + \cdots + x_{ip}\beta_p + \epsilon_i \]

The researcher has tried to identify if all the factors which were taken in the study have equal effect on pester power or different and following hypothesis has been formulated.

- **H\(_0\)**: All the factors have the equal effect on pester power
  \[ \beta_1 = \beta_2 = \cdots = \beta_p = 0 \]
- **H\(_1\)**: All the factors do not have equal effect on pester power.
  \[ \beta_1 \neq \beta_2 \neq \cdots \neq \beta_p \neq 0 \]

### FINDINGS AND ANALYSIS

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.987</td>
<td>.973</td>
<td>.970</td>
<td>.131</td>
</tr>
</tbody>
</table>

R square value represents goodness of fit for linear regression model developed, and it is the statistical measure of how close data are to be fitted in the regression line.

R Square = Explained/ Total Variation

For this study, the researcher has found that the value adjusted R square is 0.970, which is on the higher side and shows that the linear equation model of regression is accepted to a great extent and all the independent factors, which affect the Pester Power (dependent factor) which are taken in the study have a high correlation.

A total of 97% of the variability of api00 is accounted for the variables taken in the model. In this case, the adjusted R-square indicates that about 97% of the variability of api00 is accounted for by the model even after taking into account the number of predictor variables in the model. The
coefficients for each of the variables indicates the amount of change one could expect in api00 given a one-unit change in the value of that variable, given that all other variables in the model are held constant.

**Table 2**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>57.235</td>
<td>13</td>
<td>4.403</td>
<td>256.067</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>1.565</td>
<td>91</td>
<td>.017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>58.800</td>
<td>104</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By Multiple ANOVA Test the researcher has decided the level of significant as 0.05 for the two tail test.

From the above table, P-value<0.05

0.0 < 0.05

This means we will reject H0 and accept H1.

From the P value, we can infer that there exists a relationship between all the factors taken in the study and pester power.

So researcher can conclude that all the factors do not have equal effect on the pester power.

**Table 3**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.248</td>
<td>.130</td>
<td>1.912</td>
<td>.059</td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>.840</td>
<td>.036</td>
<td>.975</td>
<td>23.509</td>
</tr>
<tr>
<td>demand [want to pamper']</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>.249</td>
<td>.035</td>
<td>.373</td>
<td>7.106</td>
</tr>
<tr>
<td>demand [Out of guilt as both</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the parents are working]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>.709</td>
<td>.049</td>
<td>.958</td>
<td>14.605</td>
</tr>
<tr>
<td>demand [Want to give child the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>best']</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>.390</td>
<td>.035</td>
<td>.625</td>
<td>11.157</td>
</tr>
<tr>
<td>demand [Influence of grand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>parents]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>-1.476</td>
<td>.058</td>
<td>-2.096</td>
<td>-25.503</td>
</tr>
<tr>
<td>demand [Financial Ability]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasons to agree to your kids</td>
<td>1.146</td>
<td>.071</td>
<td>1.768</td>
<td>16.152</td>
</tr>
<tr>
<td>demand [constant nagging]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 3 (Contd.)*...
...Table 3 (Contd.)

| Reasons for using Pester Power by your child [Appearance of their favourite cartoon character on the goodies/ advertisement] | -.007 | .034 | -.010 | -.194 | .846 |
| Reasons for using Pester Power by your child [Television Advertisement] | -.191 | .055 | -.319 | -3.468 | .001 |
| Reasons for using Pester Power by your child [Peer group pressure] | -1.023 | .059 | -1.498 | -17.363 | .000 |
| Reasons for using Pester Power by your child [Celebrity endorsement in the advertisement] | .146 | .042 | .208 | 3.472 | .001 |
| Reasons for using Pester Power by your child [Gifts and Freebies with the product] | .083 | .031 | .145 | 2.670 | .009 |
| Reasons for using Pester Power by your child [Internet and gaming(addresses)] | -.352 | .030 | -.661 | -11.747 | .000 |
| Reasons for using Pester Power by your child [Visit to Supermarket, store chains or Malls] | .534 | .043 | .773 | 12.463 | .000 |

a. Dependent Variable: How often do you agree or your kids force you to buy something?

The beta coefficients have been used by the researcher, to compare the relative strength of the various predictors within the model. Because the beta coefficients are all measured in standard deviations, instead of the units of the variables, they can be compared to one another. In other words, the beta coefficients are the coefficients that you would obtain if the outcome and predictor variables were all transformed to standard scores, also called z-scores, before running the regression.

In this study, 14 independent variables have been taken in the regression model, for almost all the variables the p-value is less than the level of significance which is 0.05, so the factors taken in the study have significant effect on the Pester Power (dependent variable). Following is the tabular interpretation of the same:

Only for the variable “Appearance of their favourite cartoon character on the goodies/ advertisement”, the value of P is 0.846 is which is higher than the significant value (0.05) so, it can be said that effect of this particular variable is not equal to other variables taken in the study and the effect is higher than of all other variables taken in the study.
Through the analyses of the value beta coefficients, it was found that the value of Beta coefficient for the variables:

1. Wants to Pamper 0.975
2. Wants to give the Child best: 0.958
3. Constant Nagging: 1.768
4. Visit to Super market, Store Chains or Malls: 0.773

As the Beta coefficients of above factors is on the higher side, so the effect of above variables on the pester power is significantly higher than those of other factors taken in the study.

CONCLUSION

Analysis of the data leads to the following conclusion:

- Children exert pressure on parents to buy things through various factors such as, wants to pamper the child, visit to supermarkets and malls, working mothers, better purchasing power, advertisement, cartoon endorsements, pressure from grandparents, but the most impactful ones are constant nagging, peer group pressure, visit to supermarket or malls and wants to give child the best are the most impactful.

- Children living in joint families tend to nag more for buying things, as the pressure of grandparents make parents what their children force them to buy.

- Friend circle, peer pressure is one of the most important reasons for parents to agree to the demand of children.

- As both the parents are working, they tend to agree to kids demand to pamper the child as a compensation for not being able to spend sufficient time with their children. Another reason could be the increase in purchasing power of parents.

Kids are keen observers, ever experimenting, do not take anything for granted and want to learn while having fun. There is no stickiness, no brand loyalty, ultimate materialism and consumerism in synchronization with the latest trends and fads. Kids are wanton, inexperienced, naïve and easily gullible, but, a very important set of consumers. Catching them young for product categories not actually meant for them is an act of irresponsible marketing. In no case should the children be made a target of reckless consumption and materialism.
REFERENCES

Sustainable Development in Higher Education Sector: A Gateway to Secure the Future

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Abstract—Education for sustainable development (ESD) is an important concept. It encourages people to get on par with the issues related to planetary sustainability, taking effective decision and acting on them. It also provides better vision for rational solutions, empower people and helps in critical and systematic thinking. The present paper studies the role of sustainable development process in higher education arena, growth and performance of higher education institutions and also examines the ESD based learning used for faculty members. The results indicate that higher education sector has witnessed a tremendous expansion in recent years. Attempts have also been made to suggest some measures to enhance the use of sustainable development mechanism in higher education sector in India.

Keywords: Education for Sustainable Development (ESD), Higher Education Sector, Institutions, India

INTRODUCTION

Education is the backbone of any nation. For developing nation like India, it is the fundamental requirement for achieving an inclusive and sustainable development. Education is provided to the students in the different academic level at various types of institutes; the different levels of Indian education system are elementary, secondary, senior secondary, higher and many others. Amongst all, higher education is specifically important as it helps in developing a raw student as a skilled human resource.

India’s higher education system is the third largest in the world (at the top is America and next to it is China). The main governing body for the enforcement of higher education is the University Grant Commission (UGC). It maintains standards, provides timely advises and works as coordinator between centre and state government. Accreditations for higher education sector is looked after by 12 autonomous institutions which are established by UGC (Wikipedia Contributors, Higher Education in India).

Both the qualitative and quantitative dimensions of Indian higher education sector are showing remarkable progress as nearly 20,000 colleges and around 8 million students have been added from the session 2000-01 to
2010-11. ‘As of 2011, the nation has 42 central universities, 275 state universities, 130 deemed universities, 90 private universities and many other institutes (such as government degree college, private degree college, women’s college) of national importance’ (Kaur & Mathur, 2015).

In India, some institutes like Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), University of Delhi, University of Mumbai and Jawaharlal Nehru University are the prestigious institutions which are also renowned at the international level for their standardized education. Distance learning and open education is also a part of Indian higher system which is managed by the Distance Education Council. Indira Gandhi National Open University (IGNOU) is the world largest university in terms of student numbers.

The concept of sustainable development has strong connection with the higher education sector. Sustainable development is basically the process to satisfy the needs of present without compromising the ability of future generations to fulfil theirs (Brundtland Report, 1987). It can also be regarded as the logical or rational management of human, natural, economic, environmental and social resources so that the essential requirements of humanity can be served uncompromisingly for the very long term.

The importance of sustainable development was firstly underlined by the Brundtland Commission (1987). It emphasized that although development is necessary to achieve the requirements of humans but at the same time, it must happen without snatching the opportunity of coming generations to meet their present and future needs (Elaine Nevin, 2008). At first, it was limited to the earth’s capacity to regenerate but since 2002, it has encompassed some new principles such as social justice, education, poverty eradication and others.

‘Sustainability education’, ‘Education for Sustainability’ and ‘Education for Sustainable Development (ESD)’ are interconnected terms which points towards the practice of teaching for sustainability. ESD as an effective strategy was acknowledged firstly by the United Nations and Agenda 21 was the first international document that recognized the education as an essential tool to achieve sustainable development. For the successful implementation of ESD, there are some requirement such as give equal importance to the learning process and the outputs of the education process (Wikipedia Contributors. Education for Sustainable Development).
SUSTAINABLE DEVELOPMENT IN HIGHER EDUCATION SECTOR: A GATEWAY TO SECURE THE FUTURE

REVIEW OF LITERATURE

Johannesburg World Summit of Sustainable Development (WSSD, 2002) redefined the vision of sustainable development and also restructured the educational objectives of the Millennium Development Goals (MDG) (United Nations Report, 2002).

National Knowledge Commission Report, 2006 pointed out that ‘the existing framework of Indian higher education sector does not foster accountability; rather, it constrains the supply of quality institutions and it does not foster innovation or creativity in the students. At the same time, the quantitative dimensions of the institutions are also over-regulated and under-governed.

According to the Team Lease Report, the main challenges of higher education system are low college enrolment, vacant faculty positions, lack of flexibility, employability crisis and others.

Judsonit Das mentioned that lack of access to education and low standard of education are the main challenges for employability.

Twelfth Five Year Plan (2012–2017) suggested that Indian higher education system can scale up to new heights only by creating competition on transparent and fair basis. Other suggestions include deregulating higher education; strengthening public-private partnership models, legitimate distance education.

OBJECTIVES

The main objectives of the present study are as follows:

- To study the role of education in achieving sustainable development
- To evaluate the growth of higher education sector in recent years
- To examine the performance of higher education institutions
- To study the ESD based learning used for faculty members
- To suggest some measures to enhance the sustainable development in higher education sector in India

RESEARCH METHODOLOGY

The study is mainly based on secondary data which has been collected from the various documents, reports, magazines, journals, internet and other
sources. For analyzing the data, simple statistical method i.e. descriptive and analytical method is used.

**RESULTS**

**Role of Education in Sustainable Development**

Indeed, education has impeccable role to play in delivering knowledge, values and skills to the humans so that they come to value the nature as it serves their livelihood. Standardized education is essential for achieving a more sustainable world. This was also pointed out at the UN World Summit in Johannesburg, 2002 where the revision of present education system was emphasized as a basic step to achieve sustainable development.

ESD promotes the skills, understanding, values, knowledge and actions required to build a sustainable world. Moreover, it tries to ensure environment protection, conservation of water and wildlife, promotes equity and also encourages economic sustainability. It aims to teach the inherent values required for sustainable development into all aspects and at all levels of learning. ESD involves different stakeholders such as government, private sector, civil society, non-governmental organizations and common masses. UN General Assembly had adopted the decade 2005-2014 as the United Nations Decade of Education for Sustainable Development (DESD). It specifically considers the following aspects:

- To advance the attainment of academic vision and goals through the use of ESD
- To explore the opportunities for collaboration within and across different sectors
- To facilitate the higher education sector as a gateway to future

**Growth of Higher Education Sector in Recent Years**

Higher education institutions have witnessed major expansion in recent years. In 1947, there were only 20 universities and 500 colleges in the independent India with 210,000 enrolled students. In the academic year, 2011-12, the numbers have gone to 659 universities, 33,023 colleges and 25.9 million students. This growth was possible mainly because of government efforts to raise the education at all levels of nation. The Indian government has targeted to increase the current Gross Enrollment Ratio (GER) from 15% to 30% by 2020.
But the harsh reality is that, in many parts of the country, almost two-thirds of the universities and colleges are rated as below average on quality parameters. And the enrollment ratio is also abysmally low. The study has found that very low per capita is used on higher education in India.

**Performance of Higher Education Institutions**

Some higher education institutions like IITs, IIM are performing remarkably well and they are far beyond excellence. But the situation is not the same for every institute. Driven by profit-oriented thinking and opportunistic zeal, many institutions have started taking the advantage of lax regulatory environment. Many universities and colleges are developing sophisticated financial methods to raise more profits. These institutes also offer ‘degrees’ which are not approved by the appropriate authorities. Lack of transparency, complex and nasty procedure to get admission also contribute to bad performance of some higher institutes.

**ESD Based Learning Used for Faculty Members**

For this purpose, opportunity for refining and better vision and transition to sustainable development has been provided to the faculty of higher education institutes. The main focus is given to enhance the sustainable development related learning and awareness. Various forms of training are provided to teachers at different intervals to promote the importance of ESD amongst them. The main aims of ESD learning for faculty members are as follows:

- Facilitate network linkages, exchanges and interaction
- Foster better quality of teaching and learning
- Help in making progress towards and attain the educational goals through ESD efforts
- Provide new opportunities to use ESD into education reform efforts

**CONCLUSION**

Education for Sustainable development (ESD) is the outcome of a set of transformations in education sector where the appropriate development of human resource, type of learning method, orientation of technological and institutional modifications are emphasized to be in harmony with the present and future needs of human society. The financial advancement, innovative use of information and communication technology (ICT), regulatory reforms, more emphasize on vocational education and training (VET) are the critical areas of Indian higher education sector.
The study has indicated that there is huge obsession with capacity creation in institutions but on ground reality, more pressure should be given to the quality capacity. There is also a need to revise the teaching curriculum as per the latest requirement of employment growing demands.

**SUGGESTIONS/ RECOMMENDATIONS**

To improve the ESD in higher education sector, some suggestive measures are as follows:

- Focus should be on learning and educational dimensions of sustainable development
- Provides innovative solutions to the educational problems
- Create sustainable effect of the activities
- Build potential for replication
- Be responsible to present and future needs
- Foster environmental responsibility, economic capacity and social solidarity of the people
- Incorporating ESD in all areas of education sector

**REFERENCES**


Abstract—The purpose of the study is to find out and evaluate the grievances and industrial relations among the workers and the management team in the ready-made garment industry of Bangladesh with special reference to Falcon Group Limited. The study has used both primary and secondary data and information. For gathering primary data and information, depth interviews have been conducted on 45 workers with 5-10 years’ long working experiences selected from 9 operating sections of Falcon Group Limited through convenience sampling. Different published books, research articles published in different journals, periodicals and conference proceedings, working papers, newspapers, websites of different organizations and annual reports of Falcon Group Limited and Bangladesh Garment Manufacturers & Exporters Association (BGMEA) have been reviewed and analyzed for collecting secondary data and information. The study has found out that conflicts among the workers and the management team occur over time as a vulnerable crisis in the ready-made garment industry of Bangladesh where as a member of this industry, Falcon Group Limited always tries to manage and overcome any unrest situation for maintaining harmonious and peaceful industrial relations like other few reputed garment manufacturing companies of the country. The study has also identified lack of educated and skilled workers, lack of safe and healthy working environment, lack of proper managerial knowledge, gender discrimination among workers, low wage rate, irregularities in payment of wages, lack of discussion opportunity with management, lack of compliance, long working hours, harassment, International conspiracy and political intervention, mistreatment with workers etc. as the major causes of grievances or labor unrest in this sector. Considering these causes, the study has also provided some policy recommendations to overcome the problems of labor unrest so that harmonious and peaceful industrial relations can be ensured in the garment sector. Therefore, the study will contribute in the garment sector as well as the economy of Bangladesh and add value to the policymakers of government and partner organizations, researchers, academicians, students and practitioners of the respective field of study.

Keywords: Conflict, Gender Discrimination, Grievance, Peaceful Industrial Relations, Labor Unrest, Low Wage, Ready-made Garment Industry
INTRODUCTION

Ready-made garment (RMG) industry is one of the most labor-intensive sectors in the world. The industry is the leading sector of Bangladesh in terms of labor-intensive employment due to very less use of technology, production and earning of foreign exchange. The sector has started its modest journey in late 1970s and enjoyed a meteoric rise from 30 factories in 1980 increased to 4,222 in 2013-14 (Table 2). This is the only single sector that alone earns about 80% of yearly foreign exchange of the country. The growth rate of export of this industry was over 20% per year over the last two decades. Its contribution to GDP reaches 13% in fiscal year 2009-2010. In 2010-2011, RMG industry earned $17,914.46 million i.e. 78.15% of the total export ($22,924.38 million) of the country (Table 1).

<table>
<thead>
<tr>
<th>Year</th>
<th>Export of RMG (In Million US Dollar)</th>
<th>Total Export of Bangladesh (In Million US Dollar)</th>
<th>% of RMG’s Export to Total Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-1997</td>
<td>3011.25</td>
<td>4418.28</td>
<td>67.93</td>
</tr>
<tr>
<td>1997-1998</td>
<td>3781.94</td>
<td>5161.20</td>
<td>73.28</td>
</tr>
<tr>
<td>1998-1999</td>
<td>4019.58</td>
<td>5312.86</td>
<td>75.67</td>
</tr>
<tr>
<td>1999-2000</td>
<td>4349.41</td>
<td>5752.20</td>
<td>75.61</td>
</tr>
<tr>
<td>2000-2001</td>
<td>4859.83</td>
<td>6467.30</td>
<td>75.14</td>
</tr>
<tr>
<td>2001-2002</td>
<td>4583.75</td>
<td>5986.09</td>
<td>76.57</td>
</tr>
<tr>
<td>2002-2003</td>
<td>4912.09</td>
<td>6548.44</td>
<td>75.01</td>
</tr>
<tr>
<td>2003-2004</td>
<td>5686.09</td>
<td>7602.99</td>
<td>74.79</td>
</tr>
<tr>
<td>2004-2005</td>
<td>6417.67</td>
<td>8654.52</td>
<td>74.15</td>
</tr>
<tr>
<td>2005-2006</td>
<td>7900.80</td>
<td>10526.16</td>
<td>75.06</td>
</tr>
<tr>
<td>2006-2007</td>
<td>9211.23</td>
<td>12177.86</td>
<td>75.64</td>
</tr>
<tr>
<td>2007-2008</td>
<td>10699.80</td>
<td>14110.80</td>
<td>75.83</td>
</tr>
<tr>
<td>2008-2009</td>
<td>12347.77</td>
<td>15565.19</td>
<td>79.33</td>
</tr>
<tr>
<td>2009-2010</td>
<td>12946.72</td>
<td>16204.65</td>
<td>77.12</td>
</tr>
<tr>
<td>2010-2011</td>
<td>17914.46</td>
<td>22924.38</td>
<td>78.15</td>
</tr>
</tbody>
</table>

Source: Export Promotion Bureau Compiled by BGMEA.

Since independence of Bangladesh in 1971, no single sector could accelerate the industrialization process in the country as the ready-made garment sector could do (Islam et al., 2014). This industry is the backbone of the export economy of the country, which in turn is supported by more than 3.5 million workers. Most of them are uneducated & unskilled and about 80% of them are women (Islam et al., 2014, p. 52). Moreover, a large number of young girls are working in the ready-made garment sector of Bangladesh in the recent years (Heath and Mobarak, 2012). In 2013-2014, about 4.0 million people are employed in the garment sector. According to Bangladesh Garment Manufacturers & Exporters Association (BGMEA)
(2013), out of 4.0 million workers (Table 2) employed in BGMEA member factories, 3.20 million workers are women (80%), majorities of them are disadvantaged and economically poverty stricken rural unemployed and illiterate women. The growth of the ready-made garment industry of Bangladesh in terms of number of factories and employment generation is shown in the following Table 2.

**Table 2: Growth and Employment of Ready-Made Garment Industry of Bangladesh**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Garment Factories</th>
<th>Employment of Workers (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983–1984</td>
<td>134</td>
<td>0.040</td>
</tr>
<tr>
<td>1984–1985</td>
<td>384</td>
<td>0.115</td>
</tr>
<tr>
<td>1985–1986</td>
<td>594</td>
<td>0.198</td>
</tr>
<tr>
<td>1986–1987</td>
<td>629</td>
<td>0.283</td>
</tr>
<tr>
<td>1987–1988</td>
<td>685</td>
<td>0.306</td>
</tr>
<tr>
<td>1988–1989</td>
<td>725</td>
<td>0.317</td>
</tr>
<tr>
<td>1989–1990</td>
<td>759</td>
<td>0.335</td>
</tr>
<tr>
<td>1990–1991</td>
<td>834</td>
<td>0.402</td>
</tr>
<tr>
<td>1991–1992</td>
<td>1163</td>
<td>0.582</td>
</tr>
<tr>
<td>1992–1993</td>
<td>1537</td>
<td>0.804</td>
</tr>
<tr>
<td>1993–1994</td>
<td>1839</td>
<td>0.827</td>
</tr>
<tr>
<td>1994–1995</td>
<td>2182</td>
<td>1.200</td>
</tr>
<tr>
<td>1995–1996</td>
<td>2353</td>
<td>1.290</td>
</tr>
<tr>
<td>1996–1997</td>
<td>2503</td>
<td>1.300</td>
</tr>
<tr>
<td>1997–1998</td>
<td>2726</td>
<td>1.500</td>
</tr>
<tr>
<td>1998–1999</td>
<td>2963</td>
<td>1.500</td>
</tr>
<tr>
<td>1999–2000</td>
<td>3200</td>
<td>1.600</td>
</tr>
<tr>
<td>2000–2001</td>
<td>3480</td>
<td>1.800</td>
</tr>
<tr>
<td>2001–2002</td>
<td>3618</td>
<td>1.800</td>
</tr>
<tr>
<td>2002–2003</td>
<td>3760</td>
<td>2.000</td>
</tr>
<tr>
<td>2003–2004</td>
<td>3957</td>
<td>2.000</td>
</tr>
<tr>
<td>2004–2005</td>
<td>4107</td>
<td>2.000</td>
</tr>
<tr>
<td>2005–2006</td>
<td>4220</td>
<td>2.200</td>
</tr>
<tr>
<td>2006–2007</td>
<td>4490</td>
<td>2.400</td>
</tr>
<tr>
<td>2007–2008</td>
<td>4743</td>
<td>2.800</td>
</tr>
<tr>
<td>2008–2009</td>
<td>4925</td>
<td>3.500</td>
</tr>
<tr>
<td>2009–2010</td>
<td>5063</td>
<td>3.600</td>
</tr>
<tr>
<td>2010–2011</td>
<td>5150</td>
<td>3.600</td>
</tr>
<tr>
<td>2011–2012</td>
<td>5700</td>
<td>4.000</td>
</tr>
<tr>
<td>2012–2013</td>
<td>5876</td>
<td>4.000</td>
</tr>
<tr>
<td>2013–2014</td>
<td>4222</td>
<td>4.000</td>
</tr>
</tbody>
</table>


To a creditable level, the garment industry has created the opportunity to relieve the country from the burden of over populous unemployment and at the same time to contribute to the empowerment of women (Islam et al., 2014, p. 52) and thus radically uplifting and transforming the
The present competitive strength of garment manufacturing companies in Bangladesh is essentially emanated from the availability of extremely cheap labor force and their efficiency (Bhattacharya, 1996). Buyers of ready-made garments are highly interested to buy the products from Bangladesh due to low rate of labor cost and as a result, Bangladesh is well in position and compared favorably with other Asian countries in terms of labor cost and the products are also highly demanded by the international markets due to workers’ efficiency (Ahmed et al., 2013). The per hour labor cost in Bangladesh is $0.25, compared to $0.34 in Indonesia, $0.34 in Pakistan, $0.46 in Sri Lanka, $0.48 in China and $0.57 in India (Khan, 2008).

But in the recent years, the ready-made garment sector is under the threat of continuous grievances or labor unrest in Bangladesh. Workers are unhappy with their wages and the working environments of the factories. The issue of grievance or labor unrest is not only related to workers’ wages but also related to other non-wage issues such as, high overtime work, lack of leisure and holidays, overall working environment etc. (Ahmed et al., 2013). As an important part of the garment industry, workers deserve to get higher consideration by the owners of the garment factories. But unfortunately, the owners often do not take their matters into priority resulted in the grievances or labor unrest situations in Bangladesh over time. In the light of these situations, this industrial sector of Bangladesh has been generously considered for the present study focusing the possible issues or causes of grievances or labor unrest and their substantial effects on building and retaining the harmonious and peaceful industrial relations among the members of the organizations including Falcon Group Limited.

**REVIEW OF LITERATURE**

As the ready-made garment industry is a leading sector in Bangladesh economy, grievance or labor unrest is a burning issue at present to hamper the building and retaining harmonious and peaceful industrial relations. As a result, for the purposes of the study, a number of literatures collected from available books, reports, articles, newspapers and publications of different organizations have been reviewed in this regard.
Opatha (1994) has defined grievance as any discontent or dissatisfaction arising from feeling or a belief of injustice felt by a worker or a group of workers in connection with the work place and the working environment. As a result, research evidence has showed that grievance settlement contributes to the quality of labor management relations climate within the work place (Ichniowski and Lewin, 1987; Peterson and Lewin, 2000). However, an efficient and responsive grievance settlement system handles complaints of workers and ensures decisions for resolving grievances that are made in timely manner (Nurse and Devonish, 2007).

Nurse and Devonish (2007) have also described six major characteristics namely: existence of adequate opportunities for raising complaints, fair handling of complaints of workers, timeliness of grievance/complaint handling, timeliness of grievance resolution, adequate stages of the grievance management process and adequate procedures for handling complaints of workers which are deemed important for effective grievance management systems.

Opatha (2005) has defined labor-management relationship as the perceived degree of how well labor unions and managers in an organization feel and behave towards each other.

Merriam Webster Dictionary (2015) has defined industrial relations as the relationship or dealings of a large scale business or industrial firm with its own workers, with governmental agencies, or with the public. (http://www.merriam-webster.com/dictionary/industrial%20relations).

According to the www.leoisac.com, a website for sports administrators and students, industrial relation is the study of the laws, conventions and institutions which regulate or operate the work place and the working environment. Industrial relation has various meanings to various people. The following Table 3 depicts how industrial relation designs working life, society and the economy of a country. (http://www.leoisac.com/hrm/indrel01.htm)

**Table 3: Industrial Relations from Worker’s, Employer’s, Societal and Government Perspectives**

<table>
<thead>
<tr>
<th>Worker’s Perspective</th>
<th>Employer’s Perspective</th>
<th>Societal Perspective</th>
<th>Government Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better Pay</td>
<td>Productivity</td>
<td>Living Wage</td>
<td>Competitiveness of Industry</td>
</tr>
<tr>
<td>Work Place Safety</td>
<td>Flexibility of Work Force</td>
<td>Equality of Opportunity</td>
<td>Reducing Unemployed</td>
</tr>
<tr>
<td>Job Security</td>
<td>Employment Laws</td>
<td>Work-Life Balance</td>
<td>Globalization</td>
</tr>
<tr>
<td>Training</td>
<td>Managing Industrial conflict</td>
<td>Rights of the Individual</td>
<td>Controlling the Economy</td>
</tr>
</tbody>
</table>

Source: http://www.leoisac.com/hrm/indrel01.htm
However, according to Kaufman (2008), "To a large degree, most of the scholars regard trade unionism, collective bargaining, labor-management relations and the labor policy and labor law of a country within which they are embedded, as the core subjects of the field."

Islam et al. (2014, p. 52) have identified in their study that the ready-made garment industry has been playing a vital role in the socioeconomic development of Bangladesh. But this industry is facing a number of major problems. Among them, conflict between owners and workers, grievances or labor unrest, poor infrastructure and port facility, shortage of electricity and gas, advancing competitors in the quota free international market, lead time complexities, national and international conspiracy are posing a great threat to its survival. In the recent years, grievances or labor unrest in the ready-made garment sector has been a matter of serious concern.

In his book titled “The Readymade Garment Industry of Bangladesh”, Siddiqi (2004) has analyzed the importance of ready-made garment industry in the national economy of Bangladesh. He has also mentioned that the ready-made garment industry has become so important that the future of the economy of Bangladesh is greatly dependent on this single sector. As a result, any kind of slow down in the garment sector will slow down the economic progress of the country. Furthermore, he has analyzed the strengths and weaknesses of ready-made garment industry of Bangladesh and recommended how to ensure its better future in the context of changing global apparel business. But in his study, he has not analyzed issues of labor unrest in this sector.

Ali (2010) has observed the adverse effects of labor unrest in the national economy of Bangladesh. He has described that ownership of about 40 large scale garment enterprises has already been handed over to the foreigners and ownership of about 100 garment enterprises is under process of handing over during the last one year. Intensive supervisions of high officials of garment enterprises are responsible for widening the gap between the owners and the workers.

Majumder and Begum (2006) have identified the gender differentiated socio-economic impacts in the export oriented garment industry of Bangladesh in their study.

Khatun and Moazzem (2007) have suggested a number of factors that are needed to be considered while fixing the minimum wage of industrial workers. These are as follows:
GRIEVANCES AND INDUSTRIAL RELATIONS IN THE READY-MADE GARMENT INDUSTRY

a. Minimum requirement of workers for their decent living,
b. Capacity of enterprise’s to adjust with the additional cost originating from the rise in wage,
c. Consideration of the wage structure of similar kinds of industrial sectors, and
d. Adjustment of the wage with the economic development of the country.

Rahman et al. (2008) has conducted a research titled “Bangladesh Apparel Sector in Post-MFA Era: A Study on the Ongoing Restructuring Process”. The study has found out that there is a necessity for a continuing dialogue and negotiation between workers and management for changing employment composition and new kinds of demands. The study has suggested that management of ready-made garment factories should take necessary and prompt steps in case of any misconduct with workers is reported. However, proper mechanism for placement and complaint of any worker at factory level should be addressed to resolve as early as possible. As a result, ready-made garment factories, in a position to do so, should appoint a ‘grievance officer’ to deal mistreatment with any worker at factory level immediately. Employee-employer relation in this industry is likely to become crucially important in near future and ready-made garment factories must accord due attention to this.

Shahiduzzaman (2010) has mentioned that in absence of an appropriate formal channel to air grievances and seek redress, the only avenues open to the ready-made garment workers are street protest, picketing, or gherao of a manager’s office or a factory. However, most of the garment factories do not follow the labor law and ILO conventions. The Labor Act, 2006 clearly stipulates that the wages of a worker must be paid within seven workings days of the completion of the stipulated wage period. But this is not followed in practice. In addition, some of the garment factories do not provide appointment letters, identity cards and do not maintain service books for the workers.

Umar (2010) has explained that low wage and sub-standard living condition are major causes of grievances or labor unrest in the ready-made garment industry of Bangladesh. He has further identified that workers’ lack of feeling of ownership is another cause of grievance or labor unrest in this sector. Workers are valued only for their work but their job is not secure, and they have no right to say anything in any matter.
Therefore, the present study can identify the extent of gender discrimination, working environment, wage, working hours, harassment, managerial knowledge, international conspiracy & political intervention, mistreatment with workers, owner-worker relations, standard of living and socio-economic condition of the garment factory workers especially the women workers who are the major issue in the field of ready-made garment industry of Bangladesh though causes of grievances or labor unrest and their impact on national economy have already been focused in many studies of the world in different perspectives.

**OBJECTIVES OF THE STUDY**

The broad objective of the study is to find out and evaluate the overall grievances and industrial relations among the workers and owners i.e. the management team in the ready-made garment industry of Bangladesh with special reference to Falcon Group Limited.

In the light of the broad objective, the specific objectives of the study are as follows:

1. To know about Falcon Group Limited with its vision and mission as one of the firms in the ready-made garment industry of Bangladesh so that industrial relations in this industry can be identified and analyzed.

2. To find out the reasons or causes of grievances or labor unrest which hamper the harmonious and peaceful industrial relations among the workers and the owners in the ready-made garment industry of Bangladesh.

3. To recommend possible suggestions to manage and overcome grievances or labor unrest situations and to maintain harmonious and peaceful industrial relations in the ready-made garment industry of Bangladesh.

**METHODOLOGY OF THE STUDY**

The study is exploratory in nature. For the purposes of the study, both primary and secondary data and information have been collected and analyzed. Primary data and information have been collected from 45 workers as individual respondents who are working in Falcon Group Limited. 45 respondents consist of 5 factory workers selected through convenience sampling from each of the 9 operating sections namely i) fabric dyeing section, ii) fabric finishing section, iii) sewing section, iv) finishing section, v)
cutting section, vi) printing section, vii) embroidery section, viii) washing section and ix) utility section of Falcon Group Limited (http://falcongroup-bd.com/index.php/profile/machinery-list). The respondents have 5-10 years’ long working experiences in various garment factories including Falcon Group Limited.

In order to uncover underlying motivations, beliefs, attitudes and feelings of the workers on the issues, depth interview as an unstructured, direct, one-on-one basis personal interview in which a single respondent is probed from 30 minutes to one hour on an average has been conducted (Malhotra and Das, 2011, p. 149). Due to probing 16 different sensitive wage and non-wage issues (Table 5) have been identified and listed earlier reviewing literatures as possible causes of grievances or labor unrest that may hamper harmonious and peaceful industrial relations in the ready-made garment industry of Bangladesh. During interview session, those issues have been raised and discussed with the respondents to get their opinions and suggestions in the present context of the RMG industry of Bangladesh. Five point Likert scale has also been used to get the opinions of the respondents on those concerned issues. However, before conducting depth interviews, proper assurances have been given to the respondents that their identities will be kept strictly confidential and their given data and information will be used for academic study purpose only. Otherwise, they may fall into any mislead, vulnerable, unsecured and/or even unpredictable life threat condition.

In collection of data and information, a group of MBA students of “Industrial Relations” course has been utilized. They have been given adequate training with the questions of the unstructured questionnaire and supervised closely so that they can conduct depth interview with the selected garment workers properly to collect data and information for this study. After collection of data, incomplete, and biased, or abnormally answered data have been discarded through a thorough scrutinizing process. As a result, only necessary, reliable and valid data and information have been considered for the findings and analysis of the study after compiling and cleaning the gathered answers including opinions and suggestions of the respondents carefully using the skill, knowledge and own judgment of the researcher. The overall reasons for or causes of grievances or labor unrest in the ready-made garment industry of Bangladesh have been defined and explained by the personal and socioeconomic status of the workers.

The secondary data and information have been gathered reviewing and analyzing literatures and findings from different published books, articles published in different journals, periodicals and conference proceedings, working papers, newspapers, websites of different organizations and annual reports of Falcon Group Limited and Bangladesh Garment Manufacturers & Exporters Association (BGMEA).
Researcher’s observations to the work place and the working environment have also been considered for identifying and analyzing the overall reasons for grievances or labor unrest situations that hamper the harmonious and peaceful industrial relations among the workers and the owners of the ready-made garment industry of Bangladesh in the recent years.

**LIMITATIONS OF THE STUDY AND OPPORTUNITIES FOR FUTURE RESEARCH**

The existing literatures and refereed publications regarding industrial relations of the garment industry in the context of Bangladesh are not properly available due to the dearth of expertise in the relevant field of study. As a result, this study is not out of some limitations. Since the study concentrates only on handful organization, the results of the study may not provide the accurate and total picture with generalization of all organizations in the ready-made garment industry of Bangladesh. However, since the study is mainly based on primary data, there is a possibility of getting fake information from the respondents though only relevant and authentic information have been considered for the study through the judgment of the researcher. If the respondents provide any fabricated information about reasons for grievances or labor unrest and industrial relations of the garment industry of Bangladesh, the findings of the study may be erroneous. The respondents had no interest to provide information willingly through structured questionnaire disclosing their identities to others. As a result, unstructured questionnaire was used, and assurances were given to them that their identities will be kept strictly confidential and their given data and information and findings of the study will be used for academic purpose only.

However, due to time and monetary constraints, it was impossible to collect more sufficient and comprehensive data and information for preparing this paper. Having done this qualitative study, no descriptive and inferential statistical tools have been used for analyzing the data and information in this study.

In spite of these limitations, in near future, there is a wide opportunity to conduct quantitative research using large sample size through both descriptive and inferential statistical analysis. Descriptive statistics like mean, standard deviation, simple percentages can be used to analyze the present situation of the ready-made garment factories of Bangladesh. Inferential statistics like Factor Analysis (FA) can be used to separate the factors related to the unrest and dissatisfactions of the ready-made garment
workers of Bangladesh. Multiple Regression Analysis (MRA) can also be used to identify the significant factors from the factors that will be identified through factor analysis. As a result, having so ample scope of the study, it requires conducting more comprehensive and in depth study in future.

**FINDINGS AND ANALYSIS OF THE STUDY**

Ready-made garment factories provide employment to 40% of industrial workers in Bangladesh. But without the proper implementation of laws the workers are demanding their various wants. As a result, conflicts occur among the workers and the management team over time. The respondents have opined regarding the reasons for grievances or labor unrest that affect negatively on industrial relations in the RMG industry of Bangladesh, though they have opined positively about the industrial relations practices of Falcon Group Limited in the uncontrollable macro socioeconomic perspective of the country. Falcon Group Limited always tries to address and resolve any grievance timely for developing harmonious and productive industrial relations like other few reputed garment companies in Bangladesh. The overall findings and analysis of the study are as follows:

**Overview of Falcon Group**

*Falcon Group*, a prominent name in the garment industry of Bangladesh, has started its journey in 1988. As a first affiliate of Falcon Group, the production of *Falcon International* has begun with only 50 sewing machines. After that, the reputation of the organization has been gradually increased in the apparel sector. (http://falcongroup-bd.com/index.php/2011-10-05-19-35-26/history).

Gradually Falcon has full-fledged into a group because of its increasing clients and market status. *Falcon International Knit Composite*, the second member of Falcon Group, has been founded in 2000 and instantaneously has become a significant production facility of the group. *Falcon International Apparel’s Print*, a superlative name, has been set up by Falcon Group in 2001 to maintain its most up-to-date fashions. As an additional unit, *Falcon International Embroidery* has come to play in the same year. Both of these units have put in an additional importance to their products and made an excellent liaison with their fashion conscious clients. Furthermore, with a larger ground and high production capability, *ABC Knit Dyeing & Finishing Mills Ltd.* has been established in 2005. *Faithco*, a buying house, has started its business in 2006 on the basis of extra demands from customers. (http://falcongroup-bd.com/index.php/2011-10-05-19-35-26/history).
Vision of Falcon Group

The main vision of Falcon Group Limited is to provide the best service with quality product. With a slogan of ‘from yarn to the ultimate garment’ Falcon Group Limited is developing step by step through its honesty, integrity and hard work. Till to date, the top management intensively supervises and keeps in contact with the production, merchandising and sourcing, which often comes handy for their buyers. The communication with buyers is strongly maintained by Falcon Group Limited that develops as strong bond of commitment, reliance and trust. (http://falcongroup-bd.com/index.php/2011-10-05-19-35-26/vision).

Mission of Falcon Group

From 1988 till today, Falcon Group Limited always expands itself. Falcon group Limited offers a proficient production facility, even for smaller volume orders which attached an overall efficiency to serve both volume customers and upper class buyers. The products of Falcon Group Limited are exported in various countries of the world such as Canada, Finland, France, Germany, Italy, Japan, Norway, Sweden and UK. The production management of the Falcon Group Limited is ISO 9001:2000 certified and its fabrics quality is Oeko-Tex certified. Its production has been increased along with its experience day by day. The organization always provides priority to hard work perseverance that brings it today in this admirable and stable position of the garment industry of Bangladesh. (http://falcongroup-bd.com/index.php/2011-10-05-19-35-26/mission).

<table>
<thead>
<tr>
<th>Table 4: Company Profile of Falcon Group Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Company Name: Falcon Group Limited</td>
</tr>
<tr>
<td>2. Address: Plot # 2/1, Road # 7, Block-A, Nobodoy Housing Society, Adabor, Mohammadpur, Dhaka-1207, Bangladesh.</td>
</tr>
<tr>
<td>3. Managing Director: Mr. Mahtab Uddin Ahmed Chowdhury</td>
</tr>
<tr>
<td>4. Director &amp; CEO: Mr. Md. Fakhrul Islam</td>
</tr>
<tr>
<td>5. Nature of Business: Completely 100% export oriented knitwear manufacturing &amp; exporting company. Also have the permission to import materials related with export.</td>
</tr>
<tr>
<td>6. Year of Establishment: 1988</td>
</tr>
<tr>
<td>7. Annual Export Turnover: USD 24.00 million</td>
</tr>
<tr>
<td>8. Manpower: 1800</td>
</tr>
</tbody>
</table>

Table 4 (Contd.)...
Concerns of Falcon Group Limited at a Glance

1. **Falcon International**: This is a unit of cutting, sewing, finishing, packing and exporting knitwear. This unit is a 100% export orientated knitwear manufacturer.

2. **Falcon International Knit Composite**: This is a unit of knitting, dyeing, finished fabrics, cutting, sewing, finishing, packing and exporting knitwear. This unit has a well equipped sample making department with experts providing faster samples on demand of valued clients.

3. **Falcon International Apparel’s Print**: This unit is available with latest model of curing, flock machine, stone fixing machine, design and screen developing machine etc. Its capacity is 20,000 pieces per day.

4. **Falcon International Embroidery**: This unit has 3 sets of 20 heads with 9 colors machines for supporting own production.

5. **ABC Knit Dyeing & Finishing Mills Ltd.**: This is a unit of complete set up for fabrics knitting, dyeing, finished fabrics, cutting, sewing, finishing, packing and knitwear manufacturing with export facility under one roof. There is also a modern variety of garment washing section namely **ABC Washing Unit** under this unit equipped with latest machineries for pigment dye, tie-dyed, dip-dye, acid-wash and all types of garment wash.
6. Faithco: This unit is a buying agent working on behalf of reputed buyers.


**Causes of Grievances or Labor Unrest that hamper to Build and Retain Harmonious and Peaceful Industrial Relations in the Ready-made Garment Industry of Bangladesh**

The study has found out various reasons for or causes of grievances or labor unrest that hamper to build and sustain long run harmonious and peaceful industrial relations among the workers and the owners in the ready-made garment industry of Bangladesh. These are analyzed below:

The garment industry of Bangladesh has been the key export division and a main source of foreign exchange for the last 25 years. Garment factories in Bangladesh provide employment to 40% of industrial workers. Bangladesh Labor Code is not applied properly in the EPZs. But without the proper application of labor laws the workers are demanding their various wants and as a result, conflicts among the workers and the employers begin within the industry.

**Table 5: Causes of Grievances in the Ready-made Garment Industry of Bangladesh**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Issues/Causes of Grievances</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of educated and skilled workers</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>5 (11%)</td>
<td>40 (89%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>2</td>
<td>Lack of safe and healthy working environment</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>10 (22%)</td>
<td>35 (78%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>3</td>
<td>Lack of proper managerial knowledge</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>9 (20%)</td>
<td>36 (80%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>4</td>
<td>Gender discrimination among workers</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>5 (11%)</td>
<td>40 (89%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>5</td>
<td>Minimum wage at low rate</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>5 (11%)</td>
<td>40 (89%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>6</td>
<td>Lack of discussion opportunity for employees regarding their salaries, benefits and promotions with the management</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>8 (18%)</td>
<td>37 (82%)</td>
<td>45 (100%)</td>
</tr>
<tr>
<td>7</td>
<td>Higher wages discrimination or gap in the organizational hierarchy</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>4 (9%)</td>
<td>41 (91%)</td>
<td>45 (100%)</td>
</tr>
</tbody>
</table>

Table 5 (Contd.)...
### Table 5 (Contd.)

<table>
<thead>
<tr>
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<tr>
<td></td>
<td>0 (0%)</td>
<td>0 (0%)</td>
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<td>0 (0%)</td>
<td>0 (0%)</td>
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<tr>
<td></td>
<td>10 (22%)</td>
<td>5 (11%)</td>
<td>6 (13%)</td>
<td>40 (89%)</td>
<td>34 (76%)</td>
<td>37 (82%)</td>
<td>40 (89%)</td>
<td>40 (89%)</td>
<td>38 (84%)</td>
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<tr>
<td></td>
<td>35 (78%)</td>
<td>40 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
<td>45 (100%)</td>
</tr>
</tbody>
</table>

**Source:** Field Survey

1. 40 respondents (89%) are strongly agree that *lack of educated and skilled workers* is one of the basic reasons for grievance or labor unrest in the ready-made garment industry of Bangladesh. Among the workers, about 80% are women who are working in this industry. Most of them are uneducated and unskilled. As a result, they are not always properly aware about maintaining the quality of the products and sometimes their products become lower in quality that in turn fails to fulfill the required demands of the international buyers as the respondents have mentioned.

2. 35 respondents (78%) are strongly agree that *lack of safe and healthy working environment* for workers is one of the valid reasons to create grievances or unrest in the minds of the workers in this sector. The respondents have explained that employers are not always concerned about providing a safe and healthy working environment to their hardworking employees. Taking the advantages of workers’ poverty and ignorance, the owners force them to work in unsafe, unhealthy and
over-crowded work place with workers beyond capacity of the factory floor and improper ventilation in the garment industry of Bangladesh. Most of the garment workers lack the basic amenities where these workers sweat their brows from morning to evening to earn their country’s the major portion, about 80% of total foreign currency.

3. 36 respondents (80%) are strongly agree that lack of proper managerial knowledge helps to create grievances or labor unrest or disturbance in the garment factories of Bangladesh. The respondents also mentioned that there are some managerial problems which are associated with the garment sector of the country. Those are absence of easily on-hand middle management, lack of marketing tactics, a small number of manufacturing methods, lack of training organizations for workers, supervisors and managers, autocratic approach of the management, fewer process units for textiles and garment, sluggish backward or forward blending procedure, incompetent port facilities including complication in entry or exit, much time needed for loading/unloading, time wasting custom clearance etc. As a result, many garment manufacturing companies sometimes face various problems having the lack of such proper managerial knowledge.

4. 40 respondents (89%) are strongly agree that gender discrimination among workers is another reason for grievances and complex relationship among the workers and the owners in the garment industry of Bangladesh. The respondents have elaborately explained that women workers mostly work in the sewing section, where men workers work almost in the cutting, ironing and finishing sections. Women workers are engaged in a variety of occupational sections like cutting, sewing, inserting buttons, making button holes, checking, cleaning the threads, ironing, folding, packing and training to supervising. Therefore, tasks allocated based on gender create discrimination among workers. Discrimination can cause employees to file complaints to their human resources department, and if these complaints go unaddressed, they can turn into law suits. Examples of discrimination may include a worker who feels that only male employees are getting promotion, or an employee who is offended after a co-worker tells a racist joke. Other areas of discrimination may include age, disability, equal pay, unethical nepotism, area biasness or allergy, religion or even pregnancy. The respondents have also mentioned that the management of Falcon Group Limited always tries to address and resolve any gender discriminations whenever and wherever they face any such problems.
5. 40 respondents (89%) are strongly agree that minimum wage at low rate is one of the main reasons for grievances or labor unrest in the garment factories of Bangladesh. Ready-made garment factory workers gain little from the new wage structure as the costs of accommodation, food, transportation and other basic requirements have gone up significantly in the country's industrial belts, much ahead of its implementation. Amidst some of the largest worker movements and unrest in the history of the South Asian Nation in which precious lives have been lost and hundreds have been injured, the wage board has published the gazette on November 21, 2013 not only declaring BDT. 5,300 as the minimum wage (Research Initiative for Social Equity-RISE Society, 2013). Although garment makers and workers' leaders have settled minimum monthly wage for a worker to BDT. 5,300 (£43) on November, 2013 (Burke, 2013) through the gazette notification with the mediation of the Minimum Wage Board 2013 of Bangladesh. On the other hand, transportation fares, prices of kitchen items and other things have also gone up by 30% to 40% there immediately after the announcement of the new wages. Workers have expressed their serious concern over the sudden rise in their day to day expenses, saying they would not get the benefit of the 77% wage-hike due to the unreasonable increase in house rents, as the rise in expenses in some cases might cost more than the amount they would receive from the latest wage enhancement. Like other enterprises of this industry, employees of Falcon Group Limited are also dissatisfied regarding the fixation of monthly minimum wage at low rate comparing to the living standard of the society of Bangladesh.

6. 37 respondents (82%) are strongly agree that lack of discussion opportunity for employees regarding their salaries, benefits and promotions with the management is another reason for grievances or labor unrest in the garment industry of Bangladesh. The respondents have also mentioned that employees often approach their management to discuss about their salaries, benefits and promotions but they are failed to get satisfactory outcome. They often do not understand how the company's tuition reimbursement program works, or if they are eligible. They feel that they are unfairly compensated for the work they do, or wonder why they have not received promotions, like fellow employees. They are interested to raise their voices concerning over their health care coverage and other facilities.
7. 41 respondents (91%) are strongly agree that higher wages discrimination or gap in the organizational hierarchy is one of the main causes of grievances or labor unrest in the garment industry of the country. Most of the respondents have expressed that there is higher wages gap in the organizational hierarchy of the garment industry of Bangladesh. Top-level employees draw more than 100 times monthly salaries than low-level employees, plus other admissible benefits in the hierarchy. This in turn develops negative motivation and frustration among the fellow workers, creates jealousy among them, and consequently accelerates dissatisfaction and less productivity of workers through unrest in the sector.

8. 35 respondents (78%) are strongly agree that lack of compliance is another cause of grievances or labor unrest in the garment factories of Bangladesh. The respondents have also pointed out that sometimes few garment factories do not pay weekly day off, festival bonus, and overtime which are the rights of the workers. Dissatisfaction of workers is the mismanagement of the industry, resulting in frequent unrest of workers; like fire security, fraction salary payment, zero payments for overtime, and lay off of factories without prior announcement.

9. 40 respondents (89%) are strongly agree that late payment of salaries of workers is one of the basic causes of grievances or labor unrest in the ready-made garment industry of Bangladesh. In addition, the respondents have expressed that the owners of the garment factories are always united to get positive reports and benefits from the government but they are not equally willing to look after the welfare of the workers. In the garment manufacturing companies of several places of the country, workers are paid their salaries two months late. As a result, sometimes violence is occurred in the RMG industry. Falcon Group Limited is not also out of such danger in future mentioned by few of the respondents.

Rasel (2015) has reported on July 14, 2015, just before 4 days of the auspicious Eid-ul-Fitr festival in Bangladesh that workers of 1,372 garment factories have not yet been paid their due wages and bonuses. Research Initiative for Social Equity-RISE Society (2015) has expressed that no pain seems larger and crueler than the pain of not seeing their families’ faces and failing to bring Eid day in their lives without salary and bonus. Along with other factories, workers of Swan Garments have come to the streets of Dhaka because they have not yet been paid their wages of 3 months, though the
management has called it an “unavoidable situation” due to the death of one of the owners, bleeding these workers so dry that now many of them hardly manage food on the table– this is the conditions of such workers who stitch for the elite though working for most of the expensive brands of the world.

1. 39 respondents (87%) are strongly agree that overtime of the workers is generally imposed but not rewarded in the garment sector of Bangladesh. The respondents have explained that the rising inflation has reduced the value of wages. But the owners of the organizations say that it is the job of the government to control inflation. For this reason, the turmoil in the ready-made garment industry sometimes occurs. Like other ready-made garment manufacturing companies, employees of Falcon Group Limited also sometimes feel frustration in this regard.

2. 40 respondents (89%) are strongly agree about the long working hours as another cause of grievances and a barrier for maintaining harmonious and peaceful industrial relations among the workers and the owners in the garment industry of Bangladesh. The respondents have mentioned that though the wages are low, the working hours are very long. The ready-made garment factories claim to operate one eight-hour shift and six days in a week. The earlier Factory Act-1965 and amended Bangladesh Labor Code-2009 allow women to work delivery deadlines; however, women are virtually compelled to work after 8 o’clock. Sometimes they work until 3 o’clock in the morning and report back to start work again five hours later at 8 o’clock. They are asked to work whole months at a time although the labor law, which stipulates that no employee should work more than ten days consecutively without a break. Workers’ schedules and hours are often a source of frustration. They feel as if they are not getting enough hours, or they are working too many hours in terms of poor minimum wages. So, if workers are constantly scheduled to work during shifts they do not prefer, employers experience a rise in complaints in this industry.

3. 34 respondents (76%) are strongly agree that harassment is another cause of grievances or labor unrest in the garment factories of the country. The respondents have mentioned that when workers are harassed by co-workers, they lodge complaints with management, so that the situations can be addressed. A worker sometimes gets groped inappropriately, becomes offended by sexual jokes, or even is victimized with a physical threat towards her/him. Sometimes, women workers face the danger of insecurity and sexual harassment.
4. 37 respondents (82%) are strongly agree that sometimes *international conspiracy and political intervention* create labor unrest in the garment industry of the country. Thus the news of labor unrest or rumor intentionally spreads in the garment industry to take unprivileged advantages. As a result, garment factories often pay clearly for political unrest, blockade, hartal and terrorism etc.

5. 40 respondents (89%) are strongly agree that *mistreatment with employees* is one of the vital reasons for grievances or labor unrest in the garment sector of Bangladesh. Garment workers are annoyed in excess of low down pay plus lengthy hours. Gratitude to unfortunate working situation and employer-employee clashes have been frequenting in the fabric manufacturing factories in the recent years. Workers habitually capture to the streets with complaint of pitiable pay as well as working situation.

6. 40 respondents (89%) are strongly agree that *no responsible individual or enterprise generally listen the needs and demands of the workers* in the garment industry of the country. The respondents have also claimed that garment owners only say that workers’ every demand will be fulfilled very soon, but they do not maintain their words to the workers at last.

7. 38 respondents (84%) are strongly agree about the *sensitive and emotional feelings regarding death of any garment workers in the factory premises* caused by fire-smoke, electric short circuit, labor pain for pregnant women etc. as another cause of grievances or labor unrest in the RMG industry of Bangladesh. The respondents have also mentioned that most of the factory buildings do not have adequate fire escapes and also do not have any special management for pregnant women. The respondents believe that only ‘wage issue’ does not create labor injustice and therefore, increasing ‘demanded wage’ will not help to stop frequent labor unrest in this sector. They also believe that labor unrest is the final explosion created by uncountable mistakes, mismanagement, misbehavior and over exploitation of workers by the owners of the garment factories.

This study has also found out a picture of the present situation in this respect where Falcon Group Limited with its all units is a promising export-oriented organization of the garment industry of Bangladesh. The respondents have opined positively about their work place and healthy working environment. The organization pays wages to its workers at due time and exports garment items maintaining international standard and
compliance for buyers’ satisfactions since long. The organization maintains harmonious and peaceful industrial relations with its policy among the employees and management team in spite of the vulnerable situations occurred in the recent years in the garment sector of the country. As a result, in near future, the organization is expecting to contribute more in this sector as well as the economy of Bangladesh as a whole with its growing productivity and business expansion maintaining good industrial relations among its employees and management.

**RECOMMENDATION**

Managements of the RMG enterprises in Bangladesh should be concerned with both complaints and grievances, because both are important indicators of identified causes of grievances within the work force. The specific recommendations with respect to identified reasons for grievances or labor unrest are addressed below so that harmonious and peaceful industrial relations in the RMG industry of Bangladesh can be existed and upheld for the long run:

1. Workers of the RMG sector in Bangladesh should be trained up on the techniques how to improve their efficiency and productivity for gaining competitive advantage than their physical abundance. Dedicated research and training institutes related to the RMG industry should be set up both in public and private sectors. Related initiatives should be encouraged possibly intermediated by donor-assisted technology and knowledge transfer. However, educational support to workers’ children should be continued. A provision for skill training for children and continuous monitoring can make free the factories from child labor.

2. Production plants of the RMG factories should be constructed accordingly to ensure safe and healthy working environment. Precautionary measures should be adopted that are given below:
   a. Building should be constructed with fire resisting materials.
   b. Electrical wiring must be properly designed, installed and maintained.
   c. Escape routes should be lighted at all times, kept clear, be indicated by signs.
   d. Regular fire drills and fire safety program should be conducted.
   e. Smoke/fire alarm systems must be installed.
   f. Adequate number of extinguishers should be provided.
1. More medical centers should be established and awareness of HIV/AIDS and reproductive health should be provided to the RMG workers. Contractual agreement should be done with nearest doctors in the locality in case of unable to ensure 24 hours doctor for the workers.

2. As soon as any grievance arises, it should be identified and resolved. Training must be given to the managers of the RMG factories to manage a grievance efficiently, effectively and timely. This will lower the detrimental effects of grievance on the workers and their performances. Workers’ welfare committee should be launched in the RMG factories. However, a crisis management committee should be set up for emergencies.

3. Managements of the RMG enterprises should be committed to implement and legitimate the rights and privileges for the RMG workers. Sound trade unionism and collective bargaining should be practiced to resolve grievances in the RMG sector.

4. RMG factories should negotiate and consult with foreign and local agencies to promote the RMG industry in every possible field. RMG enterprises should also interact with foreign buyers and form new rapport by arranging different apparel fairs regularly at home and abroad. However, owners and managements of RMG factories should maintain liaisons with workers, foreign buyers, business associations and chambers providing all necessary information for retaining harmonious and peaceful industrial relations among them.

5. Managers of the RMG factories should execute the decision quickly, ignoring the fact, that it may or may not hurt the employees concerned. After implementing the decision, a follow-up must be there to ensure that the grievance has been resolved efficiently and adequately.

6. The RMG sector should participate actively in all trade negotiations in order to get easier market access and GSP benefits with the cooperation of Government and BGMEA.

7. The RMG enterprises should scrutinize male/female workers properly in case of recruiting them and human oriented approach with humanity should be developed and implemented so that gender discriminations can be removed.

8. The RMG factories should pay wages and bonuses timely and readjust wages over time to avoid grievances or labor unrest and to ensure harmonious and peaceful industrial relations in this sector.
9. The RMG factories should restructure factory hierarchy in the organogram and provide incentive to deserving employees but keeping their salary in the indiscriminate level. Essential food items can be distributed on a regular basis among the workers at subsidized price in the garment sector. Relief, rehabilitation and other support should be provided to victim workers of natural calamity. Scholarship should be provided to meritorious children of the garments workers.

10. The RMG sector should formulate ‘Garment Police’ to tackle occurrences like 'Railway Police’ to guard Bangladesh Railway.

11. Managers of the RMG factories should gather appropriate and sufficient facts explaining the grievance’s nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressed. So the RMG factories should go depth in the matter, and thus broadcast real pictures of hidden cases.

12. The RMG factories of Bangladesh should develop a central database system for its workers with the help of BGMEA that will cover all workers’ information. Service Books should be introduced immediately for every worker employed in all the RMG factories.

13. Computer-oriented solutions should be promoted for better management of the RMG industry of Bangladesh.

BGMEA should continue and expand collaboration with relevant ministries of the Government of Bangladesh. As a result, Government, BGMEA and media can play a very strong role to maintain harmonious and peaceful industrial relations in the RMG industry of Bangladesh.

CONCLUSION

Grievances or labor unrest in the ready-made garment industry of Bangladesh has been characterized by sixteen main reasons or factors that are related to the overall dissatisfaction of the workers identified from this study. The identified factors are lack of educated and skilled workers, lack of safe and healthy working environment, lack of proper managerial knowledge, gender discrimination among workers, low wage rate, lack of discussion opportunity with management, lack of discussion opportunity for employees regarding their salaries, benefits and promotions with the management, higher wages discrimination or gap in the organizational hierarchy, lack of compliance, late payment of salaries of workers, long working hours, harassment, international conspiracy and political intervention, mistreatment with workers, no responsible individual or enterprise generally listen the needs and demands of the workers, and sensitive and emotional feelings regarding death of any garment workers in the factory premises, which are directly or indirectly responsible for the
grievances or dissatisfaction of workers in the ready-made garment industry of Bangladesh as the respondents have opined with ‘strongly agree’ and ‘agree’ in the likert scale used in the study. The study found out that these reasons affect negatively on maintaining harmonious and peaceful industrial relations in the RMG sector of the country. To avoid such problems and to ensure the long lasting peaceful industrial relations in the RMG sector, monitoring and controlling systems should be strengthened. A tripartite committee formed by the representatives of Government, factory owners and workers can be utilized to minimize grievance situations and to build and retain peaceful relations among the workers and the owners of the RMG factories. The interest of the RMG industry should be protected and upheld by aiding the formulation of government policies consistent with a congenial growth of the sector. A healthy working and business environment can be established for a close and mutually beneficial relationship among the workers, manufacturers, exporters and importers in the process ensuring a steady growth in the foreign exchange earnings of the country. BGMEA can play a vital role to lead the RMG industry in concurrence with the government. Therefore, there is a bright prospect of public-private cooperation in addressing grievances or labor unrest and for ensuring secured, trustworthy, harmonious and peaceful industrial relations in the ready-made garment industry of Bangladesh.

ACKNOWLEDGMENT

The author is indebted and thankful to the respondents, the interviewers and the colleagues for their voluntary cooperation. The author would like to thank to the trustee board members of Bangladesh Renaissance Foundation (BRF) and its research team for providing their valuable insight observations about RMG industry, who are working on peace and safety issues for all the sectors, and branding and observing the ‘Bangladesh Peace Festival’ on the occasion of ‘International Day of Peace’ in September 21 of every year. The author is grateful and thankful to Late Prof. Dr. Muhammad Habibur Rahman, Prof. Dr. Mijanur Rahman and Prof. Dr. A. K. Fazlul Hoque Shah of Dhaka University, Prof. Dr. Mustafa Kamal Mujeri, Dr. Binayak Sen and Dr. Bimal Kumar Saha of BIDS, Dr. Chinmoy Howlader of National University of Bangladesh, Dr. Olav Muurlink of School of Business and Law, Central Queensland University, Australia for their relentless support and inspiration for conducting research. The author also goes to thank to project leader Professor Dr. Peter Hasle and his research team of the Centre for Industrial Production and the Department of Business and Management, Aalborg University for presenting their ongoing four years long (January, 2015-December, 2018) research project of BDT. 120 million (DKK 9,656,146) titled “Sustainable Co-development between Occupational Health and Safety (OHS) and Productivity in the Readymade Garment (RMG) Industry in Bangladesh” funded by DANIDA of Denmark.
(http://drp.dfcentre.com/project/health-safety-and-productivity-garment-bangladesh), and to the participants in the discourse for giving their valuable comments interchanging their views regarding this sector held at Jagannath University, Dhaka, Bangladesh in the 1st week of February, 2015 that has also encouraged the author to conduct this study.

REFERENCES


APPENDIX

APPENDIX 1: LIST OF OPERATING SECTIONS AND MACHINERIES OF FALCON GROUP LIMITED

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Names of Sections and Machines</th>
<th>Country of Origin</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Atmospheric Dyeing Machine</td>
<td>Korea &amp; Taiwan</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Atmospheric Dyeing Machine (Jumbo Type)</td>
<td>Korea</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Squeezer</td>
<td>Korea</td>
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<tr>
<td>4</td>
<td>Dryer</td>
<td>Korea</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Calender</td>
<td>Korea</td>
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<td>Compactor</td>
<td>Italy</td>
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<tr>
<td>7</td>
<td>Plain machine</td>
<td>Japan</td>
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<td>8</td>
<td>Over lock</td>
<td>Japan</td>
<td>174</td>
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<td>9</td>
<td>Flat lock</td>
<td>Japan</td>
<td>112</td>
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<tr>
<td>10</td>
<td>2 needle machine</td>
<td>Japan</td>
<td>2</td>
</tr>
<tr>
<td>11</td>
<td>2 needle chain stitch</td>
<td>Japan</td>
<td>8</td>
</tr>
<tr>
<td>12</td>
<td>PMD machine</td>
<td>Japan</td>
<td>5</td>
</tr>
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<td>13</td>
<td>Back tape</td>
<td>Japan</td>
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<td>14</td>
<td>Zigzag machine</td>
<td>China</td>
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<td>15</td>
<td>Blank cut stitch</td>
<td>China</td>
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<td>16</td>
<td>Smock machine</td>
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<td>Design machine</td>
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<td>Button stitch</td>
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<td>Bar tacking machine</td>
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<td>21</td>
<td>Pea coating</td>
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<td>22</td>
<td>Rib cutting</td>
<td>China</td>
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<td>23</td>
<td>Snap button</td>
<td>China</td>
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<td>24</td>
<td>Granding Machine</td>
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<tr>
<td>25</td>
<td>Feed of The Arm</td>
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<td>2</td>
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<tr>
<td>26</td>
<td>Thread Sucker</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>27</td>
<td>Needle Detector</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>28</td>
<td>Iron</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>29</td>
<td>Belt Stapler</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>30</td>
<td>Electric Boiler</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>31</td>
<td>Cutting Machine</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>32</td>
<td>Dryer Machine</td>
<td>Local</td>
<td>2 Set</td>
</tr>
<tr>
<td>33</td>
<td>Curing Machine</td>
<td>Japan</td>
<td>2 Set</td>
</tr>
<tr>
<td>34</td>
<td>Heat Press</td>
<td>Local</td>
<td>6 Set</td>
</tr>
<tr>
<td>35</td>
<td>Flock Machine</td>
<td>Local</td>
<td>6 Set</td>
</tr>
</tbody>
</table>

Appendix 1 (Contd.)...
### Embroidery Section

<table>
<thead>
<tr>
<th></th>
<th>Machine Description</th>
<th>Country</th>
<th>Qty</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Embroidery Machine with 20 Heads</td>
<td>Korea</td>
<td>5</td>
</tr>
<tr>
<td>37</td>
<td>Embroidery Machine with 6 Heads</td>
<td>Korea</td>
<td>1</td>
</tr>
</tbody>
</table>

### Washing Section

<table>
<thead>
<tr>
<th></th>
<th>Machine Description</th>
<th>Country</th>
<th>Qty</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>Washing Machine, 550 LBS</td>
<td>Local</td>
<td>3</td>
</tr>
<tr>
<td>39</td>
<td>Sample Machine, 60 LBS</td>
<td>Local</td>
<td>1</td>
</tr>
<tr>
<td>40</td>
<td>Sample Machine, 80 LBS</td>
<td>Local</td>
<td>1</td>
</tr>
<tr>
<td>41</td>
<td>Hydro</td>
<td>Local</td>
<td>1</td>
</tr>
<tr>
<td>42</td>
<td>Dryer, capacity 10800 pieces/day</td>
<td>Local</td>
<td>4</td>
</tr>
</tbody>
</table>

### Utility Section

<table>
<thead>
<tr>
<th></th>
<th>Machine Description</th>
<th>Country</th>
<th>Qty</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>Generator (Gas)</td>
<td>U.S.A</td>
<td>1</td>
</tr>
<tr>
<td>44</td>
<td>Generator (Diesel)</td>
<td>England</td>
<td>1</td>
</tr>
<tr>
<td>45</td>
<td>Boiler</td>
<td>Korea</td>
<td>1</td>
</tr>
<tr>
<td>46</td>
<td>Compressor</td>
<td>Korea</td>
<td>4</td>
</tr>
<tr>
<td>47</td>
<td>Water Pump</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>48</td>
<td>Sub-Station</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>49</td>
<td>Generator For Power Supply (315 KVA)</td>
<td>Singapore</td>
<td>1</td>
</tr>
<tr>
<td>50</td>
<td>Generator For Power Supply (170 KVA)</td>
<td>Germany</td>
<td>1</td>
</tr>
<tr>
<td>51</td>
<td>Generator For Power Supply (88+50 KVA)</td>
<td>Korea</td>
<td>2</td>
</tr>
<tr>
<td>52</td>
<td>Generator Cummins (330 KVA)</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

Cluster Analysis of Young Online Consumers in Indian Context

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²North Maharashtra University, Jalgaon
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Abstract—Indian online retail industry is growing at a scorching pace since last decade and expected to grow to become the largest online consumer market by 2025. In this context the present demography, which is clearly led by the youth at 65% of the total population, will play a vital role in the boost of online retail industry in India. This research aims at mapping the young Indian consumers with the application of cluster analysis. The study found two major types of consumer segments i.e. social and convenience oriented cluster (SCOC) and price and affordability conscious cluster (PACC). The study found that the majority of the consumers constituted the PACC segment dominated by the price sensitivity. The managerial implications and future scope of research were discussed in the research.

Keywords: Cluster Analysis, Online Retailing, Online Buying Consumers, Online Buyer Segmentation, Online Buying behaviour, Online Buying in India

INTRODUCTION

The online shopping wave in India is driven by the young consumers i.e. the Gen-Next consumers. The consumers are buying from internet in more and more proportion than the last generation, ranging from the daily need based products to luxury products along with the services. Still, the online buying consumers are 13% of the total internet user base of 300 million of India (IAMAI Report 2014). Hence, it is important to understand the various online consumer segments based on their online buying behaviour so that the existing and untapped consumer base can be better leveraged. It is predicted that online retail industry will witness sea change in the way consumers will buy online in future, including the other channels, technology platform and also the motivations of buying online (Criteo Report 2015.)

ONLINE CONSUMER BUYING PARAMETERS

As per the e-retailing India report 2014 it is found that consumers buy online because of three major parameters, i.e. online convenience, online affordability and online availability. Payam., (2012) and other researchers Ravi and Anupam (2011), Sabita & Sreekumar (2012) have found that online trust, reliability in the information on web also is a major factor driving the online intentions for online buying. Researcher studied this orientation of
factors driving online buying intentions or perceptions in the context of young Indian online consumers between the age group of 25–35 years in this research paper.

**Review of Literature**

Ravi and Anupam (2011) found factors influencing the online buyers’ attitude and opinion towards buying.

The factors governing the online behaviour are:

1. Concern for online transaction security,
2. Online buying information gateways are television, internet and friends reference.
3. Internet connectivity.

A comparative study by Norman. (2009) of US and EU markets, which stand as two of the biggest online retailing markets shows the demographic impact on the online buying behaviour. Convenience, pricing, credit and online security are the major factors of the online shopping perception.

Adeline et al. (2006) found that in Malaysia there is a significant degree of relation between the demographics and the online shopping. Also, there is a significant difference between the online shopping regarding information search and price comparison of goods and services. The online shoppers in Malaysia lack trust in the internet medium due to issues related to privacy and trust.

Sinhong Tih et al. (2008) study shows that there is no significant difference in the attitude towards online shopping between students and non-student category of consumers. This implies about suitability of students as study sample for online shopping research, since they are the future online consumers in the non-student category.

A study by Kwek Choon et al. (2012) in Malaysia shows the significant impact of perceived technology and perceived risk on the online trust. The study also says that the online trust has an impact on the online purchase intention along with the mediating role of online trust between perceived technology and online purchase intension.

Minjun Joon et al. (2009) explored that the success of online retailing is majorly determined by the online service quality. A study on this area shows that there are six dimensions of service quality i.e. prompt responses, access, ease of use, attentiveness, security and credibility. The overall
service quality has a strong positive relationship with the satisfaction of online customers with the strong impact of responses, access and ease of use on the same. The study, thus, brings out the utmost importance of the online service quality.

Su-Chao Chang and Chi-Min Chou (2011) researched in about factors affecting online shopping behaviour and found that the effectiveness of the online shopping websites and the closeness in relationship perception of the online consumers has indirect positive effect on the continuation of online shoppers. According to Iconaru Claudia (2012), the normative beliefs pay a great role in the online trust and perceived risk in the minds of the online buyers.

Avinandan and Prithwiraj (2007) explored that Commitment-Trust-Theory known as CTT plays a vital role in the consumer studies. As per the results of research, the Privacy and Security features play a major role as antecedents of the creation of online trust.

Thompson S.H. et al. (2004), studied and found that according to the Transactional cost Economics Theory (TCE), the consumers transaction cost is influenced by following factors: product uncertainty, behavioural uncertainty, convenience, economic utility, dependability, and asset specificity. Bijal Zaveri Amin and Prabhat Amin (2013) found that online attitude, orientation and motivation play a great role in online buying along with the online shopping environment. Shirin Alavi and Vandana Ahuja, (2013) explored about price sensitivity which is a major factor affecting the online domain.

Payam Hanafizadeh et al. (2012) studied that in markets like Iran, the consumers avoid buying online due to the lack of information intermediary, lack of electronic guarantee, lack of electronic reputation, lack of technological knowledge, lack of interaction, lack of trust.

As per the study of Amira & Mourad (2012), the factors which influence the consumer’s website search were related to pre-buying stage, buying stage and post-buying stage. These factors are basically personal and situational factors according to the study.

Raymond Burke (2002), studied in the multi-channel retailing environment related area and found that the consumer want the best of both the offline and online shopping to get the best shopping experience. The factors preferred by physical retailers are convenience, quality, selection and value. Consumers also want the technology usage by the online
retailers. Mitzi & Glenn (2000) studied that the consumers prefer to use the online channel over the offline due to its website design and overall service quality of the online.

Sabita Mahapatra & Sreekumar (2012) applied RIDIT approach to evaluate factors influencing online shopping behaviour to find the answer of Why consumers buy online? The factors such as trust, testing product quality or feature before buying, availability of product variety immediate need gratification, reference/assistance in making purchase, exposure, ease of navigation, shopping experience are the most important factors to influence the online buying decision.

Ali & Murat (2012) found that the e-WOM i.e. online consumer reviews influence purchasing decisions.

Sonja & Robert (2011) studied factors influencing online banking adoption across online consumers in Austria. The study found the relevance of perceived innovation characteristics to online banking acceptance and internet trust and preference for online banking adoption.

Asmita et al. (2011) researched about relationship between website characteristics, user characteristics and purchase intention and found that there is mediating role of website satisfaction. Brian et al. (2009) did a study on the cross-national comparison of website feature preferences and found that the cross-national website preferences about the website characteristics are of two types: Elevation type and priority type. Maria & Gratiana (2007) studied consumer mindsets and attitudes towards online marketing messages and the research results showed that the internet communication on mass level is critical for the speedy result and the customization because customers prefer personalization of the services. According to Donna et al. (2006) product attributes and technology used by the online retailers significantly drive the online purchase pattern.

According to Guoqing et al. (2006) cross-cultural environment influences the buying attitude towards internet advertising and also in turn influenced the online buying perception. Herbjorn & Pedersen (2006) found that the search mode and purchase intention share a strong relationship with respect to online shopping behaviour. The online shopping is initiated by the search process on the internet. The process of the internet search has an impact on the purchase intention. It is found that product involvement, product risk and internet search experiences have positive and direct effect on the purchase intension. Sertan & Reetika (2005) investigated and confirmed that website loyalty is a function of website trust, website
satisfaction and website flow. This research implies that people will keep clicking the same website for the buying when the trust, satisfaction and flow of the online website will exceed the consumer expectations.

**RESEARCH SCOPE & OBJECTIVES**

The research covered the young online consumers of Pune City. The sample of 115 was drawn from the management students and young professionals ranging between 25–35 age group. The scope of the study was to group the online consumers into groups based on their online buying preferences. The study focuses on the convenience, availability and trust related perceptions of the young online consumers. The following research objectives were worked upon through this study.

1. To segment the young online consumers based on their online buying perceptions.
2. To analyze the consumer buying parameters which determine the consumer segments

**METHODOLOGY**

The research was done primarily on the young online consumers ranging between 25–35 age groups. The data collection was done through a structured questionnaire focusing on the various parameters of online buying perceptions. The questionnaires were distributed to 150 management students, young professionals and out of them 115 filled up questionnaires were received.

The questionnaire focused on variables related to the perception regarding convenience, affordability and trust towards online buying. The questions asked were developed on the Likert scale of 5 points. The responses of “strongly disagree to strongly agree” pattern were used. The respondents were asked to show their response in the form of selection of any of the options from 1–5 ranging from “strongly disagree” to “strongly agree” options.

The collected data was then analyzed through the SPSS software with the application of Cluster Analysis. Cluster analysis is a respondent grouping method giving the groups based on the pattern of the variables selected by the respondents. The cluster analysis was done in two steps. First, the Hierarchical Cluster Analysis was done to find out the suitable number of clusters. This was followed by the K-Means cluster analysis for the cluster
formation. The variable significance was checked through the ANOVA test for the consideration to include in cluster formation.

**RESEARCH FINDINGS**

The collected data was analyzed by Cluster Analysis and two clusters were formed. Significance and cluster membership of each variable was determined. Based on this analysis, two cluster data are displayed in the flowing table. First cluster consisted of 18 respondents and second cluster consisted of 97. The corresponding F values and P values are mentioned in the table given below.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>F value</th>
<th>P Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBC1</td>
<td>1.89</td>
<td>2.07</td>
<td>0.411</td>
<td>0.523</td>
</tr>
<tr>
<td>IBC2</td>
<td>2.56</td>
<td>3.38</td>
<td>7.438</td>
<td>0.007</td>
</tr>
<tr>
<td>IBC3</td>
<td>2.22</td>
<td>4.07</td>
<td>54.564</td>
<td>0.000</td>
</tr>
<tr>
<td>IBC4</td>
<td>2.72</td>
<td>4.09</td>
<td>24.833</td>
<td>0.000</td>
</tr>
<tr>
<td>IBC5</td>
<td>2.28</td>
<td>4.13</td>
<td>49.731</td>
<td>0.000</td>
</tr>
<tr>
<td>IBC6</td>
<td>2.44</td>
<td>3.38</td>
<td>8.895</td>
<td>0.004</td>
</tr>
<tr>
<td>IBC7</td>
<td>2.56</td>
<td>3.38</td>
<td>8.910</td>
<td>0.003</td>
</tr>
<tr>
<td>IBC8</td>
<td>2.61</td>
<td>4.11</td>
<td>52.303</td>
<td>0.000</td>
</tr>
<tr>
<td>IBC9</td>
<td>2.61</td>
<td>2.74</td>
<td>.167</td>
<td>0.684</td>
</tr>
<tr>
<td>IBC10</td>
<td>2.83</td>
<td>3.22</td>
<td>1.813</td>
<td>0.181</td>
</tr>
<tr>
<td>IBC11</td>
<td>2.33</td>
<td>3.52</td>
<td>15.346</td>
<td>0.000</td>
</tr>
<tr>
<td>IBA12</td>
<td>2.11</td>
<td>4.15</td>
<td>72.767</td>
<td>0.000</td>
</tr>
<tr>
<td>IBA13</td>
<td>2.14</td>
<td>4.18</td>
<td>81.402</td>
<td>0.000</td>
</tr>
<tr>
<td>IBA14</td>
<td>2.56</td>
<td>4.01</td>
<td>35.103</td>
<td>0.000</td>
</tr>
<tr>
<td>IBA15</td>
<td>3.28</td>
<td>3.87</td>
<td>5.167</td>
<td>0.025</td>
</tr>
<tr>
<td>IBA16</td>
<td>2.67</td>
<td>3.90</td>
<td>25.717</td>
<td>0.000</td>
</tr>
<tr>
<td>IBT17</td>
<td>2.39</td>
<td>3.92</td>
<td>34.085</td>
<td>0.000</td>
</tr>
<tr>
<td>IBT18</td>
<td>2.83</td>
<td>3.10</td>
<td>.908</td>
<td>0.343</td>
</tr>
<tr>
<td>IBT19</td>
<td>2.33</td>
<td>3.35</td>
<td>11.089</td>
<td>0.001</td>
</tr>
<tr>
<td>IBT20</td>
<td>2.61</td>
<td>3.97</td>
<td>32.554</td>
<td>0.000</td>
</tr>
<tr>
<td>IBT21</td>
<td>2.00</td>
<td>3.03</td>
<td>9.861</td>
<td>0.002</td>
</tr>
<tr>
<td>IBT22</td>
<td>1.94</td>
<td>3.65</td>
<td>33.923</td>
<td>0.000</td>
</tr>
<tr>
<td>IBT23</td>
<td>2.56</td>
<td>3.66</td>
<td>13.926</td>
<td>0.000</td>
</tr>
<tr>
<td>IBAF</td>
<td>2.67</td>
<td>4.11</td>
<td>33.956</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The above table displays the cluster structure of each cluster. As per the cluster analysis two clusters were formed were labeled as

**CLUSTER I INTERPRETATION**

Cluster I represents higher values of responses in the variables *i.e.* IC4, IC10, IA15 and IBT 18. These variables are namely as mentioned below.
IC4: The online websites are very easy to browse.
IC10: The online shopping experience is better than offline.
IA15: I take advice of my friends while buying online about affordability and durability.
IBT18: There is nobody to solve problems in online stores as they operate online to solve problems.

The Cluster Scores of these cluster members are 2.72, 2.73, 3.28 and 2.73 respectively. These score patterns suggest that the cluster members are more people oriented and need the people interface even in the online buying platform. These consumers prefer the smoothness of the people driven platform rather than the technology driven platform. Therefore, this cluster can be labeled as Social and Convenience Oriented Cluster (SCOC).

**Cluster II Interpretation**

The second cluster represents higher cluster scores in the variables, *i.e.* IC5, IC8, IA12 and IA13.

IC5: I buy online to save time and energy
IC8: Companies should make customer oriented Return policy
IA12: I get better price choices online than offline
IA13: Online retailers give heavy discounts during our festival seasons that makes me buy online more

The respective scores of these cluster member variables are 4.13, 4.11, 4.15 and 4.18. This cluster has consumers who are inclined towards affordability and conservative consumers. This cluster, therefore, can be labeled as Price Affordability Oriented Cluster (PAOC).

<table>
<thead>
<tr>
<th>Table 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Cases in Each Cluster</strong></td>
</tr>
<tr>
<td>SCOC</td>
</tr>
<tr>
<td>PACC</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The table mentioned above defines the cluster membership structure. The cluster1 is having 18 members and cluster 2 having 97 members. So, the finding says that the PACC cluster is bigger than the SCOC cluster as per the sample studied amongst youth.
CONCLUSION

With the help of the analysis evident from the research findings, it implies that the price and affordability driven consumer segment is large and supersedes the convenience driven consumer segment. Another implication of the same can be that there is need to educate the online consumers about the convenience offered by the online retailing platforms in India. The consumers have also rated the trust related factors low in the cluster analysis, which implies that the consumers do not feel the trust in buying the majority of their shopping which can be of the high value purchase (which they would be doing offline). As per the study, the research findings suggest that the young online consumers in India are price and affordability driven and would look for such offers and companies which satisfy their needs in this regard.

MANAGERIAL IMPLICATIONS

These research findings give insight about the two major consumer segments based on the usage based segmentation done through the cluster analysis i.e. SCOC and PACC

SCOC: Social and convenience oriented cluster
PACC: Price and affordability oriented cluster.

Here PACC dominates in the share at 84.34% followed by SCOC at 15.65%. Globally, the trend is reverse, i.e., the consumers are buying for many other reasons like convenience, better technology etc. than mere price. In India, online retail market made up of 40 million consumers at the nascent stage. Online companies need to not only tap the price sensitive markets across India hidden in the PACC segments but also educate the consumers across India so that the consumers look at the convenience offered by the online retail platform evolving everyday India. This will create a better business scenario when the consumers not just buy for the price but for other factors as well. And this has been proven in case of IRCTC which leads the online buying markets with 86%.

LIMITATIONS & FUTURE SCOPE OF RESEARCH

The current study was focused only on the young Indian consumers between the age group of 25–35 years with a comparatively smaller sample size. The study can be further extended to the other age groups and other demographic consumers respondents. Further to this, the other analysis methods such as Discriminant analysis can also be done for analyzing the
cluster analysis of young online consumers in Indian context

most important factors influencing the online buying decision. Various factors can be extracted through the application of the Factor Analysis and Structural Equation Modeling for developing a construct based model. The research can also be directed towards many other factors driving the online buying perception of the people who are currently not buying online.

References


## Exhibit - Research Questionnaire

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Variable Question</th>
<th>Have you bought Online</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IB convenience Paying on internet is very difficult &amp; complex</td>
<td>Once</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>IB convenience I want to pay from mobile as it's very easy.</td>
<td>Never</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>IB convenience Knowing about products is very easy on internet</td>
<td>Always</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>IB convenience The online websites are very easy to browse.</td>
<td>Future Buyer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>IB convenience I buy online to save time and energy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>IB convenience Almost all products of physical stores are available online</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>IB convenience Cash on delivery is available on all products Only for metros and not for small towns.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>IB convenience Companies should make customer oriented Return policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>IB convenience Internet is generally slow while browsing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>IB convenience The online shopping experience is better than offline.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>IB convenience Online gifts purchases are easy in urgency than the offline purchase.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>IB Affordability I get better price choices online than offline.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>IB Affordability Online retailers give heavy discounts during our festival seasons that makes me buy online more.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>IB Affordability I would prefer buying online, since online retailers give better discounts than physical retailers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>IB Affordability I take advice of my friends while buying online about affordability &amp; durability.</td>
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<td>16</td>
<td>IB Affordability Unknown as well as famous brands are cheaper than offline on the online stores.</td>
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<td>17</td>
<td>IB Trust Customer complaints should is treated in good spirit for quality.</td>
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<td>18</td>
<td>IB Trust There is nobody to solve problems in online stores as they operate online to solve problems.</td>
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<td>19</td>
<td>IB Trust Loyalty is created by product brand and not by the online store.</td>
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<td>20</td>
<td>IB Trust Company should remind us about the forthcoming schemes for our future benefit surety.</td>
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<td>21</td>
<td>IB Trust Paying on internet is unsafe, but safe in cash/cheque</td>
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<td>22</td>
<td>IB Trust I buy only known brands and referred products.</td>
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<td>23</td>
<td>IB Trust Taking help of social media feedback for high value online buying will be safe.</td>
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| Age     |                                                                 |                         |   |   |   |   |   |
Author Index

Abraham, Sherry, 133
Adhegaonkar, Vikas Ramesh, 51
Arif, Md. Zahir Uddin, 189

Bansal, Meenakshi, 183
Bhalerao, Dipanjay, 217
Bhattacharjee, Sandeep, 11

Charan, Amita, 60
Chaudhary, Niyati, 100

Dahiya, Rekha, 60
Deb, Mahuya, 11

Galyan, Sandhya, 149
Gurusamy, S., 36

Hasan, Arif, 84
Hemavathy, P., 36

Kamble, B.V., 217
Kamble, Vasant, 121
Kannan R.K.,
Khalid, Saifullah, 11

Mollel, Daud N., 23
Munda, Sneha Singh, 110

Nika, Fayaz Ahmad, 84

Panigrahi, Tushar Ranjan, 157
Patra, Rabi Narayan, 157

Saifee, Mubina, 172
Satapathy, Sanjay Kumar, 157
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