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Editor's Desk

This issue of JIMS 8M is based on the proceedings of the 8th International Conference on "Transforming the Global Economy through Strategic Innovation & Entrepreneurship" held on 15th February, 2013 at PHD House, New Delhi. Some of the papers published in this issue were presented in the conference. The speakers in this conference included Mr. S.Y. Siddiqui, Chief Operating Officer (Administration), Maruti Suzuki India Ltd., Ms. Susmita Shekhar, Secretary General & Mr. C.M. Krishna, Hon. Advisor, PHD Chamber, Mr. Pradeep Narula, Group President, Wave Inc., Prof. J.K. Mitra, Ex. Dean, FMS, Mr. Ron McLuckie, CEO, WIAL India, Mr. Vishal Sopory, CEO, Transtek Infoways and Dr. Satish Seth, Director, JIMS, Kalkaji.

In the conference it was opined that the technological entrepreneurship and innovation form the backbone of a country's economic success and India is not a hotbed of innovation and entrepreneurial ventures, as it is a latecomer in the race for economic development. The economies of South Korea and China had quickly adopted the latest available technologies and promoted competition amidst their industries. The economic success of a country depends on the entrepreneurial culture of its people as entrepreneurship contributes immensely to the creation of employment and wealth. It is important to understand the environment which is complex, ever changing, challenging and volatile. In order to gain competitive edge in the market there is a need to build and capitalize on the commitment & capabilities of the entrepreneurial class. One of the major & critical parameters of successful leadership today is the ability to look beyond & foresee what would unfold in the future. The entrepreneurship is all about taking people out of their comfort zone and giving them job rotations and having challenges thrown at them to enable "Out of the Box" thinking. It was revealed that only 25% of new startups survive to the next generation.

The entrepreneurs are inventors and they do not buy business opportunities, they create them. The innovations make life for customers better, easier and simpler. In the past, developed countries were transferring technologies to emerging countries but of late the trend is for "reverse innovation" i.e., technology or innovation transfer from emerging countries to developed countries. It was also highlighted that India spent only 0.85% of GDP on R&D, whereas China spent 1.6%, Brazil 1.25% and Russia 1.08%. There was general consensus that "Imagination is the backbone of Innovation" and strategies of innovation and the challenges of entrepreneurship can greatly help transforming the economy of a country.

(Ravi K. Dhar)

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LEADERSHIP AND EMOTIONAL INTELLIGENCE OF CORPORATE EXECUTIVES: A COMPARATIVE ANALYSIS

Anjali Gupta★

The paper is based on two concepts leadership and emotional intelligence. Basically the research is done to see the impact of leadership viz-a-viz emotional intelligence. This research shows that ever changing environment is liked by professionals. Research is done with the help of three instruments. First scale tells about the leadership frame, the second instrument tells about the passive biasness of a leader and the third scale tells about the emotional intelligence of a leader. The data collected with the help of research instruments has been analyzed and interpreted on the basis of different demographic factors like age, managerial cadre, total work experience, academic qualification, serving organization, category of operation and sex. It is found that the leaders with higher emotional intelligence like changes and they consider them as opportunities for doing something new.

Daniel Goleman who has elaborately researched on the concept of leaders identifies five elements viz. self-awareness, self-regulation, self-motivation, empathy, and social skills (Goleman, 1995). Self-awareness is concerned with emotional awareness. If a leader does accurate self-assessment then it will definitely lead to boost up his self-confidence. Leaders with higher awareness level can interact effectively and appreciate emotions in others.

Self regulation is managing and handling impulses, distressing feelings and upsets which can be attained through self control, developing trustworthiness, conscientiousness, adaptability and through innovation. Self regulation will help a leader stay composed, positive and unflappable even under adverse circumstances. Self-regulated leaders are more reliable, authentic, accountable, innovative, creative and open to new information, and they can easily build rapport with the subordinates. Achievement drives, commitment and initiative and optimism are the three important tools of self-motivation.

Leaders with achievement drive and commitment fosters the culture of innovation and optimism, and the followers in this culture emerge out as pioneers in their professional life. The age of the day appreciates the empathetic leaders instead of sympathetic leaders. These leaders have the better capacity of understanding others and leveraging the diverse situation. Full of service orientation the leaders tend to develop the followers even in and from diverse cultures. A social skill is an ability to build rapport with various sections of society and create a network of people. The socially skilled leaders are more influencing and change catalysts with excellent communication skills. They believe

in conflict management and leading from front. Leaders use social skills to understand interpersonal relationships and bind people for common purpose. The ability to build relationships is not only essential in modern age of team-based organizations, but is also very important for effective leadership.

The term “emotional intelligence was coined by Mayer and Salovey (1993) and popularized by Goleman (1995). Emotional intelligence is defined as “The ability to monitor one’s own and other’s feeling and emotions, to discriminate among them and to use the information to guide one’s own and other behavior.”

Leadership in wider view is defined as “Leadership is an influence relationship among leaders and followers who intend real change that reflects their shared purpose”.

I. Review of Literature

Emotional intelligence and its impact on various behavior aspects of human is of great importance in today era as organization sees EQ as the measure to know the success of a person in a particular profession. Extensive studies are being carry through out the world and literature are being published to give widen the view about the topic to whosoever considered. Studies through this literature were carried out so that the clear perspective about the study could be got. Review of these literatures is as follow:

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Dalip Singh (2001), in “Emotional Intelligence at Work - The Professional Guide” gives a complete picture of role of EQ in success of person in his professional life. Starting from what is meant by professional success to the 20% contribution of IQ and 80% of EQ with scientific reason behind it. He describes what Emotional Intelligence means and its element- self awareness, managing emotion, motivation, empathy and social skill that effect overall personality and performance and an individual along the consequence of having high or low EQ at work place. He clarify the views regarding myth of EQ which letters to wrong conclusion along with how one can manage its emotion to come out successfully in competitive world of professional life.

Richard L Draft (1999) author of “Leadership -Theory and practice” glorifies the concept of leadership on the basis of theoretical background and practical experiences of renowned leaders around the world. This text integrate recent leadership idea and practices with established research findings in a way that is interesting and valuable to students, research scholars etc. this book is based on learning organization where the concept of leadership is viewed from four different frame –structural, human resource, political and symbolic and its implication on leadership style of a person along with its relation to the five basic elements of emotional intelligence. The text gives the perfect match between the emotional intelligence and leadership style.

Barbara Kellermen (2001) in his article “ Require Reading” of Harvard Business Review give a complete picture of leadership means and its various orientation in today” era along with its implication in the organization.

Goleman (2001), Richard Boyatzis and Annie McKee author of “Primal Leaders” of Harvard Business Review describes the relation between emotional intelligence and leadership along with the scientific reason behind it.

Albert, Rajeswari and Anantharaman (2001) in article “ Measuring the Potential for Emotional Competence: Development of Scale”, the basic ideas about the factors involve in EQ and its implication to measure EQ describing the complete methodology, the questionnaire is based on the five elements of emotional intelligence.

Druskat and Wolf (2001) in “Building the Emotional Intelligence of Group” describe the importance of emotional intelligence in-group as the work in the organization is done in team and higher EQ leads to effectiveness. It gives the various level of emotional interaction along with norms to identify it and to regulate them.

William G. Pagnois (2001) in article “Leadership in a Combat Zone’ of Harvard Business Review, December-2001, describe the work of leadership as gritty as the desert sand and as honest and prosaic as the red loose-leaf binder. Taking the example of Persian Gulf War, he highlights the features of leaders who send their people out to do battle in the business world.

Cooper and Sawaf (1997) in article Executive EQ: Emotional intelligence in leadership and organizations gave complete information about emotional intelligence and its five components with skill indicators and skill assessment that lead to enhancing of knowledge about emotional intelligence and its impact on leadership orientation and behavior.

After going through the extensive literature, following hypothesis have been formed:

- 1.To examine the leadership frame of Indian executives.
- 2.To examine their level of emotional intelligence.
- 3.To study the impact of emotional intelligence on leadership orientation and behavior of the executives.

II. Research Design & Methods

Sample

Data has been collected from 150 executives of I.T. companies by applying convenience- cum- purposive sampling.

Scope

Data has been collected from the executives working in different IT organizations of the National Capital Region (NCR) and Delhi.

Measurements

The data has been collected with the help of three scales/ inventories developed by three distinct authorities in their respective fields.

The first instrument on Leadership Orientation suggests four-leadership frames i.e. structural, human resource, political and symbolic frames. This instrument consists of six questions with four options of each. Respondents were asked to rank them from four to one.

The second research instrument has given by Lawrence Otis Graham on Leadership Development that aims at knowing the Passive Bias of a leader. This instrument consists of twelve statements to be answered in yes or no.

The third instrument i.e. Emotional Intelligence Test has

been developed by N.K. Chadha, a psychologist at University of Delhi. This test consists of fifteen different situations with five options of each to measure the level of emotional intelligence in a leader.

III. Results & Discussion

The data collected with the help of research instruments has been analyzed and interpreted in this section on the basis of different demographic factors like age, managerial cadre, total work experience, academic qualification, serving organization, category of operation and sex. As the organizations of the day are operating in the global world, hence it calls for dealing with diversity on a broader stage than ever before. Dimensions of diversity are both primary such as gender, age and secondary, serving organization, category of operation etc.

There are several reasons for organizations for recognizing the need to value and support the prevailing cultural diversity. This phenomenon of diversity has made the task of the present day business leaders much challenging. Only those leaders with higher amount of emotional stability are expected to be more effective and gain competitive advantage. The ensuing discussion deals with unfolding the existing leadership frames, passive biasness towards diversity and emotional intelligence level of Indian executives on the basis of seven variables i.e. age, managerial cadre, total work experience, academic qualification, serving organization, category of operation and sex ascertain the leadership styles in relation to emotional intelligence in learning organizations.

Impact of Age on Emotional Intelligence and Leadership Behavior

Age wise respondents were categorized in five age groups i.e. executives with less than 25 years, 26-30 years, 31-35, 36-40 and above 40 years of age.

Table 1 illustrates the results on the leadership frames reveal that personnel below 25 years of age and those in the age group of above 35 are of structural type leadership frames, while those in age groups of 26-30 years are of humanistic frame. Personnel in the age group of 31 to 35 years are of political type leadership frames.

Table 2 illustrates the level of passive biasness of executives in relation to their age. It can be gauged that the personnel above less than 25 years of age have high passive biasness. Absolute passive biasness is totally absent from any of the age group. Though low and medium level of biasness has been recorded significantly in every age group yet it is

highest in the executives who are less than 25 years of age.

Table 3 illustrates demonstrates the emotional intelligence level of the executives in relation to their age and reveals a parabolic trend. It means that a person's emotional intelligence level first increases with the age, reach at a peak and than start decreasing. In the age group of below 25 years have an average level of emotional intelligence; those in the age groups of 26-35 years and 36-40 years have recorded high level of emotional intelligence respectively. Above 40 years age group have shown a low level of emotional intelligence.

Impact of Managerial Cadre on Emotional Intelligence and Leadership

Table 1 illustrates top level executives are of humanist type leadership frames while medium level and operative level are of structural type leadership frames. In operative level some what symbolic leadership frame also present.

Table 2 illustrates passive biasness is mostly present in middle level executives and very less present in top level executives. In operative level it is more than top level executives but less than middle level executives.

Table 3 illustrates all three lies in below average category of emotional intelligence yet operative level have the highest emotional intelligence among the three.

Impact of Total Work Experience on Emotional Intelligence and Leadership

Table 1 demonstrates persons having less than 5 years experience are of both structural as well as humanist type leadership frame, some what symbolic type leadership also present in them. All the persons above 5 years experience are of structural type of leadership frame.

Table 2 demonstrates as the work experience is increasing biasness is decreasing.

Table 3 demonstrates persons having experience of more than 15 years are much more emotional intelligent in comparison to other persons. All the persons having experience of less than 5 yrs are having below average emotional intelligence.

Impact of Academic Qualification on Emotional Intelligence and Leadership

Table 1 illustrates the persons who have technical knowledge contains structural as well as humanist type leadership in them. The persons who are having general

qualification with them are of structural type leadership frame.

Table 2 illustrates the persons who have technical knowledge are much more passive biased in comparison to the general qualifications.

Table 3 illustrates both the categories have below average emotional intelligence in them yet technical persons are slightly more emotional intelligence than general qualification.

Impact of Serving Organisation on Emotional Intelligence and Leadership

Table 1 illustrates the persons who are working in MNCs is structural as well as of humanist type and the persons working in domestic organization are of structural type leadership frame.

Table 2 illustrates the persons who are working in MNCs are much more passive biased in comparison to the domestic executives. Biasness is low in both the cases.

Table 3 illustrates that the persons working in MNCs are more emotional intelligence in comparison to domestic executives.

Impact of Category of Operation on Emotional Intelligence and Leadership

Table 1 illustrates that the persons working in manufacturing section are of structural as well as of symbolic type leadership frame and persons working in service section are of structural as well as of humanist type leadership frame.

Table 2 illustrates that the person who are in service branch are much more passive biased in comparison to manufacturing branch. In service medium passive biasness is present and in manufacturing very low passive biasness is present.

Table 3 illustrates that both the categories have comparatively emotional intelligence in them yet service section have slightly more emotional intelligence in them.

Impact of Gender on Emotional Intelligence and Leadership

Table 1 illustrates that males are of structural as well as of humanist type and females are of structural, humanist and symbolic type. Females are more visionary than the males.

Table 2 illustrates both males and females are less passive biased but males are more passive biased in comparison to females.

Table 3 illustrates that males are more emotional intelligent than the females. Both have below average emotional intelligence in them.

IV. Major Findings

Impact of Age on Emotional Intelligence and Leadership Behavior

It connotes that the young generation of executives have long-range vision and they recognize and support a diverse organizational community. It also signifies that lower age group executives are more willing to work in global world and trap opportunities from various cultures by capturing unique characteristics of others. The degree of passive bias decreases with age, which in turn indicates that the executives with growing age accept changes, and like to work in the changing environment. The phenomenon of resistance to change increases the biasness, which is neither appropriate nor desirable for the individual, organization and the society at large. That's why, the person firstly resist changes when comes to an organization and then they accept the challenges with the increasing age. The respondents above 25 years but less than 40 years of age have witnessed comparatively more emotional stability.

Impact of Managerial Cadre on Emotional Intelligence and Leadership

Top level executives are of humanist type leadership frames while medium level and operative level are of structural type leadership frames. Middle level employees are more biased in comparison to both the categories. Operative level has the highest emotional intelligence among the three.

Impact of Total Work Experience on Emotional Intelligence and Leadership

Person when enter into an organization has long visions with him as well as he is ready to grasp opportunity in the changing environment. Biasness is inversely proportional to the increasing total work experience. It is mostly present in the persons who just joined the organization. As the person is gaining experience in the organization he becomes more emotional intelligence as when before.

Impact of Academic Qualification on Emotional Intelligence and Leadership

The persons who have technical knowledge contain structural as well as humanist type leadership in them. The persons who are having general qualification with them are of structural type leadership frame. The persons who have technical knowledge are much more passive biased

in comparison to the general qualifications. Technical persons are slightly more emotional intelligent than general qualification persons.

Impact of Serving Organisation on Emotional Intelligence and Leadership

The persons who are working in MNCs are structural as well as of humanist type and the persons working in domestic organization are of structural type leadership frame. The persons who are working in MNCs are much more passive biased in comparison to the domestic executives. The persons working in MNCs are more emotional intelligent in comparison to domestic executives.

Impact of Category of Operation on Emotional Intelligence and Leadership

The persons working in manufacturing section are of structural as well as of symbolic type leadership frame and persons working in service section are of structural as well as of humanist type leadership frame. The persons who are in service branch are much more passive biased in comparison to manufacturing branch. Both the categories have comparatively emotional intelligence in them.

Impact of Gender on Emotional Intelligence and Leadership

Males are of structural as well as of humanist type and females are of structural, humanist and symbolic type. Females are more visionary than the males. Males are more passive biased in comparison to females. Males are more emotional intelligent than the females.

V. Conclusion

It is concluded that the leaders with higher emotional intelligence like changes and they consider them as opportunities for doing something new. They recognize changes for the ongoing development of the individual workers. The basic intention of this research is to find out the impact of emotional intelligence on leadership behavior of Indian corporate executives. With the help of this research the author can easily see the impact of four leadership frames vis-à-vis emotional intelligence level of Indian executives.

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Table 1
Leadership frames according to demographic variables

Demographic Variables		Structural	Human Resource	Political	Symbolic
Age	up to 25 yrs	15.87	15.62	13.61	15.25
	26-30yrs	14.49	15.34	15.14	14.85
	31-35yrs	16.83	16.16	20.08	12.5
	36-40yrs	17.00	14.5	14.5	13.9
	Above 40yrs	19.00	15	13.33	12.67
Managerial	Top level	14.73	16.4	14.33	13.6
	Medium level	15.62	15.04	14.47	14.85
	Operative level	15.78	6	13.54	14.84
Total	Upton 5 yrs	15.32	15.35	14.30	15.01
	Above5upto10	15.84	15.30	14.63	14.36
	Above10upto15	17.00	15.20	14.71	14.22
	Above15	18.25	15.25	14.75	11.5
Academic	Technical/Prof	15.59	15.3	14.16	14.16
	General	16.43	15.56	14.96	13.96
Serving	MNC	15.65	15.53	14.23	14.57
	Domestic	16.17	15.13	14.98	14.91
Category	Manufacturing	16.07	14	11.40	16.07
	Service	15.46	15.58	14.52	14.43
Sex	Male	15.82	15.5	14.32	14.35
	Female	15.18	15.13	14.37	15.30

Table 2
Passive biasness status according to demographic variables

Demographic Variables	%
Age (yrs)	
up to 25	13.53
26-30	13.33
31- 35	2.67
36-40	2.30
Above40	0.53
managerial	
Top Level	3.73
Middle Level	22.23
Operative Level	5.90
Total Exp. (yrs)	
up to 5 years	25.40
above 5 yrs up to 10 yrs.	4.13
above 10 yrs up to 15 yrs	2.03
above 15 yrs	0.77
academic	
Technical/professional	25.23
General	7.13
serving	
MNC	17.77
Domestic	14.60
category	
Manufacturing	6.00
Service	26.37
sex	
Male	18.73
Female	13.63

Table 3
Emotional intelligence according to demographic variables

Demographic Variables	Emotional Intelligence
Age	
Upto25yrs	141.53
26-30yrs	157.38
31-35yrs	162.5
36-40yrs	164.5
Above40yrs	135
Managerial	
Top level	151.67
Medium level	149.90
Operative level	163.93
Total	
Upto5	153.6
Above5upto10	169.21
Above10upto15	171.66
Above15	227.5
Academic	
Technical/professional	167.5
General	162.81
Serving	
MNC	161.58
Domestic	153.3
Category	
Manufacturing	151.48
Service	153.37
Sex	
Male	161.53
Female	153.37

INTRAPRENEURIAL MOTIVATION AND LOCUS OF CONTROL

Charvi Mehta★ Puja Gupta★★

The purpose of this study is to examine the driving characteristics behind intrapreneurs. Based on the review of literature, locus of control and motivation were found to be significant traits among intrapreneurs. For assessing the same, locus of control orientation inventory & motivational profile inventory was administered on 60 intrapreneurs in the region of Delhi and NCR. The sample was selected from six multi-national organisations using Purposive Random Sampling Technique. Cent percent of the sample indicated internality in locus of control orientation, which appeared to be a common characteristic of those who act as change agents. Findings of the present paper also indicate that majority of the respondents were achievement driven and were likely to be successful intrapreneurs. The paper corroborates the results of past researches. The findings, thus, emphasize the presence of achievement motivation and internal locus of control among intrapreneurs, who fortify organizational success.

I. Review of Literature

Entrepreneurship occurs within the setting of an established organization it is labeled as Intrapreneurship (Pinchot, 1985 & Kuratko et al., 1990). Corporate entrepreneurship and corporate venturing (Kuratko et al., 1990) are often used interchangeably with intrapreneurship. Antoncic and Hisrich (2003) have, thus, described intrapreneurship as a sub-eld of entrepreneurship, wherein new products and services are innovated within an organisation, which toughens the competitive position of the organisation.

Gilfford Pinchot defined an intrapreneur as “someone who fills the entrepreneurial role inside a large organisation” (as cited in Sanghvi, 1984). Thus, it can be said Intrapreneurs have the soul of entrepreneurs.

However, within the intrapreneurship domain, failure to identify a set of prominent traits which are the driving force behind successful intrapreneurs has led some scholars to shift their attention to entrepreneurial traits. Research studies revealed that, Intrapreneurship requires a similar set of skills, traits and capabilities to entrepreneurship, but takes place within the context of an organization (CARC, 2008). Accordingly, many past studies have also understood the significance of Locus of Control (Poon, Ainuddin, & Junit, 2006) and Achievement Motivation as drivers behind entrepreneurs (McClelland, 1976; Atkinson, 1964) vis-à-vis intrapreneurs.

Locus of control

Locus of control orientation is a belief about whether the

outcomes of our actions are a result of our own actions or because of external environment which is beyond personal control such as fate, god or other powerful sources. (Zimbardo, 1985). Thus, Locus of Control acts as a guide to the kinds of attitudes and behaviours embraced by people.

The construct ‘locus of control’ was developed by Julian Rotter in 1966 (Carrim et al., 2006). Rotter (1966) used the empirical law of effect which states that people are inherently motivated to seek positive stimulation, or reinforcement, and avoid unpleasant stimulation. Locus of control is theorised as a uni-dimensional continuum. The two ends of the continuum form external to internal locus of control. When an individual believes that his/her actions are a result of external environment such as fate, luck, or other external circumstances it is referred to External Locus of Control. While Internal Locus of Control is when an Individual believes that his/her behaviour is guided by his/her personal decisions and endeavours.

Is Internal Locus of Control recommended?

Self-agency, personal control and self-determination are certain characteristics associated with an internal locus of control. In simplistic terms, a more internal locus of control is generally seen as desirable. In view of the above, review of literature indicates that top level managers or employees

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in the organisational structures are likely to be more internal (Mamlin, Harris, & Case, 2001). Managers are often compared to entrepreneurs. Thus, managers, like entrepreneurs, should believe that they control outcomes.

However, it is necessary for a person to be balanced on the continuum i.e. he should have external locus of control as well but he should be more inclined towards internal locus of control. Despite the restraints, psychological research lays more emphasis on internal locus of control. Possessors of internal locus tend to be more achievement oriented and get higher paid jobs (Cetin. F, 2011). Intrapreneurs are driven by their internal locus of control, reinventing companies, transforming them, pushing them up to new highs — sometimes with and most of the times without the top management support (Teltumbde, 2006).

Poon, Ainuddin, & Junit (2006) in their research specified that internal locus of control is positively correlated to organization's performance. It also indicated that entrepreneurial orientation did not play a mediating role in this relationship.

Motivation

Motivation is defined as the intrinsic mental state of a person which initiates, guides and maintains goal-oriented behaviors. This internal state acts as a catalyst determining the commencement, direction, goal commitment, intensity, and cessation of behavior (Landy and Becker, 1987). Work Motivation is the process of providing a desire or need that causes a person to take a goal oriented action. This behavior forms set of energetic forces that originate both within as well as beyond an individual.

David McClelland, in early 1960s, developed Learned Needs Theory. In his theory he stated that needs are not innate but are learned and acquired throughout life based on an individual's experiences. As per the theory are three motivators behind every action, namely, Achievement, Affiliation and Power. McClelland (1976) in his work established that the above mentioned three motivators are common to all, irrespective of culture, sex or age. These motivators form the foundation on which the entire theory is assembled. He also indicated that these motivators are learned from experiences; and one of these forms the dominant motivating driver. This dominant motivator is largely dependent life experiences and the environment in which one is born and brought up.

According to McClelland, people will have different traits based on their dominant motivator. These traits are as follows:

Power (n-Pow)- Power motivation is understood as a desire of responsibility to “impact, control, or influence over another person, group, or the world at large” (Winter, 1973). The desire for power is often ‘authority motivated’ McClelland (1976). People scoring high on power motivation have a strong desire to impact and impose their ideas. The power motive is a concern for status and prestige.

Affiliation (n-Affil)- Individuals driven by affiliation motivation has a need for harmonious relationships. They more interested in work that requires personal interaction and therefore are team players McClelland (1976). People scoring high on affiliation motivation have a need to feel accepted by others. High affiliation individuals are suitable for customer service and client interaction work profiles.

Achievement (n-Ach)- McClelland (1976) in his work established that achievement motivation is a fundamental characteristic of entrepreneurs. He stated that need for achievement is associated with measuring up to one's own performance standards. Intrinsic sense of success and excellence rather than extrinsic rewards encourages people driven by n-arch. (Atkinson, 1964).

Achievement motivation focuses more on excellence and winning with high performance. It represents a desire to show competence. (Epstein & Harackiewicz, 1992). Minter et al. 1994 in his research indicated the positive relation between the achievement motive and organizational growth. This is because of high correlation the entrepreneurs ability to set goals and his determination to achieve the same (Barrick & Mount, 1991). Hollenbeck and Klein (1987) stated that people with high need of achievement and determination to pursue goals are also more likely to be value high performance. In simple terms, achievement motivation is a concept that helps in understanding an individual's drive or motivation to work diligently on goals, find alternatives and creative solution to problems, take calculated risk and control uncertain situations (Ziegler et al., 2010).

Decades of research into the intrinsic traits of entrepreneurs has confirmed that individuals with high n-Ach have a natural inclination towards entrepreneurial activity. Such individuals are likely to start their own venture and experience success in their endeavours. David McClelland also studied various variables that influenced an individual's aptitude to work on a task. These include the difficulty level of a task, competition (rewards) and entrepreneurship (Ziegler et al., 2010). Thus, high n-Ach is anticipated to contribute to successful entrepreneurship and effective leadership.

McClelland (1976) stated that mostly people possess and demonstrate all the three motivators in different degrees depending on the situation or circumstances. However, one of the motives is usually dominant. This combination of these motivators influences an individual's behaviour and working or leadership style.

In the above context, assessment of Intrapreneurial success drivers is very significant, but has received much less attention in the literature. In view of this, the present paper entitled 'Intrapreneurial Motivation and Locus of Control' is based on two main objectives, which were a part of the broader research project. First, to study the Locus of Control orientation of intrapreneurs; Second, to examine the Motivational Profile of the sample. Given the importance of intrapreneurship in maintaining organizational competitiveness, the findings of the paper shall be beneficial in understanding the key attributes required by an intrapreneur.

II. Research Design & Methods

Participants were intrapreneurs in multinational companies selected from a listing of MNCs in the region of Delhi & NCR. For the purpose of this study intrapreneurs were operationalized as managers who have exceeded the expectations of the organization in at least three consecutive performance appraisals. Exceeding expectations grade in performance appraisal's ensured the sample to be intrapreneurial & outperforming and the condition of getting such grade in three consecutive years had taken care of biases if any. 60 intrapreneurs were interviewed in six multinational organizations. These organizations were randomly selected from the prepared list of organizations. Ten employees, who met the selection criteria, were selected using purposive randomly from each organization.

Structured interview schedule, Motivational Profile (Steers and Braunstein, 1976) and Locus of Control (Rao, 1985) inventory were administered for the purpose of data collection. The tool included a mixture of structured, scaled, open ended and opinion seeking questions.

III. Results & Discussion

Profile of the Sample

The single largest category of respondents (40%) had completed 3-5 years in service, while a little less than one-third of the respondents (30%) had completed 6-10 years in their organization. A small fraction (5%) of intrapreneurs had been in their organization for over 20 years.

Work Environment

Globalization and increasing competition has made the work environment within the organization competitive. It was therefore imperative to study how the sample perceived their work environment. Analysis revealed that an equal percentage (45%) of respondents viewed their work environment as highly competitive and moderately competitive. The respondents viewed competitive environment as a source of encouragement to work better towards organizational and personal goals. It also enabled the respondents to work to their full efficiency.

Locus of Control

Research studies and training experiences revealed that an internal locus of control was an important characteristic of entrepreneurs. In fact, internalization appeared to be a primary characteristic of those who act as change agents to improve themselves or their group, community, or organization (Pareek, 1981).

The given statements were analyzed to determine the scores for internal and external locus of control. Ratio of these two scores was then obtained and studied on a scale of less than 1.0 to more than 5.0. Ratios above 1.0 indicate entrepreneurial internality. The higher the ratio above 1.0 the more internal the respondent was. Ratios above 3.0 indicate 'high levels' of entrepreneurial internality; the chances were high that such individuals would initiate entrepreneurial activities. Ratios below 1.0 indicated that the respondents had more external (less entrepreneurial) locus-of-control orientations.

It was note worthy, that 100% of the sample had ratios, which indicated internality in locus of control orientation. Thus, indicating that cent percent of the sample had entrepreneurial traits. This ascertained that the respondents were internal and looked for cause and effect from within. It was observed that 91.7% of the respondents had scores between 1.0 - 3.0. While the remaining respondents had scores 3.0 - 5.0. From Table – 2 it was evident that the sample had mean score 2.1 nearing 3.0 which is ideal for entrepreneurial competencies and perhaps, intrapreneurial competencies.

During conversations the respondents reported that they considered themselves accountable for their actions as they were holding positions of responsibility. Head of the Business Development Department of one of the firms stated that he felt "responsible for the growth of the organization."

Another respondent, who was the Asst. General Manager

& Country Manager, International Marketing in a company expressed a feeling of responsibility for his actions. He was quoted as saying that "I am responsible for the output of the company, both in terms of financial as well as human resources". Thus, it can be ascertained that personal accountability of the respondents further underlined the presence of an internal locus of control among intrapreneurs.

Motivational Profile

Entrepreneurial motivation was described in terms of the motivational profile of the sample. Present research therefore, endeavored to determine the most dominant need that motivated the respondents, placing the respondents under one of the three categories, namely Affiliation, Power and Achievement. To analyze the motivational profile, scores under the three categories were calculated from the given statements. Calculated scores were then used to determine the most dominant motivational need.

The study illustrated that majority of the respondents (73.3%) were 'achievement driven'. This was followed by 13.3%, who were power and affiliation driven. Findings of the study indicated that, since most of the respondents were achievement-oriented they were likely to be successful entrepreneurs.

Mean and standard deviation of Achievement motivation were 20.9 ± 2.6 and had a spread over a wide range of 11 scores.

The most important quality of the sample was their extraordinary performance, and achieving extraordinary results. These results then served as an inspiration for others to perform at equally exceptional levels. Thus, it is apparent that achievement motivation is a significant driving force among intrapreneurs.

Motivation for a Task Not as Per Liking

The research gained an insight into the ways by which respondents motivated themselves to perform a task, which was not as per their liking. Majority (83.3%) of the respondents took up the task as a challenge. This ensured that the task was performed with full effort. Only a small portion (16.7%) of the respondents performed the task as an unavoidable burden.

The sample reported that innovations in tasks were encouraged in the organization, wherever the situation demanded. Otherwise, leaders generally took up the task as a challenge, which certainly increased their efficiency to complete the task to the best of their capability.

The perceived growth pattern of the respondents revealed certain extremely intriguing desires. While respondents stated that, in the near future, they would like to be the CEO's of their respective organizations, many respondents also expressed desire to start their own enterprise. One respondent said, "I foresee myself heading my own venture", while another expressed, "I would like to be the owner of a pharmaceutical firm". This further confirmed that the respondents had high achievement motivation.

IV. Conclusion

To conclude, the findings of the present paper reinforce the assumption that intrapreneurs have a strong internal locus of control and are achievement driven. Consequently, the paper substantiates the findings in earlier researches on the drivers of entrepreneurship. Intrapreneurs, have high achievement motivation which enables them to take initiatives outside their job description for the benefit of organisation. The main practical implication of the findings pertains to incorporating measures for directing the employees towards personal accountability and achievement motivation who are on their intrapreneurial journey. These measures may include experiential training for enhancing their internality and n-Ach and providing a conducive work environment to intrapreneurs.

Intrapreneurs are usually persistent and do not easily abandon tasks. One of the reasons for such resolve is their aversion to surrender as a loser. To put the same more positively, intrapreneurs are 'habituated to succeed'!

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Table 1
Distribution of Sample Based on Locus of Control

Scale	Response
Less than 1.0	0%
1.0-3.0	91.7%
3.0-5.0	8.3%

Ratio: less than 1.0 - external locus of control and lack entrepreneurial qualities
 1.0-3.0 - internal locus of control- have entrepreneurial qualities
 Above 3.0- highly entrepreneurial

Table 2
Distribution of Sample Based on Mean, Std. Deviation & Range of Locus of Control

	Internal	External	Ratio
Mean	57.0	29.8	2.1
Std. Deviation	23.4	15.0	1.8
Range	90.0	58.0	9.0

Table 3
Distribution of Data based on Motivational Profile

Motivational Profile	Response
Achievement	73.3%
Power	13.3%
Affiliation	13.3%

Table 4
Distribution of Sample based on Mean, Std. Deviation Motivational Profile

	Achievement	Power	Affiliation
Mean	20.9	19.0	19.0
Std. Deviation	2.6	3.2	3.0
Range	11.0	17.0	16.0

Table 5
Distribution of The Sample based on Motivation for Task Not As Per Liking

Option	Response
Take up the task as a challenge	83.3%
Attitude of indifference	16.7%

CONSUMER SATISFACTION WITH E-TOURISM A RESEARCH MODEL

Neha Jindal★

Service Quality enhances the shared benefits between the end user and the supplier. It not only helps to develop the relationship between the two but also performance and leads to Customer Satisfaction. Consumer Satisfaction with online travel booking is becoming critical. In this connection, Parasuraman et al. (1985) also found that perceived service quality was significant predictor of customer satisfaction by using SERVQUAL instrument. In this study, it was hypothesized that the SERVQUAL dimensions, namely, Website Functionality, Security, Information Quality, Courtesy and Responsiveness have a significant positive impact on online satisfaction for the users of Tourism websites. Multiple regression of survey responses indicated that security satisfies users more than did website functionality and responsiveness whereas SERVQUAL remaining dimensions did not prove to be instrumental in satisfying customers. Scope for future research was also discussed in the paper.

IT enabled tourism is coined as 'e-tourism'. Online tourism is at a platform that enables direct booking, easy payment for end-user, business-to-business trading for product providers, travel agents and reseller.

Tourists, like other customers, usually have initial expectations of the type and quality of services to be offered in a particular destination. These expectations are formed mainly through information provided via tourism advertisements, commercials, brochures, mass media and informal information from friends and relatives. The extent to which tourist expectations are met will eventually determine the level of tourist satisfaction. If the overall performance, while or after visiting a destination, exceeds or meets initial expectation then the tourist is considered satisfied. However, if perceived performance falls below initial expectation then the tourist may be dissatisfied. Customer satisfaction is increasingly becoming a salient issue in most service industries.

With reference to the tourism and hospitality industry, it can be stated that satisfied tourists are more likely to recommend the tourist destination to others, which is the cheapest and most effective form of marketing and promotion (Crosby, 1993; S.oderlund, 1998). Furthermore, tourist satisfaction usually contributes to increased rates of the retention of tourists' patronage, loyalty and acquisition, which in turn helps in realizing economic goals like increased number of tourists and revenues. (S. Akama, Mukethe Kieti,2002) As a consequence, there is usually a positive association between tourist satisfaction and the destination's long term economic success. Moreover,

tourists can express their satisfaction through many ways such as positive word of mouth, paying compliments to the service or product provider and development of long-term loyalty to the destination. At the same time, through tourist satisfaction, the relationship between the tourist and the tourist destination is strengthened (Akama, Mukethe Kieti,2002).

In summary, the evaluation of tourist satisfaction needs to be considered in multiple dimensions. Tourists may have varying motivations for visiting particular destinations, and also may have different satisfaction levels and standards. Therefore, a model that integrates the approaches used by previous models may be most effective in assessing tourist satisfaction. Consequently, destination managers should establish a higher tourist satisfaction level to create positive post-purchase tourist behavior, in order to improve and sustain destination competitiveness. In tourism, as in other service industries, the emergence, survival, development, and failure of ventures depend heavily upon customer satisfaction.

I. Review of Literature

Businesses recognized customer satisfaction (CS) plays a key role in a successful business strategy. What is unclear is the exact nature of that role, how satisfaction should be managed, and whether managerial efforts aimed at increasing satisfaction lead to higher store sales.

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The past research indicate that the majority of companies derived benefits that were oriented on satisfying customers, improving process effectiveness, increasing company growth in terms of income, increased learning by customers, and enhancing value generation.

Venkatesh Shankar, Amy K. Smith and Arvind Rangaswamy, 2002, "Customer Satisfaction and Loyalty in Online and Offline Environments" helped to know whether the levels of customer satisfaction and loyalty for the same service different when customers choose the service online versus offline? If yes, what factors might explain these differences? How is the relationship between customer satisfaction and loyalty in the online environment different from that in the offline environment? By making use of simultaneous equation model it was found that whereas the levels of customer satisfaction for a service chosen online is the same as when it is chosen offline, loyalty to the service provider is higher when the service is chosen online than offline. It was also found that loyalty and satisfaction have a reciprocal relationship such that each positively reinforces the other, and this relationship between overall satisfaction and loyalty is further strengthened online.

Jukka Ojasalo, 2010, "E-Service Quality: A Conceptual Model" examined the theoretical foundations of e-service quality and developed a conceptual model for it. The model integrated both the cognitive mechanism behind quality perception as well as quality dimensions relevant in the context of e-services. In his model, he also integrated characteristics common to both traditional and e-services, distinctive characteristics of e-services, relevant e-service quality dimensions, and disconfirmation mechanism on which service quality perception is based.

Emmanouil Stiakakis and Christos K. Georgiadis, 2009, "E-service quality: comparing the perceptions of providers and customers" found that the providers' perceptions were in agreement with customers' perceptions with regard to e-SQ dimensions, but not with regard to specific criteria (items) within those dimensions. The study also found that providers had similar perceptions of the importance of the suggested e-SQ criteria in B2B and B2C electronic transactions.

Mark R. Brown, Rose Muchira, Udo Gottlieb, 2007, "Privacy Concerns and the purchasing of Travel Services Online" in their study identified three specific aspects of privacy that received attention from researchers (1) unauthorized secondary use of data, (2) invasion of privacy, and (3) errors via the Internet and future purchase probability. No evidence was found to indicate that such

privacy concerns affect online purchase behavior within the travel industry.

This study aims to address the relationship between online service quality and customer satisfaction for Tourism Sector. The objectives of the study are:

- To analyze the level of customer satisfaction towards e-tourism.
- To develop an understanding for the relationship between online service and customer satisfaction.
- To recommend some guidelines to ensure quality services in e-tourism.

Hypothesis formed

The web users getting their trip booked online with favorable perceptions of the service quality dimensions (Website Functionality, Security, Information Quality, Courtesy and Responsiveness) have a significant positive impact on online satisfaction.

II. Research Design & Methods

The survey was conducted on 150 respondents with the help of a popular travel agent in Faridabad, Haryana. The subjects were Visitors to that agency. They were experienced internet users and had high information requirements. Most of them had visited many tourism websites. They thus could describe more users' requirements and give valuable suggestions for tourism website designs. They could give a more fair evaluation, and could effectively identify current practical problems for online tourism services. Questionnaires were given either by mails or by individual physical handouts.

All questions were measured on 5-point likert scale where "1=strongly disagree", "2= disagree",

"3=neutral", "4=agree", and "5=strongly agree". Overall customer satisfaction was measured

by one item question: "Overall, how satisfied are you with reference to e-travel sites?" The responses are made on scale labelled "Highly Dissatisfied", "Dissatisfied", "Neutral", "Satisfied", "Highly Satisfied"

Multiple regression analysis and ANOVA was employed to assess survey responses of the travel site users.

III. Results & Discussion

Male constituted 64% of the sample while female constituted 36% of the sample respondents. Compared to the women counterpart the male were the regular internet

users who would visit online tourism portals to collect the information or book their trip. Most of the respondents were youngsters whereas only 8% respondents belong to the age group of 51-60 years. The hypothesis states that there is a relation between customer satisfaction in online tourism and the SERVQUAL dimensions i.e. Website Functionality, Security, Information Quality, Courtesy and Responsiveness

$$H_0 = \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$$

For examining this association, a Model was used where the customer satisfaction was used as the dependent variable and the five dimensions of service quality, namely Website Functionality, Security, Information Quality, Courtesy and Responsiveness, as the independent variables. Mathematically, the Model can be seen as:

Consumer Satisfaction (CS) = f (Website Functionality, Security, Information Quality, Courtesy and Responsiveness).

$$\text{Basically, } CS = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

CS= Customer Satisfaction in online Tourism, X1= Website Functionality, X2= Security, X3= Information Quality, X4= Courtesy, X5= Responsiveness. There α is constant and β s are coefficients to estimate, and e is the error term.

The Diagram Representation of the Model (Figure 1) can be seen as:

In order to determine the results of the Model, Descriptive Statistics was conducted using SPSS.

The results of the Model can be seen as:

The table shows the mean value depicting the overall customers' satisfaction. As far as this descriptive statistics is concerned, customers' satisfaction on online Tourism is above satisfactory level (with a mean value of 3.82 on a 5 point Likert scale). As far as the mean values are concerned, customers are satisfied on Website Functionality, Security, Information Quality, Courtesy and Responsiveness.

The overall regression and its ANOVA are summarized as under:

From the ANOVA Test, it shows the table Sig. value 0.05 is greater than the calculated Sig. value 0.000. It reflects the hypothesis at 5% level of significance. It means there was a significant correlation between dependent variable and independent variables. Therefore customer satisfaction

level depends on quality dimension in online Tourism.

The overall predictability of the model is shown in the table above. The adjusted R square value of .646 indicates that the model explains about 65% of the factors responsible for quality in e-Tourism, which is significant ($F=20.06$, $p < 000$). F values imply that the model and data are well fit in explaining customer satisfaction in e-Tourism.

The table shows the relationship between dependent variable and each independent variable. The three variables Website Functionality, Security and Responsiveness are significantly correlated with satisfaction. The dimension "Security" correlate strongly, "Website Functionality and Responsiveness" are moderately correlated, while the "Information Quality and Courtesy" are not correlated. Based on the data found in the table above, it can be interpreted that the independent variables such as "Website Functionality", "Security", and "Responsiveness" have strong impact on customer satisfaction; hence, the other variable "Information Quality and Courtesy" can be dropped.

IV. Conclusion

Understanding customer satisfaction with e-travel sites is particular important because a high level of satisfaction is associated with several key outcomes (e.g. repeat purchase, positive word-of-mouth, and else). In the current study, the dimensions addressed can greatly assist researchers in understanding how service quality can generate customer satisfaction. It appears that online customers evaluate e-travel service quality on the basis of website functionality, including the elements such as workable functions that are quickly linked and make it easy to find the wanted information. Online customers can be easily turned off when the site is difficult to access, or cannot be navigated easily, for much time may be unnecessarily used up.

The dimension of security may be regarded as the degree of the customer's trust and confidence in the website. Such a trust may result not only from the related services provided (e.g., confirmation of an online payment and the security feature to protect the customer's information), but also from the company's long-term establishment (the reputation of the company).

From a research perspective, the analysis provides an early conceptualization of the relevant factors of e-satisfaction. The findings provide a basis for the further study of this important topic along both theoretical and empirical dimensions.

However, this study was conducted only on a sample size

of 150 respondents but researchers should conduct this research on larger strata of the society. Also, research can be conducted to other services sectors like insurance, hospitals, telecommunication and banking industry etc. Additionally, other important variables such as customer loyalty, intention to stay, word-of-mouth communication, and switching costs can be conceptualized as dependent variables.

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Table 1
Descriptive Statistics for the Model

	Mean	Std. Deviation	N
Satisfaction	3.8267	.98816	150
Website Functionality	4.0000	.80268	150
Security	3.8133	.92965	150
Information Quality	3.9733	.74136	150
Courtesy	3.7800	.85820	150
Responsiveness	4.0467	.82199	150

Table 2
Model Summary (Dependent Variable: Overall Satisfaction)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646 ^a	.417	.397	.80520

a. Predictors: (Constant), Website Functionality, Security, Information Quality, Courtesy, Responsiveness
Dependent Variable: Overall Satisfaction

MAJOR EVENTS AND STOCK INDICES–EVIDENCE REGARDING MARKET EFFICIENCY

Pradeep Gupta★

Much of the efficient market literature is actually concerned with the speed with which information is impounded into security prices. In case a firm announces that earnings will be three times larger than expected next year with no additional investment on the part of the firm, the share price should go up to reflect this increase in value. The efficient market hypothesis does not deny the usefulness of this kind of information. An attempt has been made in this paper to test the semi-strong form of efficient market hypothesis by studying the effect of major economic and other Indian events on Mumbai Stock Exchange SENSEX having immediate increase/decrease in its value on the very day the event occurs and information is received by the market.

Every day a rich flow of bits and pieces of information pours into the market. The information pertains to general economic conditions, weather, strikes, shortages of raw materials, international tension, product demand etc. This information is relevant to security valuation, and it affects the prices of securities.

If the market is efficient, security prices should respond to the information as soon as it is received. Naturally, the response can't be instantaneous, but the gap between the receipt of the information and the reaction of the price should reflect the best available procedures and technique for receiving and processing the information.

The reaction of market prices should also be unbiased. The initial reaction should accurately reflect the true implications of the information on the value of the security. There should be no need for a subsequent correction, for example of an overreaction to a piece of information.

Figure 1 presents three possible scenarios for the reaction of a stock market price to the receipt of a single piece of information. It is assumed that in all the days plotted on the horizontal axis, only a single piece of information is received that is relevant to the valuation of the stock. The information is received on the day labeled 0. The information is positive and increases the best available estimate of the value of the stock from Rs. 30 to Rs. 33.

Scenario 1: The solid line represents the path taken by the stock in an efficient market. In this case, there is an immediate increase in the value of the stock to Rs. 33 on the day the information is received. No further changes take place in the value of the stock because the market has received no additional new information.

Scenario 2: The broken line depicts the path that the stock might take in an inefficient market. In this case whenever the information is released, the national offices of several large brokerage houses acquire it. They wire the information to their local offices and begin analyzing the implications of the information for the companies and the stocks affected. Local brokers receive the information and begin making their own, less sophisticated analyses. They may inform their more important clients about the information without drawing grounded conclusions. A few people might initiate trading the stock, driving the price up slightly in the first day. After a lag of one or more days, the analysts employed by the investment institutions release reports showing the information warrants a significant upward revision in the intrinsic value of the stock. Brokers inform their clients that the stock is undervalued at its current price. Decisions are made as to whether the stock should be purchased and, if so, how the money should be raised. Orders flow into the market in the course of the next several days, causing the stock to rise gradually to its new intrinsic value of Rs. 33.

Scenario 3: The dotted line represents still another scenario that is consistent with an inefficient market. In this case those investors who are the most optimistic about the implications of the information on the value of the stock either get the information first or are prepared to act on it first. They are of the impression that the new intrinsic value of the stock is above Rs. 33 and their buying activity begins driving the stock above that level. The best estimate

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of the new value is of course, Rs. 33, and eventually this view prevails. More sophisticated investors begin selling the stock, causing a correction in the price back down to the Rs. 33 level.

If the market is truly efficient, neither of the last two scenarios should be evident in the real market.

Methodology

In the present study, effect of major Indian events on Mumbai Stock Exchange SENSEX has been studied. The events happened during the time period 1985-2006 i.e. 21 years have been covered in this study. The major 39 events and their affect on Mumbai Stock Exchange SENSEX have been shown in Table 1. The effect of major events has been studied on the market indices instead of individual securities. Index values compute total returns for an aggregate market or some component of a market over a specified time period and use the rates of return computed as a benchmark to judge the performance of individual portfolios. Security analysts, portfolio manager and other use security-market indexes to examine the factors that influence aggregate security price movements.

Sensex is the oldest barometer of the Indian capital markets. Sensex, first compiled in 1986 is a "Market Capitalization-Weighted" index of 30 component stocks representing a sample of large, well-established and financially sound companies. The base year of Sensex is 1978-79. The index is widely reported in both domestic and international markets through print as well as electronic media.

Sensex is not only scientifically designed but also based on globally accepted construction and review methodology. The "Market Capitalization-Weighted" methodology is a widely followed index construction methodology on which majority of global equity benchmarks are based.

The BSE Sensex is the benchmark index of the Indian capital market and one, which has the longest social memory. In fact the Sensex is considered to be the pulse of the Indian stock markets. It has acquired a unique place in the collective consciousness of investors. Further, as the oldest index of the Indian Stock market, it provides time series data over a fairly long period of time (From 1979 onwards). Small wonder, the Sensex has over the years become one of the most prominent Brands in the country.

Analysis & Conclusion

As noted earlier, in an efficient capital market, security prices adjust rapidly to the infusion of new information,

and therefore, current security prices fully reflect all available information. It can be seen from Table 1 (column 3) that the market index increases or decreases the same day by certain percentage amount when a particular event happens. The market rises in case the event happened has positive effect, it falls when the event is otherwise. The results coincides the explanation of scenario 1 mentioned earlier. Therefore, it can be safely concluded that market is efficient in semi-strong form.

The impact of information arrival of macro events on stock prices was examined by various researchers. King (1966) showed the existence of correlation between variability of individual securities and mean change of other securities in the market. According to him, if an aggregate measure say market index, can serve as a yardstick to measure the variability of individual securities, then it is possible that any information that influences the market index may also 'explain' the changing variability of individual securities. Castanias (1979) in his study concluded that arrival of macro information was a principal determinant of variability of market factor. He asserted that many specific macro economic variables have significant informational content to explain market price variation on the day of occurrence of such events and thereby suggesting that such markets are efficient processor of information. However Amanulla, Giri and Kamaiah (1996) concluded that the Indian stock market is not an efficient processor of macro information. Fama (1981) and Huang and Kracaw (1984) attempted to test whether the information arrival of macro events is rapidly processed by stock market or not.

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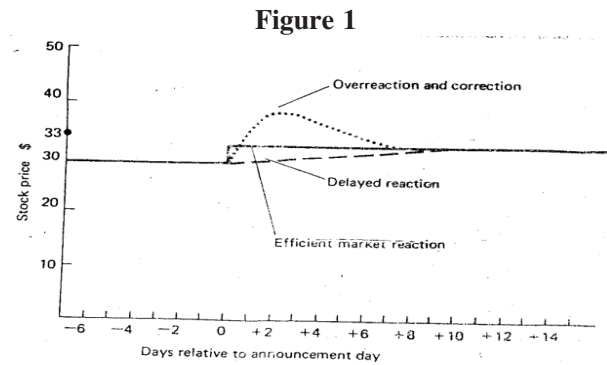


Table 1 - Major events in the life of sensex

S.No.	Date	Percentage Change in SENSEX	Event
1	22 July, 1985	+6.68	Rajiv-Longowal accord signed
2.	30 September, 1985	-5.82	Longowal assassinated
3.	7 March, 1986	-5.34	Tax raids on industrialists
4.	26 October, 1989	-3.1	Congress Loses Power
5.	17 January, 1991	-1.6	Gulf War Begins
6.	19 February, 1991	+10.61	US Coalition wins Gulf War
7.	29 February, 1992	+6.6	Manmohan Singh's 2nd Budget
8.	28 April, 1992	-12.77	SEBI inquiry into suspected Scam
9.	6 May, 1992	-8.41	Harshad Mehta's alleged Scam unearthed
10.	11 May, 1992	-6.5	Scam sends shivers
11.	12 May, 1992	-9.76	Scam sell-off continues unabated
12.	6 December, 1992	-9.33	Demolition of Babri Mosque in Ayodhya
13.	13 December, 1993	-3.15	Carry forward banned
14.	1 March, 1997	+5.63	Finance Minister Shri P. Chidambaram's Budget
15.	30 March, 1997	-8.3	Congress Withdraws Support
16.	11 May, 1998	-3.5	India conducts Pokhran Nuclear Test
17.	5 October, 1998	-7.23	UTI Announces Equity reduction in US-64
18.	27 February, 1999	+5.1	Finance Minister Shri Yashwant Sinha's Budget
19.	17 April, 1999	-6.88	Vajpayee Govt. Loses Confidence
20.	26 May, 1999	-2.14	Kargil Conflict Begins
21.	29 February, 2000	-5.04	Finance Minister Shri Yashwant Sinha's Budget
22.	4 April, 2000	-7.15	SENSEX down on account of IT notices to FIIs & crash of Nasdaq by 350 points
23.	7 April, 2000	7.24	Finance Ministry's intervention on FIIs double taxation issue & all round buying in pivots
24.	17 April, 2000	-5.63	Nasdaq & Dow Jones fell by 350 pts. & 616 respectively on Friday followed by weak Asian markets.
25.	26 April, 2000	5.71	SEBI imposes restriction on short sales & Nasdaq recovery
26.	2 May, 2000	-6.13	Relaxation in circuit filter from 8% to 12% brings down market
27.	4 May, 2000	5.04	Tax sops to Software, Pharma, housing and infrastructure industry
28.	24 July, 2000	-6.17	FIIs net sellers, disappointing results by old economy stocks & massive hammering by operators
29.	22 September, 2000	-5.28	Oil prices concern and global meltdown affects sentiments
30.	13 March, 2001	-6.03	Global meltdown, Proposal to introduce Rolling Settlement
31.	14 March, 2001	5.21	Aggressive fund buying across the board
32.	12 September, 2001	-3.74	Terrorist attack on World Trade Center and Pentagon-US
33.	14 September, 2001	-5.26	Fear of US attacks on Afghanistan
34.	21 September, 2001	-5.85	Fear of War continues
35.	28 February, 2002	-3.87	Budget 2002-2003 Presented
36.	21 May, 2002	-2.93	Fear of War with Pakistan
37.	13 April, 2004	2.09	Infosys becomes \$ 1 billion company, declares 3:1 bonus
38.	17 May, 2004	-8.2	BJP ruled NDA coalition lost the general elections
39.	15 May, 2008	-3.8	Federal Reserve's move to raise interest rates

INDIAN BANKING SYSTEM: DORMANT OR LIVELY IN PROVIDING SERVICE QUALITY

BBS Parihar★ Deepika Singh Tomar★★ Rohit Singh Tomar★★★

The purpose of this paper is to evaluate and compare the service quality in the public sector and private sector banks with special reference to SBI and ICICI bank in the Agra region, based on customers' perception and their expectations regarding service quality. This is an analytical study based mainly on the primary data collected. A questionnaire used in this study is limited to sample of 150 respondents of SBI and ICICI in the Agra region, chosen on a convenient basis. The measurements used were based on widely accepted SERVQUAL model (Parasuraman et. al. 1985, 1988, 1991). A descriptive statistical analysis (combined mean, combined s.d. and z test) was used to compare the level of service quality of Public sector bank (SBI) and private sector bank (ICICI) from customer's perspective. This study examined the service quality gap by comparing customer's expectations and their actual perceptions of both the banks. The result reveals that there is significant difference between the customer's service quality perception towards SBI and ICICI. In order to achieving higher levels of quality service in retail banking, banks should deliver higher levels of service quality and in the present context customers' perceptions are quite higher than customer's expectations in public sector bank i.e., SBI. Owing to the increasing competition between public and private sector banks, customer service is an important part and bankers of public sector should be rethinking how to improve customer satisfaction with respect to their service quality. This paper makes a useful contribution given that there are only a few studies dealing with the assessment of service quality in the banking environment of Agra region.

The banking system in India is changing with the economic liberalization policies that were established in 1991 (Berry, 1994). Essentially, the policies allowed for the privatization of banking through changes in regulation that served to reduce the barriers to entry in the system. While the process began in 1991, it was in 1993 when the Reserve Bank of India presented new guidelines for new entrants into the banking markets. Despite this, the movement toward allowing new private banks to enter has been slow with nine new banks has been formed than. Fewer than 10 percent of the banks in India are currently private with the remainder being state owned. Although banks in India have slowly been incorporating technology, the diffusion of technology has been somewhat slow with relatively greater usage occurring primarily among the newer, private sector banks (The Banker, 1998). Further, The Banker reports that of the 60,000 bank branches in India, only a small number are computerized and that there are only 700 ATMs in the country.

Service Quality

Recognition of service quality as a competitive weapon is relatively a recent phenomenon in the Indian Banking sector. Prior to the liberalization era the banking sector in India was operating in a protected environment and was dominated by nationalized banks. After liberalization as a result of partial

implementation of the Narasimhan Committee Report the nationalized banks and old generation private banks started facing competition from the new private and foreign banks that had international banking standards. These new generation banks were characterized by the usage of modern information technology endorsed services like ATM, telebanking, online systems etc. Clients, for the first time in India were able to choose from a number of banks offering a wide range of services and delivering quality service. The definition produced by Howcraft (1991) that service quality in banking implies consistently anticipating and satisfying the needs and expectations of the customer.

Almost all banks perform same functions. Therefore, customer takes into account the relative efficiency while choosing a particular bank. Differentiation of product is difficult and hazy in banking. Thus, quality becomes the only differentiator and the only key to continuing success. Service quality is also crucial for developing loyal customers and is hence responsible for the success of any service organization (Kandampully, 1998; 2000).

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I. Review of Literature

The vast research literature on service quality is almost entirely devoted to (a) measuring service quality (eg, psychometrics) - (Asubonteng, McCleary, and Swan 1996; Babakus and Boller 1992; Carman 1990; Cronin and Taylor 1992; Cronin and Taylor 1994; Parasuraman, Zeithaml, and Berry 1988; Parasuraman, Zeithaml, and Berry 1994; Smith 1995); (b) developing and testing theories to explain service quality perceptions (e.g. Parasuraman, Zeithaml, and Berry 1985); and (c) developing and testing theories concerning the causal impact of service quality on things like customer loyalty and company profits (Anderson and Sullivan 1993; Anderson, Fornell, and Lehmann 1994; Rust and Oliver 1994; Rust and Zahorik 1993; Rust, Zahorik, and Keiningham 1995). Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers (Dabholkaret al., 1996). Consequently, customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products and services (Bitner and Hubbert, 1994).

Our understanding of the relationship between customer satisfaction judgments' and service quality perceptions remains a problematic issue (Taylor and Baker, 1994). A stream of research has argued that customer satisfaction judgments are causal antecedents of the service quality judgments' (Bitner, 1990; Parasuraman et al., 1988). However, others have reported that it is service quality that appears to be the causal antecedent of customer satisfaction (Anderson and Sullivan, 1993; Cronin and Taylor, 1992; Oliver, 1993; Taylor and Baker, 1994). This conflicting empirical evidence highlights the need for the research reported here as the direction of the causal link between satisfaction and service quality is likely to lead to different customer behaviors, which in turn could have important managerial relevance (Dabholkar, 1995). Previous services literature also highlights the multidimensionality of service quality, and in doing so focuses on two of its overriding dimensions (Levesque and McDougall, 1996; Gronroos, 1984; McDougall and Levesque, 1994; Parasuraman et al., 1991).

Satisfaction judgments are likely to be based on a broad range of non-quality issues (Taylor and Baker, 1994; Rust and Oliver, 1994). Some widely reported determinants of customer satisfaction include service quality, expectations, disconfirmation, performance, desire, affect and equity (Churchill and Suprenant 1982; Levesque and McDougall, 1996; Patterson et al., 1997; Spreng et al., 1996; Szymanski and Henard, 2001).

However, a review of the literature indicates that formation of performance expectations during product or service evaluation can be moderated by customers' expertise (Bettman, 1970; Fishbein, 1963; Fishbein and Ajzen, 1975).

Customer satisfaction is widely recognized as a key influence in the formation of customers' future purchase intentions (Taylor and Baker, 1994). Satisfied customers are also likely to tell others about their favourable experiences and thus engage in positive word of mouth advertising (Richens, 1983; File and Prince, 1992). Research on customer satisfaction is often closely associated with the measurement of service quality (Anderson and Sullivan, 1993; Cronin and Taylor, 1992; Bitner and Hubbert, 1994; Taylor and Baker, 1994; Rust and Oliver, 1994; Levesque and McDougall, 1996).

The present study offers a systematic procedure that could form a cornerstone for providing further insights on the conceptual and empirical comprehension of customer perceived service quality and its constituents. Indian Banks need to measure the perceived and expected service quality no matter whether they belong to Private or Public sector. With this view following are the objectives of this study.

1. To find out the gap between the expected service and perceived service provided by the Indian Banks in Gwalior region, India, to their customers.
2. To analyze and compare service quality perception for private and public sector banks (i.e. ICICI Bank and State Bank of India) in Gwalior Region.

II. Research Design & Methods

Data Collection

The study is conducted in Gwalior region of Madhya Pradesh, India therefore data is collected from the same place. Respondent were visited personally to collect fair information through the self designed questionnaire based on Parasuraman SERVQUAL model. For the collection of the data both the Private sector bank and Public sector banks were chosen. 150 respondents from ICICI bank and 150 respondents from SBI bank, Gwalior, filed the questionnaire.

Research Instrument

Designing the SERVQUAL instrument is very much important as data is captured through this instrument. The genetic questionnaire with 22 statements under 5 dimensions (i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy) as used by Parasuraman et al.

(1988) has also been used here for measuring service quality expectations and perceptions (Appendix I). The responses have been captured in 7-point Likert scale and the difference (E-P) between these expectations (E) and perceptions (P) is the gap score which is then averaged. Simple descriptive statistics are used for data analysis. Moreover, at the time of data collection, proper care has been given to the demographic profiles of the users to ensure that the results are free from any sort of bias.

The use of SERVQUAL is analyzed here in greater detail with logical sequences. It starts with all of the 22 original statements categorized into five dimensions in the form of a questionnaire.

Tangibility:

In a period during the service delivery process, the customer is directly interacting with the personnel, physical facilities and other elements such as communication materials. Because services are intangible, consumers use tangible clues as proxies in evaluating the quality of services. If consumer perceives that the appearance of physical facilities, equipment, personnel, and communication materials are good, then his or her judgment will be positively affected. We refer to this as "Tangibility". Therefore first hypothesis H1 is:

H1: There is no significant difference between the two banks as far as the customer perception for tangibility dimension is concerned.

Reliability

The attribute termed "Reliability" is associated to the ability of the service provider to perform the promised services dependably and accurately. Reliability is closely related to the concept of technical quality of service. The other attributes such as Tangibility, Responsiveness, Assurance, and Empathy are related to the concept of functional quality. The second hypothesis H2 is:

H2: There is no significant difference between the two banks as far as the customer perception for reliability dimension is concerned.

Responsiveness

The "Responsiveness" attribute of service quality refers to whether the service provider has the willingness to help customers and provide prompt service. When the service provider provides prompt service to its customers, the customer perceives that he or she is receiving good quality. Therefore the third hypothesis H3 is:

H3: There is no significant difference between the two

banks as far as the customer perception for responsiveness dimension is concerned.

Assurance

Customers frequently find it difficult to evaluate the quality of the service if they have not experienced yet the particular service. It is believed that the level of the customer's trust plays important role in assessing the quality of the service provided by the service provider. The attribute termed "Assurance" is associated with the ability of the service provider to convey trust and confidence to the customers. Therefore fourth hypothesis H4 is:

H4: There is no significant difference between the two banks as far as the customer perception for assurance dimension is concerned.

Empathy

Finally, if customers perceive that they are not receiving concerned, personal, or individual attention from the service provider, then their quality judgment will be negatively affected. This is called "Empathy". Therefore final hypothesis H5 is:

H5: There is no significant difference between the two banks as far as the customer perception for empathy dimension is concerned.

III. Results & Discussion

Gap Score analysis is done on each dimension to find out the expected and perceived value of the service quality of the targeted banks. Z-test was conducted to obtain the value at the 5% level of the significance.

(a) Tangibility

Analysis of data in table 1 brings to light that as far as "Tangibility" is concerned, in case of ICICI Bank, total mean expectation score is 24.22, mean perception score is 22.84 and average gap score is 0.34 and for SBI, total mean expectation score is 23.44, mean perception score is 19.16 and average gap score is 1.07.

In case of ICICI bank, combined mean & combined S.D. for perception scores are 5.71 and 1.1116 respectively; and in case of SBI, combined mean & combined S.D. for perception scores are 4.79 and 1.3549 respectively.

Further, in this case Z- test is applied to test the null hypothesis,

$H_0: \bar{\lambda}_1 = \bar{\lambda}_2$ (i.e. There is no significant difference between the two banks as far as the customer perception for

tangibility dimension is concerned).

Calculated value of Z is $Z_{cal.} = 6.42$

At 5% level of significance, for two-tailed test, the critical value of Z, $Z_{tab.} = 1.96$.

Since, $Z_{cal.} > Z_{tab.}$, so we reject the null hypothesis and conclude that there is a significant difference between the two banks as far as the customer perception for tangibility dimension is concerned.

(b) Reliability:

Table 2 clearly depicts that as far as “Reliability” is concerned, in case of ICICI Bank, total mean expectation score is 30.18, mean perception score is 26.52 and average gap score is 0.73 and, in case of SBI, total mean expectation score is 30.34, mean perception score is 25.70 and average gap score is 0.92.

Again, for “Reliability”, in case of ICICI bank, combined mean & combined S.D. for perception scores are 5.71 and 1.1116 respectively; and in case of SBI, combined mean & combined S.D. for perception scores are 4.79 and 1.3549 respectively.

Further, in this case Z- test is applied to test the null hypothesis,

$H_0: \lambda_1 = \lambda_2$ (i.e. There is no significant difference between the two banks as far as the customer perception for reliability dimension is concerned).

Calculated value of Z is, $Z_{cal.} = .95$

At 5% level of significance, for two-tailed test, the critical value of Z, $Z_{tab.} = 1.96$.

Since, $Z_{cal.} < Z_{tab.}$, so we accept the null hypothesis and conclude that there is no significant difference between the two banks as the customer perception for reliability dimension is concerned.

(C) Responsiveness:

Analysis of data in table 3 reveals that as far as “Responsiveness” is concerned, in case of ICICI Bank, total mean expectation score is 19.66, mean perception score is 18.06 and average gap score is 0.40 and, in case of SBI, total mean expectation score is 19.24, mean perception score is 14.77 and average gap score is 1.11.

Again for “Responsiveness”, in case of ICICI bank, combined mean & combined S.D. for perception scores are 4.51 and 1.6641 respectively; and in case of SBI, combined mean & S.D. for perception scores are 3.69 and 1.7634 respectively.

Further, in this case Z- test is applied to test the null hypothesis,

$H_0: \lambda_1 = \lambda_2$ (i.e. There is no significant difference between the two banks as far as the customer perception for responsiveness dimension is concerned).

Calculated value of Z is $Z_{cal.} = 4.14$

At 5% level of significance, for two-tailed test, the critical value of Z, $Z_{tab.} = 1.96$.

Since, $Z_{cal.} > Z_{tab.}$, so we reject the null hypothesis and conclude that there is a significant difference between the two banks as far as the customer perception for responsiveness dimension is concerned.

(d) Assurance: Table 4 reveals that as far as “Assurance” is concerned, in case of ICICI Bank, total mean In case of ICICI bank, combined mean & combined S.D. for perception scores are 5.26 and 1.3791 respectively; and in case of SBI, combined mean & combined S.D. for perception scores are 5.18 and 1.5813 respectively.

Further, in this case Z- test is applied to test the null hypothesis,

$H_0: \lambda_1 = \lambda_2$ (i.e. There is no significant difference between the two banks as far as the customer perception for assurance dimension is concerned).

Calculated value of Z is, $Z_{cal.} = 0.46$

At 5% level of significance, for two-tailed test, the critical value of Z, $Z_{tab.} = 1.96$.

Since, $Z_{cal.} < Z_{tab.}$, so we accept the null hypothesis and conclude that there is no significant difference between the two banks as far as the customer perception for assurance dimension is concerned.

(e) Empathy:

Analysis of data in table 5 brings to light that as far as “Empathy” is concerned, in case of ICICI Bank, total mean expectation score is 23.62, mean perception score is 22.08 and average gap score is 0.30 and for “Empathy”, in case of SBI, total mean expectation score is 22.22, mean perception score is 20.30 and average gap score is 0.38.

In case of ICICI bank, combined mean & combined S.D. for perception scores are 4.42 and 1.8980 respectively; and in case of SBI, combined mean & combined S.D. for perception scores are 4.06 and 1.8482 respectively.

Further, in this case Z- test is applied to test the null hypothesis,

$H_0: \hat{\lambda}_1 = \hat{\lambda}_2$ (i.e. There is no significant difference between the two banks as far as the customer perception for empathy dimension is concerned).

Calculated value of Z is $Z_{cal.} = 1.66$

At 5% level of significance, for two-tailed test, the critical value of Z, $Z_{tab.} = 1.96$.

Since, $Z_{cal.} < Z_{tab.}$, so we accept the null hypothesis and conclude that there is no significant difference between two banks as far as customer perception for empathy dimension of service quality is concerned.

By considering objectives of the research as far as the tangibility aspect is concerned the highest gap between the expected and perceived service quality has been found in the appearance of the physical facilities of the banks in consonance with the service provided by them. For SBI it is 1.36 while for ICICI it is 0.60. Mean score on perception is also lowest as compared to other sub dimensions of tangibility. Therefore it is evident that banks need to display their service points in a much clear manner. The appearance of the physical facilities of the banks should establish synchronization with the service provided. Overall looking at the tangibility aspect the perception of customer found to be significantly different between public sector and private sector bank. Indeed private sector banks are able to provide better services based upon tangibility aspect.

Combined mean of perception for ICICI and SBI on reliability dimension is 5.30 and 5.14 respectively. Therefore both banks are sympathetic, assuring and dependable. Both banks are providing services at promised time and maintaining records. There is no significant difference between the service qualities of two banks on reliability aspect.

Customers have a perception that public sectors banks are more responsive than private sectors although not much difference is found in the perception for both type of banks. Customers expect that public sector banks would be less responsive than the private sector banks, but they disagree in most of the perceived dimensions of responsiveness that public sector banks are less responsive. So there is a gap between expectation and perception of public sector banks on the most of the aspects of the responsiveness and it is 1.11. Therefore customers expect that public sector banks to be less responsive but eventually they find it to be more responsive when they receive their services. Henceforth there is a significant difference in the perceived service quality of public and private sector banks.

Although there is no significant difference has been found

as far as assurance dimension of service quality is concerned between public sector and private sector bank. But there is a gap in expected and perceived value of two sub dimensions of the service quality of assurance. For ICICI bank (private sector) a gap of 1.10 is there between what customers expects and perceive as far as safe transactions are concerned. In SBI (public sector) there is a gap of 1.66 between what customer expects and perceive as far as employee politeness is concern.

Customer neither expect nor they get much of empathy from the either of public sector and private sector banks. Therefore there is no significant difference between the public sector banks and private sector banks as far as customer's perception for empathy dimension is concerned.

IV. Conclusion

Indian banks whether they are of private sector or of public sector falling below the customer's perception on all dimensions of the service quality. Moreover conditions of the public sector banks are even bleak they are falling much below on the customer's perception than their expectation as compared to private sector bank on every dimension of the service quality.

Banks needed to be supplied with the new equipments and technology to provide prompt services. Bankers especially of public sector banks required to pay attention on their attire. Banks physical facilities should match with the services provided by the banks. On tangibility aspect banks of the public sector need to improve upon more than the private one. Customer's records in the banks should be kept safely. Bankers should provide services as per their promise and on time. This could be done by providing efficient services to their customers, which will depend upon the technical competency of the company along with the scheduled process to undertake a job. Although there is no significant difference has been found between the two banks as far as the customer perception for reliability dimension is concerned. Employees of the banks are expected to provide better, prompt and timely services to the customer; they must respond the customers query on time. But Indian banks are not following it specially public sectors banks are far below the expectations of their employees. Public sector banks should run the training programs for their employees. Private Banks should build their brands to win the trust of their customers and they must provide transparency in their working process and accounts and publish their authentic reports on time to time. Public sector bank employees need to be more polite a training program on soft skills could be implemented.

Further research on the various dimensions of the service quality is what is required to develop better service providers with a view to reduce the gap between the expected service level and perceived services.

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Table 1- Tangibility

	ICICI			SBI			Comparison of Tangibility Perceptions for ICICI bank & SBI			
	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (P)(ICICI)	S.D. (ICICI)	Mean Score (P)(SBI)	S.D. (SBI)
1	6.48	6.00	0.48	6.26	5.44	0.82	6.00	0.9165	5.44	1.1164
2	5.90	5.80	0.10	5.76	4.80	0.66	5.80	0.9591	4.80	1.3416
3	6.06	5.86	0.20	5.76	4.62	1.14	5.86	1.1315	4.62	1.3840
4	5.78	5.18	0.60	5.66	4.30	1.36	5.18	1.2278	4.30	1.3000
Total	24.22	22.84	1.38	23.44	19.16	4.28				
Average Gap Score			1.38/4=0.34			4.28/4=1.07				
						Comb. Mean	5.71		4.79	
						Comb. S.D.		1.1116		1.3549

Table 2: Reliability

	ICICI			SBI			Comparison of Reliability Perceptions for ICICI bank & SBI			
	Mean Score (E)	Mean Score (P)	Gap score (E-P)	Mean Score (E)	Mean Score (P)	Gap score (E-P)	Mean Score (P)(ICICI)	S.D. (ICICI)	Mean Score (P)(SBI)	S.D. (SBI)
5	6.20	5.30	0.90	6.26	4.94	1.32	5.30	1.3304	4.94	1.3024
6	5.88	4.98	0.90	5.80	4.60	1.20	4.98	1.2882	4.60	1.6248
7	5.50	4.96	0.54	5.76	5.60	0.16	4.96	1.3410	5.60	1.5231
8	6.02	5.14	0.88	5.92	4.64	1.28	5.14	1.2650	4.64	1.3965
9	6.58	6.14	0.44	6.60	5.92	0.68	6.14	1.0950	5.92	1.2302
Total	30.18	26.52	3.66	30.34	25.70	4.64				
Average Gap Score			3.66/5= .73			4.64/5= 0.92				
						Comb. Mean	5.30		5.14	
						Comb. S.D.		1.4069		1.5177

Table 3- Responsiveness

	ICICI			SBI			Comparison of Responsiveness Perceptions for ICICI bank & SBI			
	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (P)(ICICI)	S.D. (ICICI)	Mean Score (P)(SBI)	S.D. (SBI)
10	5.06	4.30	0.76	4.96	3.98	0.98	4.30	1.7000	3.98	1.7491
11	4.70	4.52	0.18	4.72	3.47	1.25	4.52	1.7348	3.47	1.4534
12	5.38	4.98	0.40	5.06	4.06	1.00	4.98	1.4627	4.06	1.6900
13	4.52	4.26	0.26	4.50	3.26	1.24	4.26	1.6469	3.26	1.9267
Total	19.66	18.06	1.60	19.24	14.77	4.47				
Average Gap Score			1.60/4=0.40			4.47/4= 1.11				
						Comb. Mean	4.51		3.69	
						Comb. S.D.		1.6641		1.7634

Table 4 – Assurance

	ICICI			SBI			Comparison of Assurance Perceptions for ICICI bank & SBI			
	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (P)(ICICI)	S.D. (ICICI)	Mean Score (P) (SBI)	S.D. (SBI)
14	5.90	4.82	1.08	5.78	5.54	0.24	4.82	1.4654	5.54	1.6273
15	6.22	5.12	1.10	6.38	5.82	0.56	5.12	1.4232	5.82	1.5451
16	6.18	5.86	0.32	6.12	4.46	1.66	5.86	1.0200	4.46	1.4171
17	6.10	5.24	0.86	5.94	4.92	1.02	5.24	1.3499	4.92	1.3541
Total	24.4	21.04	3.36	24.22	20.74	3.48				
Average Gap Score			3.36/4=0.84			3.48/4=0.87				
						Comb. Mean	5.26		5.18	
						Comb. S.D.		1.3791		1.5813

Table 5- Empathy

	ICICI			SBI			Comparison of Empathy Perceptions for ICICI bank & SBI			
	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (E)	Mean Score (P)	Gap Score (E-P)	Mean Score (P) (ICICI)	S.D. (ICICI)	Mean Score (P) (SBI)	S.D. (SBI)
18	4.38	4.00	0.38	4.52	3.64	0.88	4.00	1.8330	3.64	1.6584
19	4.74	4.24	0.50	4.64	4.08	0.56	4.24	1.8172	4.08	1.8956
20	4.52	4.16	0.36	4.30	4.06	0.24	4.16	1.7590	4.06	1.7936
21	4.66	4.52	0.14	4.64	4.50	0.14	4.52	2.0222	4.50	1.9416
22	5.32	5.16	0.16	4.12	4.02	0.10	5.16	1.8260	4.02	1.8274
Total	23.62	22.08	1.54	22.22	20.30	1.92				
Average Gap Score			1.54/5= 0.30			1.92/5= 0.38				
						Combined Mean	4.42		4.06	
						Combined S.D.		1.8980		1.3549

DIGITAL MARKETING: SAY GOODBYE TO KOTLER'S 4 P'S

Rekha Dahiya★

The revolutionary digital marketing has changed the principles and fundamentals of traditional marketing management. People who used to worship the marketing mix given by the legend Mr. Philip Kotler in his historic book need to introspect whether they are going to the right path just by blindly following the principles given by Mr. Kotler. The digital era which is marked by speedy information flow round the globe, shift of control from producer to customer, active involvement of the customers in the marketing process calls for a whole new understanding of the concepts of marketing. The paper attempts to identify the difference between the traditional and digital marketing and stresses upon the need of whole new approach to marketing. It also makes the Kotlerians to think that time has come to revisit and modify the fundamentals given by the legend.

Nothing has affected the market place in more amplified manner than the technology. Technology has changed the way a company operates and markets. Over the years businesses have become so much reliant on technology that if we were to take away that technology virtually all business operations around the globe would come to a pulverizing arrest. Almost all businesses and industries around the world are using technologies ranging from the most basic to the most complex of operations. Role of technology is evident in all spheres of businesses from research and development, production and all the way to delivery. It has also opened plethora of opportunities for the firms to choose from. Digital marketing being one of them has kick started an all together a new era in the marketing field.

Researches have shown 10% increase in web usage globally from last year. One should not be surprised by seeing billions of marketing dollars spent on digital marketing campaigns rather than traditional channels. It would be interesting to see what digital marketing will look like in the years ahead for the marketers. All that marketers need to do is to build a database of customers or potential customers and find out how they wish to be reached. Digital marketing also calls for the introspection for the new age marketers to see whether the rules and mantras of the old marketing concepts should be applied as such or some modification or complete replacement is needed. Time has come to analyze the validity the traditional 4 P's approach given by the marketing legend, Philip Kotler in the digital marketing age. Now the marketers are suppose to answer one critical question that is, "should we bid adieu to the traditional Kotler's 4 P's?"

I. Review of Literature

Traditional marketers would be stunned enough to see the control that customers have now a days over the communications they receive. Traditionally customers had little or no involvement in the company marketing program. They were confined to either receiving or watching the promotional messages sent their way. Their first response has been to ignore them or to alter their opinion of the product (Source: Digital marketing: Using New Technologies to Get Closer to Your Customers, Will Rowan)

The digital marketing has completely shaken the marketing fundamentals. Now the pricing techniques and strategies that once carried out quite intelligently after a thorough understanding of the factors affecting are not that much of importance. We have progressed into an era where customers name their own price or buyers and sellers bargain independently in auctions. Now a brand strength doesn't depend only on the fact how creatively the company has communicated its difference over others to the customers but now it has been determined by the customers as they have moved closer to having access to real time and highly competitive information. Marketing research has also undergone a dramatic change as now that companies can track every click in the customer decision's process. Companies have also noticed a shift in their communication strategy from the traditional

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communication to the interactive communication of the web where information entertains educates or even persuades the customers. (Source: Wind & Mahajan (2001), Digital marketing)

The digital marketing channels today have become mass and mainstream channels having its reach not only in the country but across the boundaries too. Social networking sites like twitter, facebook, myspace.com etc have such a huge base of followers that leaves behind the most popular magazines, newspapers or any other medium. Social networking sites are forums that allow users to join the club and sharing the information with others. They have the control over the contents and also have the privacy that allows access only to those who have been permitted by the user. All business groups today need to be vigilant enough and they must appreciate the reach and accessibility of channels like Social networking sites, games, blogs, websites etc. they should not in the illusion that these channels are visited by only the tech savvy teenagers as these channels are surfed or visited by one and all irrespective of the age and gender. Although one can't deny the fact that there is so-called digital divide in a country like India but at the same time we must also appreciate the efforts to bring digital access to the large populace of India. (Source: Wertime & Fenwick (2008), DigiMarketing)

II. Research Design & Methods

The type of research design used in the article was descriptive research. The data was collected from the various secondary sources like books, internet, newspapers etc. The information has been presented here below under various heads.

III. Results & Discussion

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. As a result, the field of digital marketing includes a whole host of elements such as 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 / banner ads and digital outdoor. So digital

marketing is the promoting of brands using all forms of digital advertising channels to reach consumers.

The factors that can be attributed to the success of digital marketing are the benefits that people get and the trust that people have on the digital marketing tactics. Studies (NPD Group) suggest that people are inclined to trust services like search engines much like they trust a librarian, a trust that people would not be lead wrong by those who would choose to lead them. Search engines work because they are a passive tool, awaiting input from the user to find what they want.

People are embracing digital technology in way that was unthinkable 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 update on their favorite 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 giving it a second thought.

Digital marketing, like search engine optimization and email, fills your belly and snarls at you because you're hungry for it. It's what you want, not what someone perceives you to want. When a person searches on a search engine for a specific product or service, they are qualifying themselves as a potential customer. Someone is not forcing you 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 you up on beautiful platform, where mutual conversations drive transactions and relationships.

4.1 Is digital marketing completely different from traditional marketing?

If you ask the question of replacing the 4 P's of Kotler to any marketing professional who has worshipped Kotler, you will face strong opposition from the side. He/she can come up with answers like what has changed with digital marketing apart from the medium. There would be a product without a doubt for which there should be justified price. The product will be made available to the customers who need it and promotion would be done obviously with the help of much talked about digital marketing technologies. So all the 4 P's given by Kotler stand firm in the digital marketing age also. But before going ahead or giving any verdict, we need to understand the difference between traditional and digital marketing.

Although the facts can be ignored that the basic principles

of marketing still apply which are know your customer and your competitors, define your target segments and be clear about your priorities and positioning. However one should not make the mistake of understanding digital marketing just another channel as it is a new approach to marketing and requires the whole new understanding of customer behaviour.

Digital marketing has the strong fundamentals of the traditional marketing and differences are clearly visible. Digital marketing offers the customer previously unimaginable quantity and quality of information along with the durability as online resources can be permanent rather than campaign-limited as it's always easy to copy. Consumers can sort out products on the basis of desired attributes. They even the opportunity to evaluate the product by third party endorsements. Digital marketing is more interactive than the traditional marketing. Customer is free to initiate contact along with he can also decide the length of association. Two way communications is possible with the help of digital marketing as internet can provide for dialogue with customers and among customers. This can be an opportunity to engage, understand and serve your customers as individuals. Segmentation and targeting can be made easy with the help of digital marketing technologies. One thing that clearly differentiates digital from the traditional marketing is measurability. Now marketers can delve deep in to consumer's decision making process as now they can track every click made by the customer. You can easily know which metrics are important to you so you can settle on the most effective one.

The differences are large enough from the traditional marketing that it can make managers to revisit the concept of 4 P's before applying the same to the digital marketing.

5.0 Kotler's 4 P's: Under the Scan

Kotler's 4 P's concept has faced criticism continuously from various authors. Critics aim to exhibit that the 4Ps model is inappropriate for today's business environment. According to the critics the marketing mix given by Kotler has an internal orientation focusing on internal processes and ignores the customer orientation as it doesn't consider the elements of customer feedback and interaction as a basis for building up relationships and retention. The framework has been perceived having a product push nature rather than 'collaborative' character. Some critics have given product mix a mass marketing character as no interactivity and personalized communication is supported in the model. Human factor has been absent in the framework given by Kotler whereas it is the most important element in case of services. The model is not interactive at

all as it ignores the fact that customers are getting more value demanding day by day and want more control over the communication and transaction. One-to-one communication and relationship building are also fundamental elements of services marketing not adequately addressed in the 4Ps.

Some authors not only have criticized the 4 P's approach but have given the replacement of the approach. Most common being the 4 C's approach given in 1990's and SIVA model. More recently, Brian Fetherstonhaugh, Chairman and CEO of Ogilvy and Mather Worldwide, had suggested replacing the 4 Ps with 4 Es – Experience, Everyplace, Exchange and Evangelism. It's not about products but people. We are no longer an atom-driven world but neuron-driven, governed by emotions.

5.1 4 P's in Digital Marketing: Passé Now

Mahesh Murthy, founder and CEO, new age advertising firm Pinstorm, says marketing in the age of digital is a bit like being inside an air traffic control room. He smears a scene where marketers are grouped over computers watching news and events on their radar screens and based on whatever is trending, take immediate action, adroitly changing flight paths, taking sharp cuts, zooming in if required. This scene painted by him illustrates the fact that world is changing at such a high speed in which marketers are required to take skilled and appropriate decision to keep itself abreast of all the changing and exploiting of opportunities if available. There is no time to frame the Strategy. In the digital age, smart brands of 21st century are super- supple creatures. The takeaway is that absolutely a novel manuscript of words for marketers is desirable. The only thing is the chapters might have to be updated on a nearly daily basis, so fast is the world changing.

There is no time left for planning. World is changing so fast. If I ask you a question what do you remember about the FIFA world cup held last year. One thing that for sure would come to your mind would be Paul, the octopus. The marketing society prepared diligently for the event for three to six months in advance, building campaigns, planning their advertising. And then, along came Paul, the Octopus, the most tweeted and talked about subject during the games, creating mass frenzy and hijacking the mind space of the entire world. And many a marketing dollar spent on the event went waste.

This digital revolution has brought the concept of strategy under scan. Planning in stable environment looks for stable and carefully developed strategy but planning in digital environment calls for flexibility and experimentation. The

environment is changing so quickly that by the time you devise an optimal strategy, you become obsolete. Agility and flexibility are the key words for digital marketing.

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 on their own. However it is unlikely that customers can redesign the physical layout of retail store but the same can be done easily online. All it needs is few clicks are you get the items sorted on the basis of price, quality, size, color etc.

Imagine the task of positioning in such a dynamic environment. We have been taught to position our products on the basis of feature, attributes, benefits, competitors, social class etc. Marketers use to communicate the positioning or image of the products or services to the target customers. But now customers are already having the information, evaluation by other customers and experience of others as well. Customers are involved into chat rooms and other interactions that ensure the global flow of communication. The company can take the decision to position its products on the basis of customer involvement and relationship and leave the attributes and benefits to codetermine for the customers.

Pricing in the digital world varies according to time of day, geography. As far as promotion is concerned take permission before sending the promotional material to the customers. Now they are not passive as traditionally they use to be. Leave the promotion to the people, the users and consumers. They will shape and spread the message.

Your brands should be omnipresent. It should stretch like rubber bands in all directions without breaking. Now the brands have managed to break down all the layers separating them from the consumer - the stockists, the distributors, the sub-distributors, the retailers and connected straight with the users.

The time has come to do away with the four things that have captivated the marketers for so long. These are strategy, data, control and consistency. The world is changing so fast that there is no time for strategy; it's all about flexibility and fiddling with the marketing mix of

your company. The text book of marketing have always stressed upon the importance of being consistent. But in the digital era where your brand will be communicated, listen and talked and with the social media's upsurge most brands become the conversational brands, it would become very difficult for a company to remain consistent. It's also impossible to be in control. Your brand is what people say and will co-shape. Now customers are not on the passive receiving side. They will first experience your brand. Spread positive or negative WOM whatever they feel like and you as a marketer are not left with any option apart from making changes according to their preferences.

Companies always look for data in a manner as if a devotee looks for God in every single sphere of life. In the digital world companies should stop worshipping data as there is no time to analyze that data and plan. Just sense the changes in the world around you and give some importance to your intuitions as well.

Companies also have started understanding the importance of digital marketing and breaking the old "only 5 per cent of spend online rule." Now an FMCG company spends over 65 per cent of its marketing spend online. Capital Goods (maker of Ching's Secret) was one of the first brands in FMCG sector in India to embrace social media in 2008 to create a huge band of followers for the noodle brand. Now the company is present in 40 countries and company gives credit to the social media for its success. MD of the company says, "We didn't create content, but conversations."

IV. Conclusion

There is no doubt about it that companies are optimistic about the growth of digital marketing in the years to come and also gearing themselves for the same. But one can't deny the fact that now a days also majority of the company in India reserve to only 5 per cent of spend online rule. One can't find examples like Cheng in abundance. The basics of marketing – a strong product, pricing power, access and above all, focus on the consumer are hard to change. The fundamentals of marketing haven't changed but the tools and language have. The language has become instantaneous and personalized, and the tools available have dramatically increased.

Marketing mix given by Kotler being a tool of marketing also needs to be modified or replaced in response to an environment that is so dynamic and ever changing. Today, we have the tools to figure out what every individual customer wants, and deliver targeted customized marketing. So why not to take the full advantage of the

technology and delight our customers.

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Table 1
Replacing 4 P's Approach

4 P's	4 C's	SIVA Model	4 E's
Product	Customer Solution	Solution	Experience
Price	Cost	Value	Exchange
Place	Convenience	Access	Everyplace
Promotion	Communication	Information	Evangelism

A STUDY ON INDIAN CONSUMER'S OUTLOOK TOWARDS E-TAILING

Manish Jha★ Neetu Sharma★★

E-tailing is still in its nascent stage in India. Though it offers cost-effective, time saving profitable solutions in many functional areas, in a country like India, there is a dearth of computer literacy and this act as a barrier towards adopting e tailing. As consumer's attitude towards on-line shopping is a prominent factor affecting actual buying behavior, this research paper attempts to understand the perception and attitude of Indian Consumers towards e tailing. E-tailing is the practice of selling retail goods on the Internet. It is the abbreviated version of "electronic retailing" which essentially constitutes business to consumer transaction The E-commerce industry plays a vital role in its growth and development. For consumers who face a paucity of time or want a diverse range of products to choose from, e-tailing proves to be an ideal option. Every e-tailer wants his/her share of domain amidst the vast World Wide Web galaxy. To remain on the higher rungs of e-tailing, the e-tailer needs to make the entire product package attractive and make customer satisfaction its foremost priority. Every product should include a detailed description and should be made available with an honest price tag. With advances in e-commerce technology; e-tailing is getting more refined and continues to fine-tune itself in an attempt to surpass consumer expectations. E-tailing helps retailers build loyal customers and is aimed at selling in areas where they don't have a physical presence.

Without doubt, it can be said that Internet is the most influential and impactful thing to have happened to the business world and global economy in a long time. The world is becoming more and more dependent on the Internet day by day and it is now touching all aspects of human life, be it shopping, eating, business or utilities. A proper appreciation needs to be made of the fact that Internet will shape the future of the world in all possible ways. A major surge in Internet usage is to be witnessed in developing countries like India, China, Brazil etc. which is driving the current growth of Internet and given the high penetration levels of Internet in these countries, there is a plethora of opportunities for Internet-driven services and applications to blossom and flourish in these regions. E-tailing or e-commerce can be described as transactions that are conducted over an electronic network, where the buyer and seller are not at the same physical location. E-Tailing is a medium through which people in small & less developed cities can also purchase the goods online and make payments through credit/debit cards. E tailing is still in its nascent stage in India. Though it offers cost-effective, time saving profitable solutions in many functional areas, in a country like India, there is a dearth of online shopping knowledge, and this acts as a barrier towards adopting e tailing. The reason for this may be that an individual develops a generalized impression of the Internet purchase process. Personal experiences combined with information communicated by others form the basis for developing an image in the mind's eye of the individual.

Ultimately, each person adopts an attitude (i.e., predisposition to respond in a consistently favorable or unfavorable manner) regarding an Internet purchase process that incorporates what he or she know or believe about the process, how much they like or dislike the process, and how they routinely act or behave regarding the process. Shopping is still a touch-feel-hear experience, Unlike the Americans, Indians do not suffer from 'time-poverty' and shopping is still considered to be a family outing. The Indian scenario is quite different from that of the West. Most Indian's are not comfortable using their credit cards for shopping and there is always a fear of "what you see may not be what you get". Customers prefer the comfort of neighborhood stores as they can touch and feel the products. While the Internet customer is very hard to predict and is different from the normal customer. The PC literate population is on a fast growth curve. Though in India overall penetration of internet connectivity is still low the important factor is that a critical mass of users is shaping up which will fuel rapid growth over the next 3-4 years. As consumer's attitude towards on-line shopping is a prominent factor affecting actual buying behavior, this

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research paper attempts to understand the perception and attitude towards e tailing.

Internet is a new information technology tool that has dramatically changed the way of life. It has become an integral part of modern life across the world. In light of the ongoing paradigm shift from traditional (brick and mortar store) to internet-based purchases, a question arises as to whether the same factors that have been found to influence traditional purchases similarly influence Internet based purchases. And, if they do not, what other factors are present or not present that influence Internet based purchases? Is shopping on the Net really catching on in India? Customer credibility and security of transactions are the most important aspects for the survival of an online store. Apart from small number of Internet users in the country and mixed quality of lines, investing in reliable back-end logistics systems to ensure prompt delivery is also critical. Higher penetration of Internet in the smaller towns, higher disposable incomes, and limited reach to physical retail outlets of the big brands are changing shopping habits.

The study is necessary to provide an evaluation of the factors that influence a consumer's on line purchase decision. The study may give valuable insights that might help organizations develop effective strategies leading to increase use of on-line shopping.

I. Review of Literature

According to a study done by (Spijkerman, 2008), since factors that inhibit buying on the internet are mainly connected to internet technology and insecurity, the prediction of 25 per cent of the consumers buying garments on the internet is only justified if internet use and buying becomes more generally accepted by larger consumer groups. Knowing the efficiency patterns of an e-tailer makes it possible to guide managerial action by providing a measure of the extent to which different management actions at the e-tailer can lead to higher future customer growth. Managers should realize that customers match realizations and expectations of product/service performance (Jiang & Talaga, 2006). With the potential for growth being relatively unlimited, many online businesses have been created, and conventional stores are questioning whether their current brick and mortar business model will continue to be successful. The operational processes of online companies are difficult to formulate, as evidenced by their high failure rates (Kumar et al., 2010). Consumers' beliefs about the web site, especially with regard to merchandising, both directly and indirectly

influenced their intention to shop for cultural products in the future (Lee & Littrell, 2005).

A study done by (Teach & Schwartz, 2003) explored students attitudes and opinions related to e-commerce and how those varied based on gender, technology adeptness, shopping intensity, and university affiliation. Differences did exist between the more and less technology adept shoppers. In addition, differences existed between those who had higher or lower shopping intensity. Experts cite the lack of a sound business plan and a diminished regard for basic marketing and management practices as major reasons for the failure rate of Web-based retailers. The dot-com platform alone was often viewed as a sufficient basis for business success (Bertsch, 2002). E-tailers are encouraged to carry reputable brands and prominently display information about these brands on their Web sites. This will improve consumers' trust beliefs increasing conversion rates and reducing shopping cart abandonment's (Becerra & Korgaonkar, 2011). A study on the men's and women's apparel web sites by (Kim et al., 2011) suggested that distribution or availability of almost half the e-service attributes analyzed significantly differed between women's and men's apparel web sites. For the further growth of men's apparel shopping via the internet, e-retailers of men's apparel need to provide e-services at a more sophisticated level.

Technology now allows e-tailers to customize online store atmosphere at the individual level, with the customization controlled and executed by either the retailers or the customers, or both. Since in conventional retailing the manipulation of store atmosphere is controlled mainly by retailers (e.g. store layout, product display techniques, store theatrics, etc.), the potential for mass customization with consumer involvement radically changes the way research regarding online store atmosphere must be approached (Vrechopoulos, 2010). Retailers are not cannibalizing their own custom, virtual merchants are not dominating the market-place, and the high street has not, as yet, been put out of business (Doherty & Chadwick, 2010). Several key differences exist between the efficacy of web-only and multi-channel retailers, which can be explained with the TCE (Transaction cost Economics) framework. Both web-only and multi-channel retailers are found to exhibit respective advantages (Rao et al., 2009). If on-line providers can minimize risk thus instilling a level of trust, then the initiation of an on-line purchasing relationship can commence, research by (March & Quinton, 2005) also recommended to on-line wine providers to encourage trust, and these are outlined under the three discrete functions of an on-line provider: site design, marketing and the e-

tailing function, on-line wine purchasing. The Net not only offers freedom of speech, but also widens opportunities for irresponsible activity, with low barriers to entry. Thus tensions exist between rights and freedoms, on the one hand, and abuses of freedoms, provoking calls for regulation, on the other (Whysall, 2000). A study by (Doherty & Chadwick, 2006) concluded that internet retailing literature is extremely wide-ranging, and somewhat fragmented, it can be decomposed into three broad categories: the retailer perspective; the consumer perspective; and the technological perspective. Currently, many retailers are exploring the potential of the Internet, but the market is still in its infancy. Retailers do, however, report increasing sales and a positive contribution to marketing from visibility on the Internet (Rowley, 1996).

All four categories of internet retailing involve quality dimensions of “web site”, “transaction”, “delivery”, “customer service”, and “security”. However, the criteria within these dimensions are not stable across the categories. Most of the differences relate to the transaction and fulfillment processes (Francis, 2007). Result of a study done by (Liao & Shi, 2009) suggested that perceived usefulness and perceived ease of use have positive impact on consumer attitude towards e-retail business. The easily accessible local retail market and the concern about risk in the virtual environment significantly affect consumer attitude and behavioral intention to use e-retailing. Both functional and epistemic values have a significant impact on information collection and order placement. Nevertheless, social value has an impact only on information collection, whereas emotional value has a significant impact only on order placement (Cheng et al., 2009). Studies conducted by (Xing et al., 2010) suggested that price is the most important online purchasing criteria is in accordance with Verdict which suggests that price is the principle motivator in the home delivery market as the retailing market is getting more price-transparent and consumers are becoming more price-sensitive. Research by (Hernandez et al., 2011) show that socioeconomic variables moderate neither the influence of previous use of the Internet nor the perceptions of e-commerce; in short, they do not condition the behaviour of the experienced e-shopper. Results from a study conducted by (Hardesty & Suter, 2005) suggesting that consumers expect to pay less in online e-tail settings than bricks-and-mortar retail settings. Additionally, results suggest that bricks-and-mortar retail external reference prices influence consumer e-tail price expectations, price fairness, and satisfaction perceptions more than online e-tail external reference prices when reference prices are high.

After doing extensive literature study, following objectives have been formed:

1. To understand consumer’s attitude towards shopping through Internet
2. To know Hurdles and Bottlenecks for e-tailing implementation

Hypothesis:

H-0: E-tailing is still not preferred mode of shopping

- H-1: a. E-tailing is influenced by Age
b. E-tailing is influenced by Gender
c. E-tailing is influenced by Education Level

II. Research Design & Methods

Research design, population, and sampling:

This research was carried out in Mumbai city. 150 consumers of different Age Groups, Education Level and Gender were selected. Out of which 41 males were of age group 18-34, 24 males were of 35-54 age group, 18 males were of 55-65 age group while 30 females were of 18-34 age group, 23 females were of 35-54 age group, and 14 females were of 55-65 age group. Consumers were invited to participate in the voluntary survey by completing self-administered questionnaire.

Sampling:

Sampling unit:

- Consumers (Male, Female above of different Education levels)

Sample size:

- Consumers – 150 (out of which 83 were male and 67 were female)

Tools used for data analysis

Personal interview involving face to face basis was utilized Questionnaire technique was used as a tool to gather information.

Questionnaires focused on preference for E-tailing, Reasons for avoiding E tailing, and possible hurdles in implementation of e tailing.

III. Results & Discussion

Chi-square technique of analysis was used to analyze the association between

- Age and e- tailing
- Gender and e- tailing
- Education level and e- tailing

Inference: As shown in the table with the 95% confidence level the calculated value of Chi-Square is 26.002 & the table value is 13.277 for 4 degrees of freedom.

It shows that difference is highly significant and two variables are not independent and are significantly associated and therefore part of hypothesis (H-1): E-tailing is influenced by Age is accepted.

Analysis:

Graph reveals that E-tailing can be preferred by young age and middle age group, the reason can be increasing penetration of Internet connectivity. The demographic segments that have witnessed maximum growth comprise college going students and young persons. These segments are the users of advanced applications and technologies online and are most likely to be heavy E-Commerce users. While old age group is still not aware of this.

Inference: As shown in the table with the 95% confidence level the calculated value of Chi-Square is 1.270 & the table value of it is 9.210 for 2 degrees of freedom.

It shows that difference is highly significant and two variables are not independent and are significantly associated and therefore part of hypothesis (H-1): E-tailing is influenced by Gender is accepted.

Analysis:

Graph reveals that, Males are more inclined towards buying the products through internet while females hesitate to buy through internet. Females have the tendency of post purchase dissonance and therefore they believe in touch-feel-try experience while buying the products through internet.

Inference: As shown in the table with the 95% confidence level the calculated value of Chi-Square is 19.334 & the table value of it is 13.277 for 4 degrees of freedom.

It shows difference is significant and two variables are not independent and are significantly associated and therefore part of the hypothesis (H-1): E-tailing is influenced by Educational Level is accepted.

Analysis:

The Graph reveals that, Educational Level matters for online buying.

Consumers who are Highly Educated (Post Graduation and above) are likely towards preferring E-tailing. As these Internet Users mature with respect to exposure and awareness of internet, they tend to spend more time online; access internet more frequently and surf non-

communication based Applications and advanced online applications like E-Commerce.

The Graph reveals that, only 35% of consumers prefer for on-line shopping which includes the young age group that to who are aware of and has the knowledge regarding on-line shopping.

46% of consumers hesitate to buy through internet for varied reasons and 19% of consumers are still unaware of online shopping.

Thus, the study confirms the hypothesis (H-0) that, e-tailing is still not hundred percent preferred mode of shopping.

IV. Conclusion

Though internet use has grown exponentially reshaping people's informational and social needs, in country like India, it has still to take full shape. Consumer's find risk in preferring E-tailing due to above mentioned reasons, and these cluster of reasons for purchase through internet are the consumer's perception towards E-tailing. From findings of the study it can be concluded that, through proper awareness programmes for E-tailing customers will strive towards it. E-tailing in India can be a success if the e-tailers change their business models and understand their consumers more.

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Table 1

Age Group	Below Graduation		Graduation		Post Graduation		Total	
	M	F	M	F	M	F	M	F
18-34	10	07	25	15	06	08	41	30
35-54	05	07	15	10	04	06	24	23
55-65	05	06	10	05	03	03	18	14

Table 2

Association between Age & E-tailing

Age/E-tailing	A		B		C		Total	
	F	%	F	%	F	%	F	%
18-34	50	70	10	14	11	15.49	71	47.33
35-54	32	68	05	10.63	10	21.27	47	31.33
55-65	2	6.25	10	31.25	20	62.5	32	21.33

A= Preference for E-tailing

B= No preference for E-tailing

C= Unknown about E-tailing

F = Frequency

Table 3

Association between Gender & E-tailing

Gender/E-tailing	A		B		C		Total	
	F	%	F	%	F	%	F	%
Male	32	38.55	28	33.73	23	27.71	83	55.33
Female	17	25.37	30	44.77	20	29.85	67	44.66

A= Preference for E-tailing

B= No preference for E-tailing

C= Unknown about E-tailing

Table 4

Association between Education level & E-tailing

Education /E-tailing	A		B		C		Total	
	F	%	F	%	F	%	F	%
Below graduation	5	12.5	20	50	15	37.5	40	26.66
Graduation	33	41.25	37	46.25	10	12.5	80	53.33
Post-Graduation	15	50	12	40	03	10	30	20

A= Preference for E-tailing

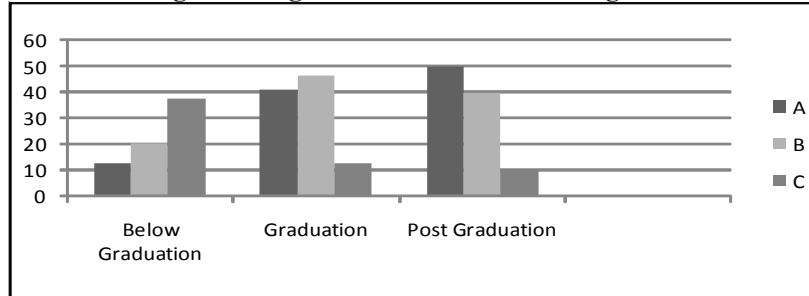
B= No preference for E-tailing

C= Unknown about E-tailing

Table 5: Preference for shopping through Internet (Online Buying)

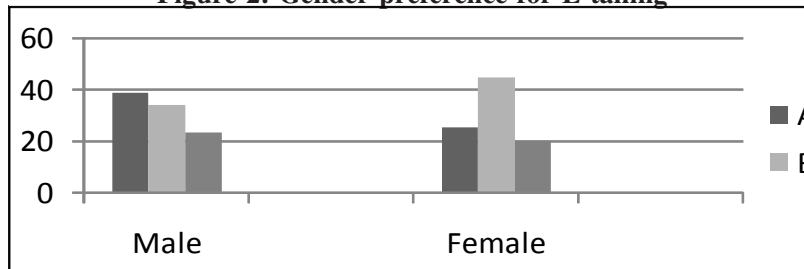
	Frequency	Percentage
Preference for E-tailing	53	35.33%
No preference for E-tailing	69	46%
Unknown about E-tailing	28	19%

Figure 1: Age Preference for E-Tailing



A= Preference for E-tailing; B= No preference for E-tailing; C= Unknown about E-tailing

Figure 2: Gender preference for E-tailing



A= Preference for E-tailing; B= No preference for E-tailing; C= Unknown about E-tailing

Figure 3: Educational Level and Preference for E-tailing

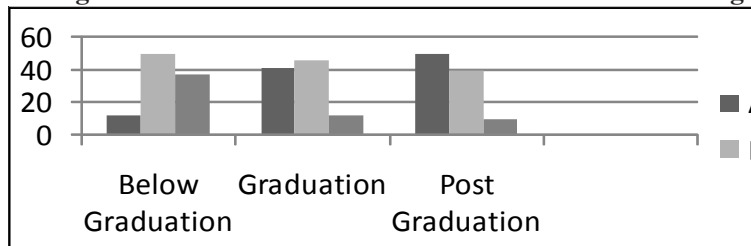
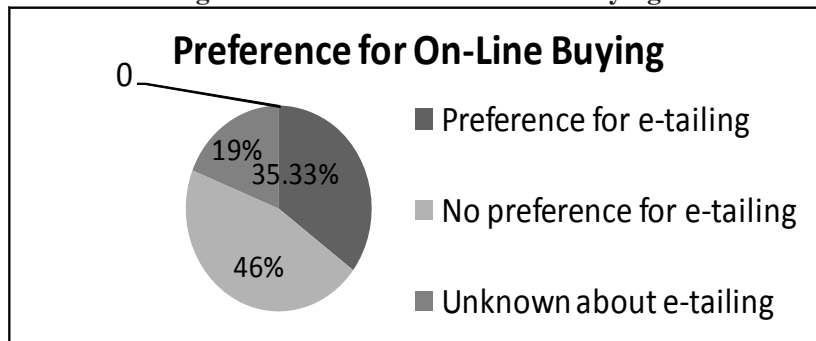


Figure 4: Preference for on-line Buying



ORGANIZATIONAL WORK-LIFE BALANCE POLICIES: A STUDY ON INDIAN INSURANCE AND BANKING SECTOR

S.M. Shariq Abbas★ Neha Joshi★★

For employees in high pressure occupation like insurance and banking industry, discovering equilibrium between life and work is an off-putting task. The present study tries to look at the awareness, attitude, perceived importance and formalization of work-life balance (WLB) policies of employees in insurance and banking sector. Stratified random sampling technique was applied and a sample size of 148 was taken. The reliability statistics used was Cronbach's alpha. Statistical techniques used to analyze the data were descriptive statistics (Mean and Standard Deviation), chi square test, Analysis of Variance (ANOVA) and related procedures thereof like Multiple comparisons (Games-Howell test, Tukey HSD) and Levene Statistics for Test of Homogeneity of Variances. Findings suggest that employees perceive leave policies like carer's, maternity/paternity, and bereavement etc. as most vital WLB policy. Also there were no formal procedures on work life balance policies. Income, gender and type of organization had statistically significant affect on attitude of employees towards the implementation of these policies.

People having a measure of control over when, where and how they work is what Work-life balance (WLB) essentially means. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society.

Balancing one's personal life and professional life is a concept important in almost all the sectors of economy. Banking and insurance sector people have a high pressure job and they can easily be termed as overworked. They often have to forsake a pleasurable life and balance between their work and private life, which is negatively affected. These experiences have been correlated directly to the quality of family life, psychological well-being and health (Greenhaus & Beutell, 1985).

It is not understood by many organizations that not providing and putting into practice flexible working practices could help to reduce their cost or contribute optimistically to their other key business challenges. Several researches have indicated that work life balance is a set of factors which have influenced the employers' and employees' sensibilities in many ways. They have at times being cause of concern for both of them. Many micro, small and medium employers in Scotland have expressed a generally supportive views of family friendly policies. They tend to be reactive to the request of employees in developing such policies (MacVicar et al., 2005). Administrative burdens, operational problems, management problems, time consumption and potential employee abuse have been deterring factors for these employers.

I. Review of Literature

A support to the present study can be achieved by a survey which found that public sector organisations were more likely to implement work-life balance policies (Managing Work-Life Balance International, 2007) and this indicates that some barriers may be affecting the private sector more than the public sector. A study of an insurance company by Pierce and Newstrom (1982) instituted that as the level of flexibility offered by employers decreased, employees' turnover intentions increased.

Researches have persistently highlighted the conflict between work and family for some chipping in one was to the detriment of other. It (work-life balance) has been characterized by 'a lack of fit' between employees and their life responsibilities and the goals of their organization (Becker and Huselid, 1998).

During 1990's some Australian employers realized the benefits of adopting work-life balance strategies to recruit and retain best employees. In Australia the need for work-life balance was further increased by the changes to organizational structures where flatter, more participative and less hierarchal structures were introduced, and fewer employees were expected to manage increased workloads

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(De Cieri, 2002).

It is generally believed that women bear the brunt of family responsibilities and therefore the most pressure is likely on them (Konrad & Mangel, 2000; Abbott et al., 1998). On another extreme Lingard & Francis (2005) accounted that Australian males under 35 years of age reported more stress and were keen to change the corporate world to accommodate work-life balance. If truth be told, generation Y places more value on non-standard work model that permits them to balance work and family life better and the trend is for more dual earner families to scale back from work commitments (Becker & Moen, 1999).

Asadullah & Fernández (2008) found that WLB practices increase the likelihood of reporting higher satisfaction and the results of the study indicate that WLB practices at the forefront of worker welfare policy improve the wellbeing of the workforce.

Bird (2006) studied methods to accelerate the implementation of a very successful work-life strategy within organization. He found out four primary factors which affect work life balance viz. growth and profit impact, full engagement, competitive advantage for talent and health-care cost solution.

The awareness of work-life balance policies within the surveying profession in Australia and New Zealand found that of the issues and options is not evenly spread amongst professional surveyors in the region. The implication explored in the study is that employers ignore work-life balance issues at their peril (Wilkinson, 2008).

To explore the views of male workers in a male dominated occupation of bus on the issues of work-life balance a qualitative study was conducted in UK. It was found that work-life imbalance was not only a source of concern, but also that it was the major source of dissatisfaction for participants. The participants made an association between problems with work-life balance and withdrawal behaviours, including turnover and non-genuine sick absence (Hughes & Bozionelos, 2007).

The underlying objective of the paper is to comparatively assess the perceived importance and practices of work life balance policies among the professionals of insurance and banking sectors. Further, it is envisaged in the present research to find out the extent of formalization of work-life balance policies in these two important sectors of economy. Lastly, the relative assessment of the attitudes of employees in banks and insurance companies towards the implementation of work life balance policies is

investigated.

According to Clutterbuck (2003) work-life balance is “a state where an individual manages real or potential conflict between different demands on his or her time and energy in a way that satisfies his or her needs for well being and self fulfillment” (p.8). The conceptual framework of the present study envisages that the attitude of employees towards implementation of various work life balance policies like study, carer’s, bereavement leave, pre-natal/post natal, maternity/paternity, flexible work arrangement among others and formalization of these policies effect the work life balance of the employees.

In a high pressure vocation of bank and insurance sector, increased output of the employees is based on how they perceive and take up the issue of balancing their work life and personal life, is the underlying feature of present conceptual framework.

Hypothesis formed:

Hypothesis 1

Null Hypothesis (H_0)

There is no significant difference between the groups towards attitudes of the four groups (males and female employees in insurance and banking companies) towards the implementation of work life balance policies.

Alternative (H_1)

There is a significant difference between the groups towards attitudes of the four groups (males and female employees in insurance and banking companies) towards the implementation of work life balance policies.

Hypothesis 2

Null Hypothesis (H_0)

There is no significant difference between the attitude of the groups towards the implementation of work life balance policies on the basis of income earned by the employees.

Alternative (H_1)

There is a significant difference between the attitude of the groups towards the implementation of work life balance policies on the basis of income earned by the employees.

Hypothesis 3

Null Hypothesis (H_0)

There is no significant difference between the male and female employees in banks and insurance companies vis-

à-vis their attitude towards implementation of work life balance policies.

Alternative (H_1)

There is a significant difference between the male and female employees in banks and insurance companies vis-à-vis their attitude towards implementation of work life balance policies.

II. Research Design & Methods

Research Design and Sample: Employing a non-experimental, descriptive, and quantitative research design the sample size of the present study was 148 employees (after rejections and discrepancies) from banks and insurance companies of Meerut, Ghaziabad and Modinagar regions of Uttar Pradesh, India. The sampling technique used was stratified random sampling, the strata being male and female employees working in insurance companies and banks like Bajaj Alliance, Reliance Insurance Pvt. Ltd., Life Insurance Corporation of India (LIC), Syndicate Banks, Canara Bank, State Bank of India, Punjab National Bank, Corporation Bank, Indian Bank, ICICI Bank, HDFC Bank and Kotak Mahindra Bank randomly selected from such fifty organizations.

Questionnaire having five point Likert type scale, open and close ended questions was employed. Various statistical methods have been employed to analyze the data. These methods include descriptive statistics (Mean and Standard Deviation), chi square test, reliability statistics (Cronbach's Alpha), Analysis of Variance (ANOVA) and related procedures thereof like multiple comparisons (Games-Howell test, Tukey HSD) and Levene Statistics for Test of Homogeneity of Variances.

III. Results & Discussion

Reliability Statistics:

The reliability coefficient for the factors were: Leave Policies, .588; Parenting related issues, .820; Flexible work arrangements, .587; Additional work provisions, .869; Attitude of employees towards the implementation of work life balance policies scale, .840. Statistical Package Social Sciences (SPSS) version 16 was used for all type of analysis.

In accordance with the studies of Churchill (1979) and Gerbing & Anderson (1988), reliability procedures for all reflective scales comprised the calculation of Cronbach's alphas. Nunnally and Bernstein (1994) consider values that vary around 0.50 as being the lower limit of acceptability

and all the above mentioned values are thus deemed acceptable. Table— demonstrates the reliability statistics of the present study, having constructs with adequate reliability.

Descriptive statistics

Table 2 provides a summary of descriptive statistics of the means and standard deviations for the scores within each of the above mentioned factors. Overall, the respondents perceive parenting related issues as a policy which is most important in the organization they are working ($M = 3.86$, $SD = .509$) and while least important was their perception towards flexible work arrangement ($M = 3.73$, $SD = .567$)

Formalization of Policies

How formal is the system of work life balance policies in an organization is, was also ascertained. Majority of banks and insurance companies with 88.72% and 91.20% respectively do not have written copies of work life balance policies. None of the employees in any sector, have been provided with a copy of work life balance policies.

Hypotheses Testing

According to Aron et al. (2007) "Hypothesis testing is a systematic procedure for deciding whether the results of a research study, which examines a sample, support a particular theory or practical innovation, which applies to a population" (p.115).

There is a significant difference between the groups towards attitudes of the four groups (males and female employees in insurance and banking companies) towards the implementation of work life balance policies, thus null hypothesis is rejected $F(3,144) = 3.262$, $p < .05$. The variable is abbreviated as GENCOM.

Levene statistic (3.921), further rejects the assumption that group variances are equal as .010 significance show that variances of four groups are significantly different (value of significance is less than 0.05).

Thus after having the result that variances in standard deviation is not homogeneous, Games-Howell test was applied to the data, which assumes that there is no homogeneity of variances. After each group of subjects is compared with all of the remaining groups it was found that between male employees in banks and their female counterparts in insurance sector and male and female employees in banks have significant difference in their attitude towards implementation of work life balance policies ($p < .05$).

There is a significant difference between the attitude of the groups towards the implementation of work life balance policies on the basis of income earned by the employees with $F(3,144) = 10.298, p < .05$.

Levene statistic (.190) further accepts the null hypothesis that group variances are equal as .051 significance confirms that variances of the groups based on income are significantly different (value of significance is greater than 0.05).

Tukey HSD test shows that among the income level of INR 15-25000 compared to income levels INR 25001-35000, INR 35001-45000 and more than INR 45000 are significant (significance levels being less than .05). Therefore it rejects the null hypothesis that there is no significant difference between income levels of the employees and their attitude towards the implementation of work life balance policies.

To test the null hypothesis that there is no significant difference between the male and female employees in banks and insurance companies vis-à-vis their attitude towards implementation of work life balance policies chi square test (value=8.414, df 2 and $p < .05$) was performed. The null hypothesis is rejected, which implies that statistically speaking male and female employees have different attitude for work life balance policies in their organizations.

IV. Conclusion

In the study two factors have been investigated viz. Attitude towards WLB policies and Formalization of WLB policies. The relationship of these factors was established on the basis of demographic factors like income, gender and four stratified groups thereof (males and females in banks and insurance companies).

The descriptive statistics found that employees in both the sectors perceive parenting related issues as a policy which is most important in the organization they are working ($M = 3.86, SD = .509$) and least important was flexible work arrangement ($M = 3.73, SD = .567$). It was startling that these very important policies are not at all formally implemented in the organizations. None of the respondents were offered a copy of these policies and most of the banks and insurance companies did not even have printed material regarding the same.

Further multiple comparisons procedure in one way ANOVA test revealed that on comparing male and female employees in banks insurance sector presents a significant difference in their attitude towards implementation of work life balance

policies. Additionally, Tukey HSD procedure confirms that income of the employees have an effect on the attitudes of the employees vis-à-vis implementation of work life balance policies. Between all the male and female employees of both the sector, chi square test revealed a significant difference in attitude regarding implementation of work life balance policies.

Variables like different hierarchy in the personnel employed in both the organization can also be done in future researches. There was scope for more hypotheses to be tested; nevertheless the present study can be used as a stage to develop and initialize further studies in the banking and related sectors. The policy makers and human resource experts in banking and insurance sectors can design work-life balance policies which is appropriate and appreciated by people working in this sector.

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Table 1
Reliability Statistics

Reliability Statistics		
Factors	Cronbach's Alpha	No. of Items
Leave Policies	.588	6
Parenting Related Issues	.820	6
Flexible work arrangements	.587	6
Additional work provisions	.869	6
Attitude of employees towards the implementation of work life balance policies	.840	24

Table 2
Descriptive Statistics

Factors	No.	Mean	Std. Deviation
Leave Policies	148	3.95	.375
Parenting Related Issues	148	3.86	.509
Flexible work arrangements	148	3.73	.567
Additional work provisions	148	3.81	.486
Attitude of employees towards the implementation of work life balance policies	148	3.16	.591

Table 3: ANOVA-1

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.272	3	1.091	3.262	.023
Within Groups	48.153	144	.334		

Table 4: Test of Homogeneity of Variances-1

Levene Statistic	df1	df2	Sig.
3.921	3	144	.010

Table 5: Multiple Comparisons (Games-Howell Procedure)

(I) GENCOM	(J) GENCOM	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Male Employees (Banks)	Female Employees (Insurance)	-.318	.131	.032	-.67	.04
	Female Employees (Banks)	-.495	.170	.048	-.99	.00

* The mean difference is significant at the 0.05 level.

Table 6: ANOVA-2

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	9.084	3	3.028	10.298	.000
Within Groups	42.342	144	.294		
Total	51.426	147			

Table 7: Test of Homogeneity of Variances-2

Levene Statistic	df1	df2	Sig.
2.647	3	144	.051

Table 9: Chi-Square Tests

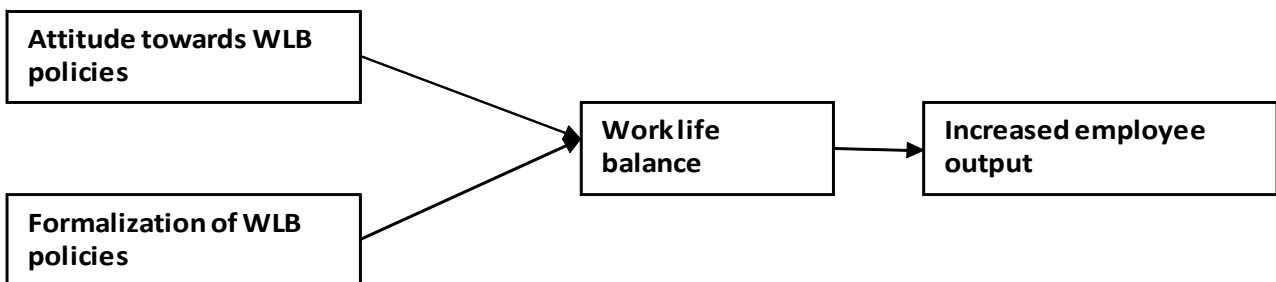
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.414 ^a	2	.015
Likelihood Ratio	11.111	2	.004
Linear-by-Linear Association	8.308	1	.004
N of Valid Cases	148		

Table 8: Multiple Comparisons(Tukey HSD)

	(I) INCOME	(J) INCOME	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	INR 15-25000	INR 25001- 35000	-.588*	.118	.000	-.89	-.28
		INR 35001-45000	-.467*	.121	.001	-.78	-.15
		More than INR 45000	-.373*	.129	.023	-.71	-.04

* The mean difference is significant at the 0.05 level

**Figure 1
Conceptual Framework**



IMPACT OF CELEBRITY ENDORSEMENTS ON YOUTH PURCHASE DECISIONS: A STUDY ON INDIAN YOUTH

Swati Bisht★

The youth of a country are conscious of self and the products and services they consume. They do everything to stay in the limelight. Originality may come packed with some risks and thus take an easy tested route as already tried out by their favorite celebrities. The youth of today are influenced by a lot of factors and specially the fancy world around them. Celebrities from films and sports specially play a role in the life of these youth. The youth look upto these celebrities as their role models and closely follow them. Whether it is following their dressing style or their look or whether it is emulating their hairstyle or repeating their statements, the celebrities globally have been able to attract the attention of the youth. The celebrities are the part of the so called popular culture of a country and India is no exception. The marketers are trying to capitalize this and hence are using celebrity endorsements to attract the attention of customers towards their offerings. Attraction, attention, interest and a lot more these celebrities have the power to induce this and much more in the product they endorse. Celebrities when endorse a product or a brand tend to give that value cushion to the overall perception of the product / brand in the mind of the customer. Does the image of the celebrity have any impact on the image of the product? Do Multiple product endorsements lead to confusions in the mind of the customers are some questions the This paper tries to study if celebrity endorsements have any impact on Youth purchase decisions. This also aims to study if characteristics of the product / services and the characteristics of the endorsing celebrity should have any connection.

Celebrities, broadly defined, are well-known individuals who receive significant media attention (McCracken, 1989). These public figures include film and stage actors, sports people, musicians, models, and even chefs, authors, and politicians. In short these are people who have made a mark for themselves in their respective fields. When such celebrities endorse a product it is called celebrity endorsement. Most people especially the masses look upto celebrities for understanding trends, looking at what is contemporary and comprehending what is right and wrong.

As product endorsers, a celebrity can influence brand attitudes and sales but also have broader implications for the firm. Does the image of a celebrity effect the image of a product or vice a versa is a question that is not very easy to answer. Should there be a relation between what the image of a celebrity is and what is its product category. As the celebrities are also human beings that make them carry an image with them. This image can vary from positive to negative.

They can fall into controversy in their personal or professional life and they can fail in their field but do the problems in the personal and professional life of a celebrity affect the image of the product they endorse. When this happens, the brand has to suffer because of the celebrity even though the product is the great fit in the market.

As consumers, we “buy” celebrities by going to their movies, imitating their style, watching them play a sport, and listening to their music, songs etc In addition to selling themselves, celebrities also endorse goods, services, ideas and concept. In this function, they lend their name, their image and, most important, their personal meaning to the brands they promote.

According to Friedman and Friedman, a “celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed”.

Famous people are always attached with a greater degree of attention, recall and loyalty.

I. Review of Literature

Many studies described the positive effects of celebrities on consumer buying behavior, such as the adoption of clothing styles, product choice, and health behaviors (for example, Brown and Basil, 1995; Hoffner and Cantor, 1991). Fireworker and Friedman (1977) reported that using a celebrity influenced respondents attitudes positively toward

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the endorsed products, but did not influence their purchasing youth intentions. Kamins (1990) found that attitudes toward ads and products became favorable as celebrity endorser's attractiveness increased.

One study indicated that people of all ages emulated the appearance and behaviors of media celebrities they admired (Hoffner and Cantor, 1991). One study by Howard (2002) showed that female respondents in the U.S.A. were more responsive to celebrity endorsement (20%) than male respondents (16%).

Power of celebrity endorsement

Many people aspire to share values and lifestyles of celebrities as models of success. Often, they seek to imitate, emulate, and even impersonate celebrities' behavior to enhance their self-esteem, through identification with certain desirable images.

Such behavior includes imitating the way celebrities speak, dress, communicate, and most importantly, the brands they choose. This process says more about what people hope to become than it does about what they already are. This simply reflects the power of celebrity endorsement, which is behind the main reason for employing celebrities to promote almost all kinds of products (Fraser and Brown, 2002). This power is viewed in three aspects: Attention, which breaks through the advertising clutter and makes the endorsed brand more noticeable to target audience;

Credibility, which conveys a sense of trust for endorsed brands; and Persuasion, which sends a persuasive message to target audience to adopt the endorsed brand. One specialist maintained that appealing to and other consumer audiences through celebrities could be a powerful marketing strategy (Cuneo, 2002). Please see Table 1.

Hot Potato Effect (Money, Shimp and Sakano, 2006) The concept of the hot potato effect denotes a situation when marketers drop the celebrities who are embroiled in scandals. The best example of this is famous Golf Champion Mr Wood. On November 27, 2009, Mr. Woods was involved in a car crash outside his home. Following the crash, a series of news reports about both the crash and Mr. Woods' personal life damaged his public reputation, and several sponsors either stopped featuring him or dropped him outright.

The vampire effect (Baker and Erdogan, 1999). This terminology pertains to the issue of a celebrity overshadowing the brand. If there is no congruency

between the celebrity and the brand, then the audience will remember the celebrity and not the brand. This Concept can be perceived if endorsing celebrity is too gorgeous and can draw attention of the consumers away from the product. At times these campaigns were aborted due to celebrities getting in the way of effective communication. An example could be the Castrol commercial featuring Rahul Dravid.

The Meaning transfer model:

The Meaning transfer model is built upon the general process of meaning transfer and is based on the assumption that celebrity endorsers give their own symbolic meaning to the endorsement process and the endorsed product in general. According to this model, the cultural meanings residing in a celebrity go beyond the person and are passed on to the products (Erdogan, 1999). For example when the famous cricketer Sachin Tendulkar gave the slogan in the advertisement where he was endorsing Boost it read 'Boost is the secret of my energy' it gives symbolic meaning to the brand Boost. Boost is taken as an energy drink and Sachin Tendulkar is associated with high level of energy especially when he is on the field playing cricket. Boost as an energy drink is already symbolic of giving energy to the people consuming it but when a high energy celebrity like Sachin Tendulkar endorses it, it simply strengthens the value proposition.

So, the celebrities are the main "players" in the process of meaning transfer (Johansson & Sparredal, 2002). They add symbolic value to the product they endorse. With reference to this model, it uses celebrity endorsement when the company wants to emphasize the particular features of the product that the celebrity also possesses, and transfer the meaning to the target audience.

After doing extensive literature study, following objectives have been formed:

To find out if celebrity endorsement impact the perception of youth towards a product

To find out if multiple endorsements negatively affect the youth behavior

To find out if scandals associated with the celebrity lowers the brand value of the brand

To find out if Celebrity in an advertisements holds and grabs the viewer's attention

II. Research Design & Methods

The data was collected through a questionnaire from 150

college going students residing in Dehradun and Haridwar, Uttarakhand, India

Results show that celebrity endorsement has the potential of being noticed and liked by the viewers but it does not influence the purchase decision. The purchase decision has been found to be influenced by other factors like quality and price of the product.

Instrument

The data was collected through a personally administered questionnaire. The questionnaire consisted of ten items using a five point Likert scale (1= Strongly Agree to 5= Strongly Disagree) and some close-ended using nominal scales.

Sample & Procedure

The target population of the study comprised of the educated youth between the age group of 18-24years residing in the cities of Dehradun and Haridwar both males and females A sample of 150 respondents was selected from the target population through the convenience sampling method.

Data Analysis

However, since the questionnaires were distributed and collected personally by the researcher himself or in few cases through the individuals designated by the researcher, no incomplete questionnaires were found. Next, all the questions were coded and the data was entered into the computer for analysis. The data was then analyzed through Chi-Square and One-Sample T-Test by using the Statistical Package for Social Sciences (SPSS).

III. Results & Discussion

The results of the One-Sample T-Test and Chi-Square Test are given in Table 2.

- 1) The Mean value of 2.57 suggests that the respondents agree with statement.
- 2) The Mean value of 2.23 suggests that celebrities make a big difference to the image of a brand
- 3) The Mean value of 2.10 suggests that multiple endorsements by same celebrity creates confusion in the mind of the audience
- 4) The Mean value 2.23 suggests that celebrities do not use the product they endorse
- 5) The Mean value of 3.28 suggests that people do not purchase celebrity endorsed brands to just improve

social status.

- 6) The Mean value of 3.69 suggests that there should be a match between product category and celebrity's expertise.
- 7) The Mean of 1.82 suggests that celebrity in the advertisements holds and grabs the viewers attention.
- 8) The mean of 3.51 suggests that people do not necessarily stay away from the product even when they do not like the celebrity endorsing it.
- 9) The Mean of 3.12 suggests that people do not just buy a product when it is endorsed by their favorite celebrity
- 10) The Mean of 2.14 suggests that scandals attached with the celebrities destroys and lowers brand image.

Selecting the 'Right' celebrity

Shimp (2000) put forward five factors in order of decreasing importance namely, (1) the celebrity credibility, (2) celebrity and audience match-up, (3) celebrity and brand match up, (4) celebrity attractiveness, and (5) miscellaneous considerations, which were considered by advertising executives while making their celebrity-selection decisions

It is important to use the right celebrity to endorse the product and this match can lead to a win-win combination of the success of the product and its positioning.

For example if a sports person endorses a product related to health products or sports shoes it makes sense but if the same sportsperson endorses a car or may be a tube-light it may not be that symbolic but it may be more of a style statement.

IV. Conclusion

The paper concludes that a celebrity can make a difference in grabbing the attention of the audience but alone cannot be the only reason for the purchase of the product. The quality of the product is also an important deciding factor in making a decision.

Also it is good to have a match between the category of product and celebrity's profession to grab maximum attention of the consumer.

Limitations:

It is hard to evaluate the expertise of any celebrity to endorse a product. It is subjective and may vary from person to person.

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Table 1

Potential Advantages	Potential Disadvantages
Increased Attention	May Overshadow the brand <i>The vampire effect</i>
Enhanced Image of the Brand	Negative image of the celebrity may lead to negative
Expenses can become an investment	Can be expensive
Facilitates easy brand positioning & even repositioning	Image change and loss of public recognition
Better PR coverage	The same PR Coverage can become negative with the negative image of the celebrity
Celebrity endorsement can sometimes compensate for lack of innovative ideas.	Cannot still alone give a 100% mileage to the brand therefore some innovative ideas are a must.

Table 2

		Mean	Standard Deviation	T Value	Sig (Two Tailed Test)
1	Celebrity in an advertisement encourages to purchase the brand	2.57	1.138	-4.806	0.000
2	Celebrities make difference to the image of the brand	2.23	0.970	-9.761	0.000
3	Multiple endorsements by the same celebrity creates confusion	2.10	0.927	-15.843	0.000
4	Celebrities do not use the product they endorse	2.23	0.970	-9.672	0.000
5	People purchase celebrity endorsed brands to improve social status	3.28	1.217	2.615	0.010
6	There should not be a match between product category & celebrity's expertise	3.69	1.061	7.002	0.000
7	Celebrity in an advertisements holds and grabs the viewer's attention	1.82	0.927	-15.584	0.000
8	People Stay Away from the product when they don't like the celebrity who endorses it	3.51	1.028	6.116	0.000
9	People Purchase product because it is endorsed by their favorite celebrity	3.12	1.198	1.227	0.222
10	Scandals attached with celebrities negatively impact the brand's image	2.14	0.909	-8.444	0.000

MAHINDRA TRACTORS: STRATEGIC INSIGHTS

Mayank Agarwal★

The Indian tractor market is one of the largest markets in the world by volume. The domestic tractor industry is fragmented, characterized by the presence of 14 national players and some regional players. Currently low levels of tractor penetration in India, strong governmental focus on availability of finance for agriculture mechanization tools and on rural development and high irrigation potential will drive the overall growth of the tractor industry. The Indian tractor market is primarily a medium HP(horsepower) market; however, there is a gradual shift towards higher HP segments supported by a number of factors including increasing tractor penetration in Southern region which has traditionally been a higher HP market, replacement demand for higher HP tractors in Northern region, increasing use of tractors in non-agricultural applications and the growth in exports which again is a high HP market. The whole industry is at the threshold of a revolution, more sophisticated and powerful tractors are making their way into the market. This is courtesy a large exodus of farmers into urban areas, which in turn makes labour scare and costly in rural areas. The dependence on machines is increasing everyday. The emerging market of tractor industry is very encouraging, so only thing is to follow the strategy which will be able to meet the customer needs. Mahindra & Mahindra is the leading player in the industry. Mahindra & Mahindra had acquired a majority stake in Punjab Tractors Limited (PTL) in early 2007. PTL is a good strategic fit to the company, as it comes with its strength of efficient design (strong R&D abilities) and the Brand Swaraj, which enjoys a strong customer loyalty for being sturdy and reliable. This acquisition has an opportunity of getting advantages of economies of scale, sourcing benefits and vendor rationalization. The performance of Mahindra and Mahindra tractor in this tractor market is very encouraging. The business strategy is highly competitive and innovative. The company should concentrate on strategies like cost advantage and differentiation.

Tractor industry plays an important part as agriculture sector has a major contribution to India's GDP. Tractors are part of agricultural machinery industry. Tractors came to India through imports and later on were indigenously manufactured with the help of foreign collaborations. The manufacturing process started in 1961-62. Indian tractor industry is relatively young but now has become the largest market worldwide. Indian tractor industry, comparatively young by world standards have expanded at a spectacular pace during last four decades and grown as the largest in the world, accounting for one third of global production. The other major tractor markets in the world are China and the USA. The global spotlight on tractor manufacturing in terms of unit volume seems to be swinging away from the USA, UK and Western and Eastern Europe towards India and China, where growth in the number of producers and the total volume of production in recent years has been impressive.

The tractor penetration level in India is very low as compared to the world standards. India's gross cropped area is next only to United States of America and Russia and along with fragmented land holdings has helped India to become the largest tractor market in the world. But it drops to eight position in terms of total tractor in use in the country

when compared to international figures, only 3% of total tractors used all over the world.

Overall, the with tractor demand being closely linked to agricultural output, growth in farm mechanization and farmers' remuneration the long-term demand drivers for the industry remain robust. The currently low levels of tractor penetration in India, strong Governmental focus on availability of finance for agriculture mechanization tools and on rural development, high irrigation potential and increase in the use of tractors for non-agricultural applications augur well for the industry.

The tractor industry reported a compounded annual growth rate (CAGR) of over 20% in volume terms during the period 2003-07. The long up-cycle in demand was supported by several factors including excise duty exemptions on tractors (2004-05), thrust on rural development, improved availability of credit for tractor purchase, and low interest rates. The growth also came on a low base, with the preceding three fiscal years (2000-03) having witnessed a prolonged phase of volume correction. In contrast to this phase of cyclical slowdown, the one that happened during

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2007-09 was less severe, with volumes declining by around 3%, despite the intermittent tightening of the liquidity situation during 2008-09. The industry has regained positive ground during 2009-10 and 9M 2010-11 with respective y-o-y volume growth rates of 28.3% and 25.2%. The strong growth in volumes during 9M 2010-11 has been aided by a number of supporting factors including good crop production in the Kharif season with normal south-west monsoons, adequate credit availability, shortage of migrant labour, increasing rural liquidity on back of higher realizations of crops & appreciation in land values and increasing use of tractors for non-agricultural applications. The growth has been further facilitated by the Government support for rural development and agriculture through increased budget allocations for the same. Please see figure no. 1.

Annual Trend in Tractor Sales Volumes:

Healthy volume growth during the current fiscal; future growth expected to be driven by states with low tractor penetration.

Some of the Long Term Demand Drivers remain favourable

(a) The Government support for agriculture and rural development continues with increase in budget outlays, increase in MSPs of various crops and increase in allocations to various rural welfare schemes.

(b) The structural growth factors including credit availability (under priority lending), irrigation potential and low penetration levels continue to remain intact.

(c) Increasing non-agricultural use of tractors in transportation and haulage is expected to provide another demand avenue for tractor sales.

(d) The replacement cycle for tractors is also shortening with a gradual shift of incremental tractor demand towards higher HP segments, especially amongst mature user segments.

Industry Analysis: There are various analysis are being done to know both immediate and extended environment.

PESTEL Analysis: PESTEL analysis is done to know about extended environment and key drivers of change. Please see table no. 1.

Diamond Analysis: This analysis is done to know the fairness and suitability of a market. Please see figure no. 2.

Five force analysis: Conducted to know the industry structure and the opportunity and threats, to know about the immediate environment. According to Porter (1980)

the likelihood of firms making profits in a given industry depends on five factors: Please see table no. 2 & Figure No. 3.

Key Players in the Industry

M&M holds a majority market share (almost 40%), grew a stupendous 22% in terms of volumes compared to last year. The volumes include the sales done through Swaraj division (Punjab Tractors) which is the market leader in many parts on Northern India. But they are facing stiff competition in form of John Deere & New Holland India who have tremendously revised their prices to gain volume in India. The second biggest tractor manufacturer TAFE group had a decent growth of 17%. Its most famous brand Massey Ferguson (also the name of its partner) has tremendous brand equity among tractor buyers. Its acquisition of Eicher's Tractor Division (way back in 2005) has also helped it grow inorganically both in terms of volumes and technology. Two old warhorses Escorts and ICML's Sonalika tractors also had a much sustained growth of 22% & 21% respectively. Tractor Sales – India- Category and overall growth (FY 2010-2011) Please see figure no. 4.

The medium horse power category tractors, 31-40 HP, are the most popular in the country and fastest growing segment. Segment mix has shifted towards higher HP segments. Please see pie chart no. 1.

Mahindra Tractors

Mahindra and Mahindra Limited was incorporated on October 2, 1945 as a private limited company under the Indian Companies Act of 1913 by two brothers, Mr. J.C. Mahindra and Mr. K.C. Mahindra. It was converted into a public limited company on June 15, 1955. The company commenced operations in 1945 to manufacture General Purpose Utility Vehicles and later on entered into manufacturing of Tractors and Light Commercial Vehicles (LCVs). Mahindra & Mahindra, began as a joint venture with International Harvester. Over the years, the company has expanded its operations from automobiles and tractors to steel, trading and manufacturing of Ash Handling Plants & Traveling Water Screens. It is the largest manufacturer of tractors in India with sustained market leadership of over 25 years. The company is focused to become a world giant in the tractor business. M&M is one of the leading tractor brands in the world by volume with annual sales above 150,000 and over 1.6 million tractors sold to date. Its tractor brands namely Swaraj (of Punjab Tractors Ltd.), Arjun, Bhoomiputra, Sarpanch, Shaan and Yuvraj, range from the 15 HP engine to 75 HP, have been designed in close communication with farmers about their day to day

tractor usage and farming practices. Mahindra Tractors(China) Co. Ltd. manufactures tractors for the growing Chinese market and is a hub for tractor exports to the USA and other nations. M&M has a 100% subsidiary, Mahindra USA, which assembles products for the American market. Today, M&M tractors footprints in the United States, China, Australia, New Zealand, Africa (Nigeria, Mali, Chad, Gambia, Angola, Sudan, Ghana, Morocco), Latin America (Chile, Argentina, Brazil, Venezuela, Central America and the Caribbean), South Asia (Sri Lanka,

In the year 2003, Mahindra Tractors bagged the Deming Prize, a global honour for quality practices. Three years later, the company was eligible to qualify for the Japan Quality Medal, the highest honour for excellence in Total Quality Management practices. In 2007, Mahindra Tractors became one of the 20 companies worldwide to receive this rare honour. Till date, it is the only tractor company in the world to bag this prestigious award. In 2009, Forbes named M&M one of the Top 200 Most Reputable Companies in the world. With the industry growing at a healthy rate and the demand outlook being strong, majority of the tractor players have announced capacity expansion plans in near to medium term. M&M plans to invest Rs.800 crore to Rs.1,000 crore over the next three years in its farm equipment business on setting up a green field manufacturing unit in Chennai and developing new tractor models for India and overseas. Please see table no. 3.

Cash Cows Business Units (21-30 and >50 HP) beat their profit target and their management is also easy. Dogs Business Units fight an impossible battle and, even worse, investments are made now and then in hopeless attempts to 'turn the business around' fortunately Mahindra tractors don't have these types. Problem Child (41-50HP) and Stars Business Units (31-40 HP): These SBUs should receive enough investment funds to enable them to achieve a real market dominance and become a cash cow (or star)

SWOT Analysis:

Strength

1. Market leader in terms of market share
2. Ability to introduce new products in the market and to generate sales.
3. Established brand name in other countries of the world.
4. Large and effective distribution channel.
5. Sufficient financial resources.
6. M&M had acquired a majority stake in Punjab Tractors Limited (PTL) with the Brand Swaraj, which enjoys a strong customer loyalty thus good strategic fit to the company.

Weakness

1. The company is highly dependent on the rural sector
2. Less technological ability as compared to Foreign players
3. Low labor productivity
4. Company has invested in unrelated diversifications such as telecom, holiday and resort inns, financial services, etc. which cause diversion in the company's attention from its core business.

Opportunities

1. Huge increase in export due to Indian tractors is cheapest in the world.
2. Increase in credit availability as private banks are also now lending credit to farmers.
3. Technological innovation such as fuel efficient and alternate energy tractors.
4. The government has been trying to strengthen the exports of agricultural products.
5. Low penetration of tractors in India, thus there is scope for demand to increase.

Threats

1. The growth of tractor industry is heavily dependent on Good monsoon
2. Entry of foreign players with 100% FDI and technological superiority.
3. Indian farm land is heavily fragmented and is of small size where tractors are of just a small help.

The 'Strategy Clock' (see figure no.5) is based upon the work of Cliff Bowman (see C. Bowman and D. Faulkner 'Competitive and Corporate Strategy - Irwin - 1996). It's another suitable way to analyze a company's competitive position in comparison to the offerings of competitors. Bhumiputra (hybrid)low cost base and reinvestment in low price and differentiation. Arjun (differentiation) (a)without a price premium: perceived added value by user, yielding market share benefits (b)with a price premium: perceived added value sufficient to bear price premium. Sarpanch (focused differentiation) perceived added value to a 'particular segment' warranting a premium price.

Ansoff Matrix (Product-Market Matrix)

Market Development: Mahindra Tractors is number one in sales in India and operates in 10 countries. In 1994, the company entered the American market as Mahindra USA. In addition to building their own tractors, Mahindra also sources tractors from Mitsubishi and Tong Yang Moolsan to cover selected product ranges. In 2005, the company entered the Australian market and is responsible for sales in

New Zealand and Australasia. 2004 in China, it purchased an 80% stake in Jiangling Tractors from Jiangling Motor Company also has a factory in China. It has also formed a joint venture with Yueda group in Yancheng, China. Please see figure no. 6.

Market Penetration: As it is operating in India market with its existing tractors it has to reduce cost of production and to develop bases for differentiation to achieve competitive advantage over other competitors.

Product development: As India is its existing market and there are so many competitors including 4 MNCs and other foreign players the company should develop new products with better features and horsepower. So company has to develop its own R&D capabilities.

Diversification: As Mahindra tractor is going to launch new product in new market like China it should go for related diversification. In related diversification it has gone for both vertical and horizontal diversification.

a) **Horizontal Diversification:** Mahindra has already acquired complementary company like Yacheng vehicle utility company in China, Hinoday casting and Ferrites Company and Castrol of India.

b) **Vertical Diversification:** These diversifications are goes along the value chain of a company. In this company has gone for acquiring some advertisement agency, component part industry and a market research company.

Recommended Strategy

1. Marketing Recommendations:

- a. Focus on 41-50 hp segment tractors: There is a tangible demand shift from 21±30HP category to higher HP category while Mahindra is less focusing on 41-50 hp category.
- b. Develop in-house credit lending facility: Credit lending is increasingly playing an important role in purchase decision process.

2. Focus on Channels

- a. Ensure higher distributor margins: Ensuring higher distribution margins would provide necessary monetary incentive for distributors to tout for Mahindra tractors, especially given very low levels of end-consumer awareness.
- b. Provide tractors on lease through govt. agencies: Mahindra tractors can be made available on lease in partnership with government agencies as sugar mill co-

operative societies. It will also demonstrate reliability of Mahindra tractors.

3. Expand geographically

- a. Leverage international presence: Cross-geography expansion would help it leverage synergies between the tractors and auto parts business units on a much larger scale.
- b. Diversify Tractors - Monsoons correlation: Tractor sales, as already seen, are driven by monsoons. A bad 3-months monsoon season generally translates into large inventories, as seen in the dry spell of 2001-03. Geographical expansion would help diversify tractors sales ± monsoon correlation, thus bringing down inventories to free up locked-up capital.

Conclusion

From the above discussion it is clear that the performance of Mahindra and Mahindra tractor in tractor market is very encouraging and it has the necessary strengths to succeed and outsmart the competition. It is present across all the market segments, has a vast distribution network, and is financially sound. The business strategy is highly competitive and innovative to exploit its current strengths and channelizing resources in the right direction.

The company should concentrate on strategies like cost advantage and differentiation. It should follow the strategy which will be able to meet the customer needs as discussed in the recommended plan of action.

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Table No. 1: PESTEL Analysis

Political factors	<ul style="list-style-type: none"> • Governments stress on the mechanization of agriculture. Therefore agriculture sector started receiving financial assistance. • Subsidy on agricultural loans from government • Change in taxation policy • 100% FDI policy • Regaining “Agricultural dynamism”, a key goal of eleventh Five year plan
Economical Factors	<ul style="list-style-type: none"> • 95% of tractor sales are on credit. Credit is extended by commercial banks, state land development banks and regional rural banks. • Cost of tractors in India is the cheapest in world. Hence there exists tremendous scope for exports. • Less interest rate charged by banks for agricultural inputs • Inflation may provoke higher wage demands from employees and raise costs • Higher national income growth may boost demand for a firm's products
Social factor	<ul style="list-style-type: none"> • Due to land fragmentation farmers with small land holding are buying tractor • Increase in awareness among the farmers for the need of farm mechanization and are keen to acquire tractor with the help of credit facilities from financial institutions. • Need for more tilling due to depletion of moisture and repeated cultivation of land .It is precisely for this reason that the demand for tractors was well maintained even during a draught period • Animal power available is too inadequate to meet power demand of our farmers. Mechanized operations are preferred to eliminate drudgery and delay, also labor shortage during harvesting increased the use of tractor • More farmers are opting for multiple cropping over last decade. Country's gross cropped area has increased. This indicates the increased popularity of multiple cropping.
Technological factor	<ul style="list-style-type: none"> • Accelerated acquisition of technology capabilities to raises productivity in agriculture. • Continuous technological innovation • Renewable energy development.
Ecological factors	<ul style="list-style-type: none"> • Irrigation facilities reduce reliance on the monsoon and allow for quick yielding varieties of food-grain. This reduces the cropping cycle to 3-4 months from the traditional 5-6 months. Reduced cropping cycle require deep tilling which translates into higher demand for tractors. • Strong monsoons, increase lending by nationalized banks which leads to farming of commodity prices money availability catapulted tractor demand.
Legal factors	<ul style="list-style-type: none"> • Collaboration with government which shapes policy issues • Agricultural policy

Table No. 2: Five force analysis:

Bargaining power of buyer (low bargaining power of buyer, thus buyers may not pull down prices)	<ul style="list-style-type: none"> • The consumer base of tractor is highly dispersed throughout . • Due to High switching cost tractors companies can compromise on quality and price • Lack of awareness among farmers like pricing, offerings. etc. • There are a few, big buyers so each one is very important to the firm
Bargaining power of supplier (bargaining power of supplier is less, thus profits may be generated).	<ul style="list-style-type: none"> • The suppliers do not pose any threat of forward integration • Though steel forms a major inputs , the tractor industry is not most important customer for steel industry • Many number of supplier are there for tractor industry • Switching cost from one supplier to another is less
Threat of Entry (barriers to entry are high but can be made moderate due to 100% FDI)	<ul style="list-style-type: none"> • The tractor industry is capital-oriented with intensive technology requirement • Need of a large dealer network • High switching cost • Competitors are very reactive towards new entry • Brand loyalty of existing brands is high in tractor industry, Ex, Mahindra in rural market • Up to extent the existing companies have control over the suppliers • High startup capital is required
Threat of substitute (low threat of substitute for tractor)	<ul style="list-style-type: none"> • There are no credible substitutes to the tractors • The only option available is bull-plough • Power-tillers very low power of substitute
Rivalry (there is high degree of industry rivalry, thus difficult to generate extra ordinary high profits)	<ul style="list-style-type: none"> • The rivalry is extremely high owing to the consolidation that the industry is witnessing • Entry of foreign players • Continuous technological innovation • Less merger and acquisition of tractor industry increases rivalries • Opening of world market

Table No. 3 : Where does Mahindra tractors stand - BCG Matrix

MARKET GROWTH (Cash Usage)	High	41-50 HP (Problem Child)	31-40 HP (Star)
	Low	(Dog)	21-30Hp and >50 HP (Cash Cow)
		Low	High
MARKET SHARE (Cash Generation)			

Figure No. 1: Trend in Industry Volumes



Source: Industry, ICRA estimates

Figure No. 3 : Porter 5 Forces Analysis

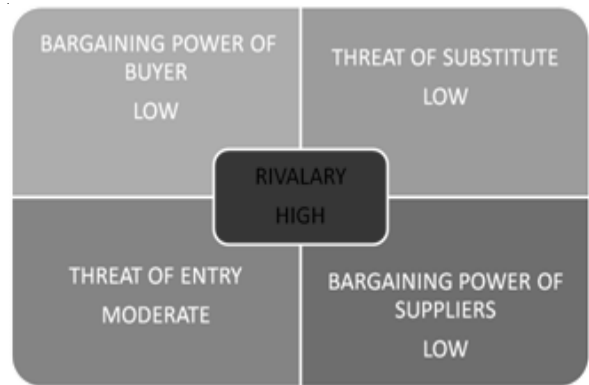


Figure No. 2: Diamond Analysis

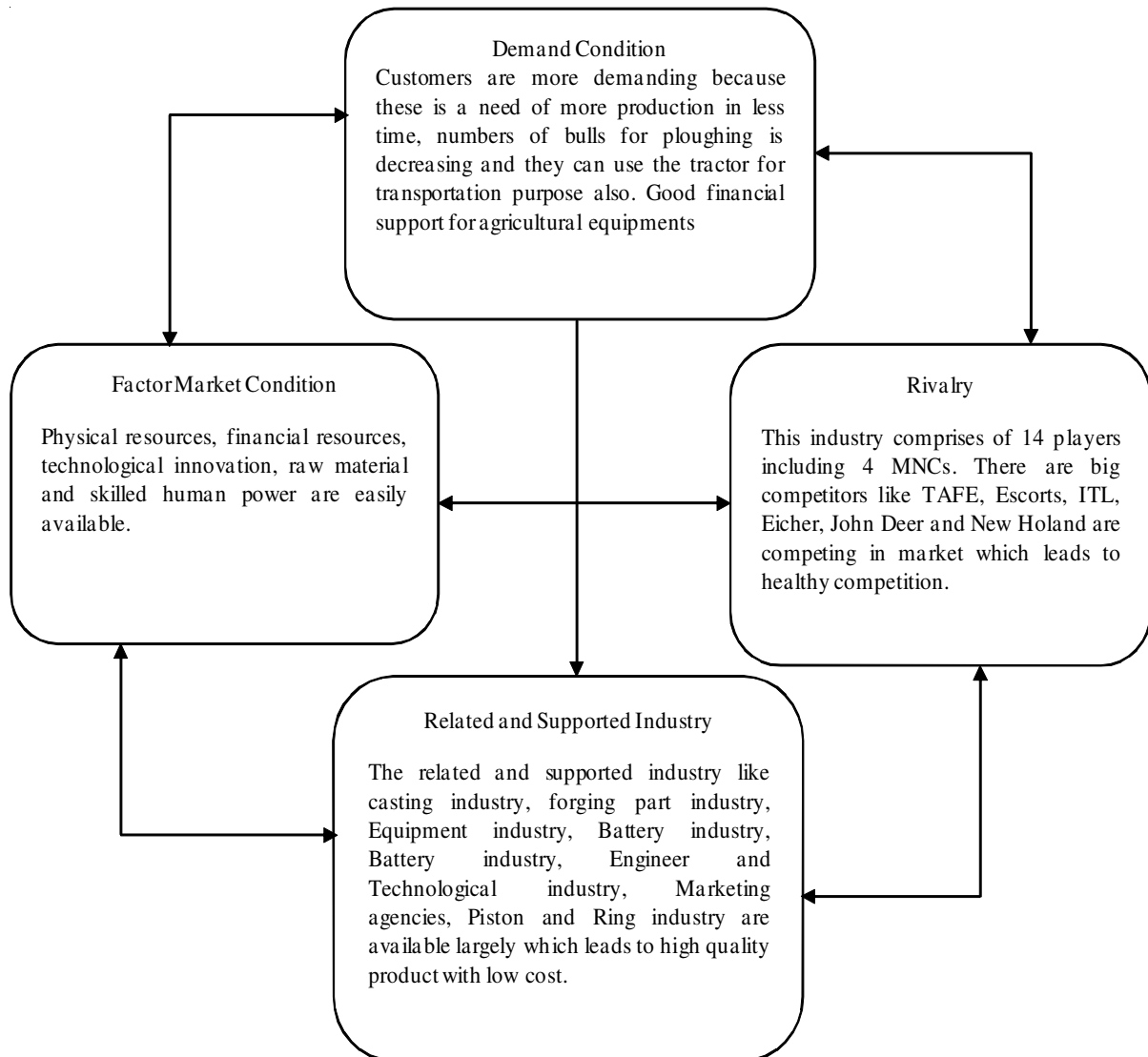


Figure No. 4: Tractor Sales – India- Category and overall growth (FY 2010-2011)

Category	Manufacturer	Fiscal Year		YOY Growth (%)
		2010-11	2009-10	
< 20 HP	VST	4729	3761	26
21-20 HP	Force Motors	428	231	85
	Escorts	8946	8638	4
	HMT	568	735	-23
	M&M Group	38292	32719	17
	TAFE Group	20116	19802	2
	Sonalika	1844	3899	-53
31-40 HP	Force Motors	255	250	2
	Escorts	20049	18328	9
	HMT	3210	3389	-5
	M&M Group	99062	87485	13
	TAFE Group	70434	64211	10
	John Deere	7481	5259	42
	New Holland India	5655	4952	14
	SAME DEUTZ-FAHR	253	435	-42
	Sonalika	20146	17736	14
41-50 HP	Force Motors	333	133	150
	Escorts	37153	27071	37
	HMT	483	381	27
	M&M Group	40739	28414	43
	TAFE Group	17377	11148	56
	John Deere	17653	10351	71
	New Holland India	26421	17998	47
	SAME DEUTZ-FAHR	696	1081	-36
	Sonalika	13336	9075	47
>51 HP	HMT	659	396	66
	M&M Group	37882	28172	34
	TAFE Group	6588	2774	137
	John Deere	28410	21521	32
	SAME DEUTZ-FAHR	4663	2115	120
	Sonalika	11248	7871	43
ALL Manufacturers	VST	4729	3761	26
	Force Motors	1016	614	65
	Escorts	66148	54037	22
	HMT	4920	4901	0
	M&M Group	215975	176790	22
	TAFE Group	114515	97935	17
	John Deere	53544	37131	44
	New Holland India	32076	22950	40
	SAME DEUTZ-FAHR	5612	3631	55
	Sonalika	46574	38581	21
INDUSTRY		545109	440331	24

Source: <http://management-punditz.blogspot.com/2011/04/tractor-sales-india-fy-2010-2011.htm>

Figure No.5: Bowman's Strategic Clock

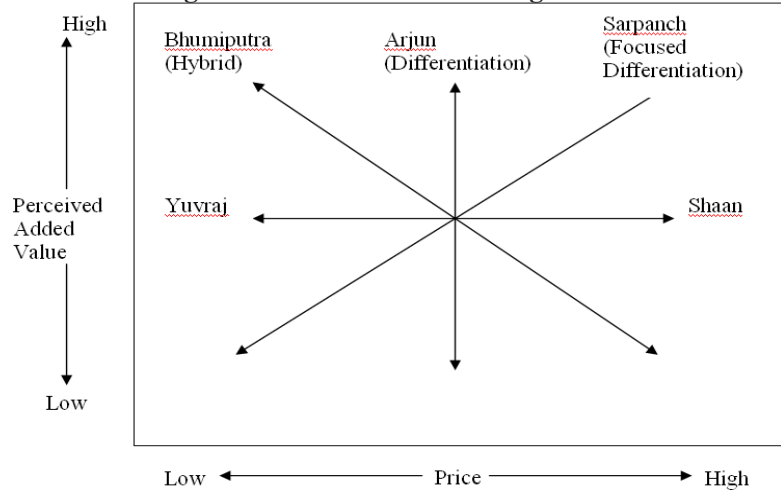
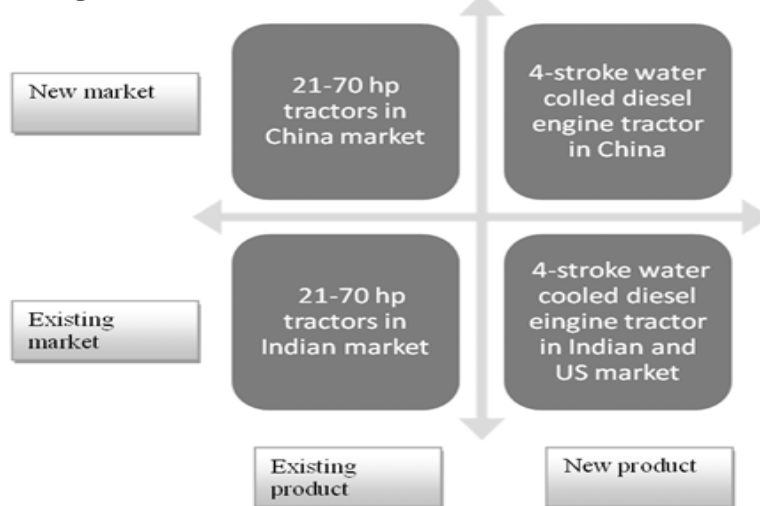


Figure No. 6: Ansoff Matrix (Product-Market Matrix)



Pie Chart No. 1: HP wise segment mix

