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Editor's Desk

Yoga was put on the international map by the UN on 11th December 2014 following the proposal given by the present Prime Minister of India Narendra Damodar Modi. It was supported by 176 countries to have a special International Yoga Day to be celebrated in the world. India has got a great mileage as Yoga was celebrated internationally on Sunday, the 21st of June 2015 with great gusto world over. At Rajpath in New Delhi, Yoga was organized and conducted involving about 35,000 people. It is heartening to note that it was celebrated on Times Square in New York in which 30,000 people participated and also in The Eiffel Tower at Paris. This has brought about a lot of awareness of this form of exercise which not only brings fitness of the body but also the mind.

Many forms of Yoga have been developed Isha Yoga, dance yoga, power yoga, Yogananda's yoga, Sri Sri Ravi Shankar Yoga, Iyengar's yoga, Patanjali Yoga. It was Ramdev who gave a boost to Patanjali Yoga and brought it to the masses by organizing camps in different towns both small and big in India. Every home in India sat in front of the television and started doing yoga early in the morning thus popularizing the form of exercise and fitness. Further Bollywood celebrities like Shilpa Shetty, Kareena Kapoor, Malaika Arora, Bipasha Basu and others also brought in enthusiasm amongst people to practise yoga. Many types of special Yoga equipments such as mats, branded clothes, books, videos and cassettes have sprung up and are being sold in the market to increase its popularity. Thus new brands are getting mileage for products which are being manufactured in the name of Yoga.

How many people have understood the meaning of Yoga? It is not about physical activity only but rather about peace, tranquillity, purity of mind and thought. In India, there are many problems of violence such as road rage, rape, stress, disharmony and small fights. All these can be avoided through Yoga if the meaning is understood. Awareness has started about physical activity but Yoga is a union of mind and body and India has to go a long way if it actually wants its people to be benefitted by Yoga practice. There are some basic aspects of Yoga. It has to be practiced regularly and it cannot be a product of one day celebration. 'Asanas' or physical exercises and 'Pranayam' or breathing exercises have holistic effects on mind, body and consciousness. It helps a person to achieve mental, social, spiritual, stimulation to attain the goal of self realization that aims to develop positive thoughts and behaviour. Considering the advantages, regular practice of Yoga in daily life will be useful for students and for working people to attain harmony and work life balance.


(Preeti Singh)

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THE EFFECT OF FAMILY SUPPORT ON THE PERFORMANCE PATTERN OF WORKING WOMEN IN MUMBAI

Sapna Modi ★

Today women can work independently and feel secure. Every woman has goal to get a good job, sufficient bank balance for future and desire to prove them efficient, skilled and strong. They seek better job to assist parents and their brother and sister. Women are balancing between home and workplace and their elders also support because they have enhanced the status of women. This study will be used to highlight importance and effect of family support when the women are handling household chores along with 9 to 5 job. The sample taken for survey was of married women. The lack of help and support from family will lead to stress and pressure which will have an impact on their job performance and productivity.

Keywords: Performance, Productivity, Turnover

Women are trained to carry out the roles of birth, nurture, protection, gratification and giving comfort to children and men. In the life of woman, these functions are given priority over all other engagements. According to the traditional role expectations, she is oriented towards rearing capable children, helping her husband to achieve the goals of the family and being useful to the community in which she lives. But are all women satisfied with this role concept? Talented and ambitious women, in addition to these functions, want to develop their special aptitudes.

Women have been able to uplift themselves by shedding their domestic tag. They have eventually managed to shake the brawny walls of social and economic exploitation. The modern woman of today is learning to break away from the shackles of the past. She is no more the traditional, timid, domesticated woman. The emerging new-age woman has the ability to equip herself with education thereby seeking her own identity, confidence and not compromising on her self respect at any cost.

In present scenario, these roles are changed to a great extent. Today Indian society is accepting woman as a as professionals, as earners in families and as independent individuals.

The financial demands on the Indian families are becoming fiercer by day. The sky rocketing cost of living, increasing expenses on education of children, increasing cost of housing properties in India force every family in India to look for ways and means of increasing the household income. As a result, women in India who were mostly known as homemakers are forced to go for jobs and take up even careers that were considered only suitable for men.

Today family roles are changing largely because they have

become less appropriate for the social and economic realities of the modern world. Most of the families are small in size and more women are employed, so greater flexibility is required in the role expectations of husbands and wives.

Working women in India are faced with lot more challenges than their counterparts in the other parts of the world. In India men do not share on most of the household chores, it is women who have to cook, clean the house, do the dishes, wash clothes, get their children ready for school etc. Men just took care of few chores that are to be dealt outside the house. So the major burden of running the family is on the shoulders of women. It was alright for women to handle all the chores as long as they were homemakers. Now with their increasing need for getting some income for the family, they have to work all the more. Women have started sleeping lesser. It is not just about the reduced sleep, but such a lifestyle builds stress. This stress is passed on to the job which will have a negative impact on the performance at the workplace.

I. Review of Literature

There are several researches on family support of working women Tersine, Richard & E, Rolph. (1973) have stated that women now have recognized their potential and have started working and helping men in every aspect of life. No longer are women lagging behind than men. But still women are unequally treated when it comes to women employment.

Women face problem because of society's belief. Their

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development is blocked not only in the aspect of family roles but also in professional roles. The author suggests to build a proper program that would actually bring development and growth for women in their family roles as well a professional role. Kearley, Rebecca. (2010) researched that along with work, taking care of the child of an employee is also important. According to Office for National Statistics there are 5.9m children in UK and all adults over 16 years are working. The article talks about the rights given to the women employee whose child is less than 5 years old like flexible working hours, 13 weeks unpaid parental leave which can be extended to four weeks. If the women employee is not given such rights than in this case women employee does not have any option but only to leave the job thus increasing women turnover According to Hewlett, Sylvia & Luce, Carolyn. (2005) most professional women step off the career fast at certain phase of life. This phase of life is when they have children to raise, elderly parents to take care of. These women's are thus facing off ramps and on ramps situation wherein they have a fixed mind set to leave the firm because of the situations they find no other sources but coming back to the same firm after certain gap.

It is difficult to reverse everything when the employees leave and come back. It also increases the cost to the company because the company has to recruit other staff in order to complete that work. The main issue arising is that whether women would be able to work with the same motivation after such a long gap. The author suggests to use strategies like flexible working hours so that the employee would not leave the company and the talented women employees will not leave the company instead would work in flexible hours. Schwartz, (1989) is of the opinion that cost of employing a women manager is more than that of men. The reason is the breaks that women opt to take at the time of marriage, at the time of maternity phase. Companies spend same training time on both men and women, but when the women are back from the long maternity leave, their priority changes from job to home. If the women are not back in time then women are unprofessional. Dissatisfaction and job stress lead to quitting the job. The author suggests giving flexible working hours for such cases where the company does not want the women employee to leave as the employee is competent enough.

Objectives of the study

Studies suggest that the status of women in India has changed drastically, but no studies reveal the reason behind the changes and the importance of job in women's life.

The societal values and norms teach women that her primary duty is to look after the family. It is said that family plays an important role in any decision. It is very important that the family would support the decision of women to work. When the family supports the decision, an individual gets motivated to work better and also gives opportunity for women to show their talents. The study attempts to find the relation between family support and the performance of women at work.

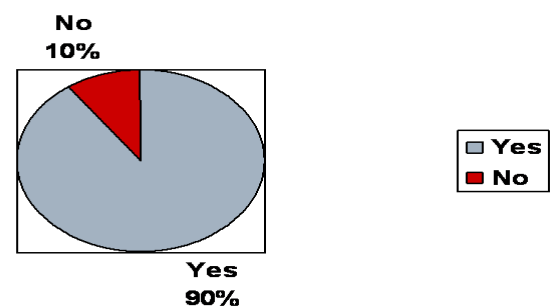
- To study the importance of job in women's life.
- To study role of family support in working women life.
- To evaluate the job performance of working women.
- To suggest the recommendations for the same.

II. Research Design & Methods

There is a positive correlation between family support and the performance pattern of working women. The methodology proposed for data collection would be by primary and secondary data. Primary data through interviews and questionnaires whereas secondary data through magazines, newspapers, Journals etc. The type of research would be both exploratory and causal with the sample size of 50 questionnaires from Mumbai. The target population will consist of married working women and the random sampling technique will be used.

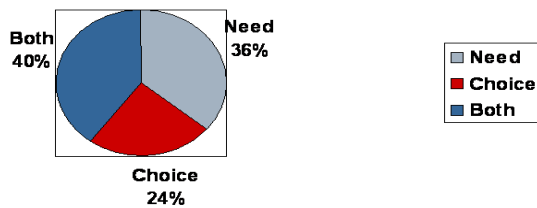
III. Results & Discussion

Do you think women should work?



Explanation - The objective behind this question was to understand whether women are accepting the new status.

Interpretation - It was found out that 90% of the women said that women should work and the rest 10% said that women should not work. These differences could be because some women are being giving more importance to their family rather than job and like to depend solely on the husbands earning.

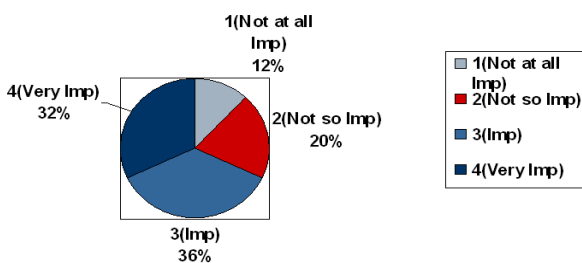


You work for-

Explanation - The objective behind this question was to understand the concept behind working.

Interpretation - It was found out that 40% of the women for both, they are in need of money and also they prefer to be independent. Remaining 36% and 24 % work for their need and choice respectively.

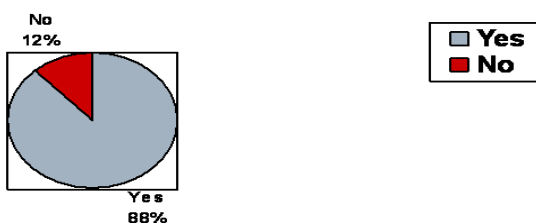
Rate the importance of job in your life



Explanation - The objective behind this question was to understand whether job is important in women's life.

Interpretation - It was found out that 32% of the women feel that job is very important and 36% of women feel that job is important for them. 20% and 12% of women feel that job is not so important and not at all important respectively

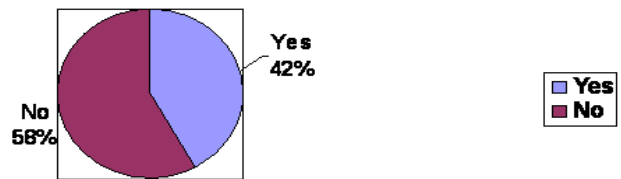
Does your family support your working decision?



Explanation - The objective behind this question was to understand whether the family is in consent and happy with the women's working decision

Interpretation - It was found out that 88% of the families want the women to work whereas 12% of the families does not want women to work.

Is domestic help available for you?

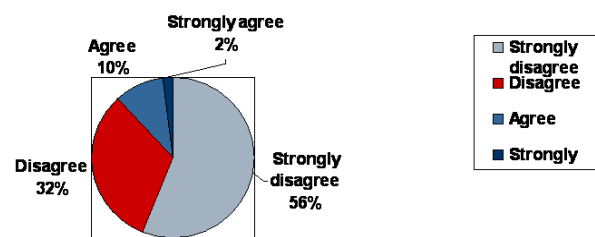


Explanation - The objective behind this question was to understand that when the majority of the families are supporting the working decision then are they providing support in all respect.

Interpretation - It was found out that 58% of the women do not have any domestic help.

Hypothesis Testing:

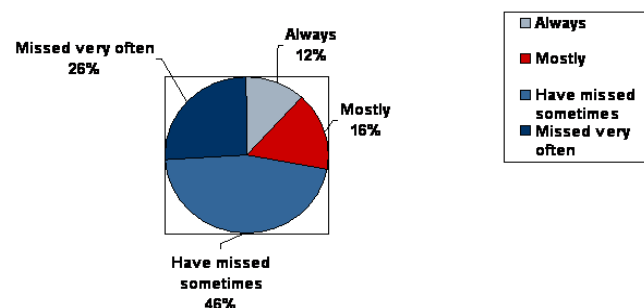
Do you receive extra support from your family?



Explanation - The objective behind this question was to understand that if domestic help is not available then are the family members helping the women in household chores? Null hypothesis is accepted.

Interpretation - It was found out that majority of the women does not get any help from their family members. 56% and 32% of women strongly disagree and disagree respectively.

Do you successfully complete projects in a given deadline?

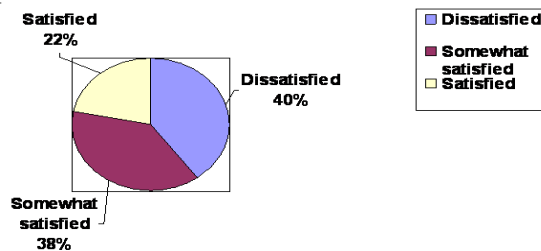


Explanation - The objective behind this question was to understand whether women are stressed and are not able to perform well at their workplace. Null Hypothesis is accepted.

Interpretation - It was found out that 46% of the women

have sometimes missed their deadlines, whereas 26% of women have missed their deadline very often.

8.3 How would you analyze your overall performance?



Explanation - The objective behind this question was to analyze the performance of working women at their workplace. Null hypothesis is accepted.

Interpretation - It was found out that 40% of the women were dissatisfied with their performance, 38% were somewhat satisfied and 22% were satisfied.

Thus, there is a positive correlation between family support and the performance pattern of working women, HOLDS TRUE.

IV. Conclusion

Women enjoy the new status. Women have started working and moving out of the house. They fulfill the dual role at home as well as in professional life. Families support being the basis of working women, because today's women are ambitious and also high rate of inflation, high demands and needs forces women to work. The women who are not supported by their family members suffer in professional life. The stress arising in balancing personal and professional life leads to poor performance in both the places.

Majority of the women (40%) work for both need as well as choice. They are in need of money due to high family requirements and they also prefer to be independent and enjoy their status.

Majority of the families (88%) want the women to work but (58%) of the women do not have any domestic help nor are the family members willing to help in household chores. This will ultimately develop stress for the women.

It was found out that 46% of the women have sometimes missed their deadlines, and 40% of the women are dissatisfied with their performance at work which has been aroused because of no domestic or any other support available to them.

Null hypothesis is accepted; therefore positive correlation between family support and the performance pattern of

working women has been proved.

Recommendations:

More support should be provided by the family members. The family members should not only support the working decision of women but also help in household chores. Being a joint or nuclear family, husband should equally take responsibility for not only helping in domestic work but also in rearing children. This will ultimately reduce the pressure and women can satisfactorily balance professional and personal life. The higher the support of family, the better would be their performance in the work place.

Companies can analyze the reason for poor performance and can take steps for the same. Women who are able to balance both personal and professional life can be given flexible working hours wherein women can give proper time to both personal and professional life. Thus organizational support also plays an important role.

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RELATIONSHIP OF DEMOGRAPHIC VARIABLES AND FACTORS AFFECTING STRESS AMONG COLLEGE STUDENTS

Suman Ghalawat★ Atul Dhingra★★ Pinky Boora★★

College students are at a critical juncture of life where they prepare and look for jobs or decide to go for higher studies. They are expected to play key roles in the society after completion of their studies. They should, therefore, have stress management abilities to cope up with pressures and also to live a healthy life. The present paper is an attempt to empirically investigate two objectives: first, to investigate the factors that influence the individual stress level and second to determine the relationship between demographic variables and factors affecting stress among students. The study is based on primary data with a sample of 150 respondents drawn from colleges of Hisar district of Haryana state. Statistical tools like factor analysis and ANOVA have been used to analyse the data. The results of factor analysis reveal five important factors named as: personal problems, relationship problems, social problems, academic problems and lastly environmental problems, that influence an individual's stress levels. Factor analysis also discloses that students get more stress from personal, relationship and social problems. Further, the factors are significantly different across qualifications, family types, area and residential status.

Keywords: Stress, Factor analysis, Personal problems, College students, Social problems, Academic problems, Relationship problems, Environmental problems.

People understand stress in different ways and for different reasons. Stress is the way human beings react both physically and mentally to changes, events, and situations in their lives. The reaction is based on the perception of an event or situation. If anybody views a situation negatively, they are likely to feel negative stress. Distress is the more familiar form of this type of stress. The other form, eustress, results from a “positive” view of an event or situation, which is why it is also called “good stress.” Eustress helps you to rise to a challenge and can be an antidote to boredom because it engages focused energy.

Stress is essential and inevitable as it is associated with daily routine. Without some stress we would be inactive and apathetic creatures. A person's response towards stress depends on whether an event is appraised as a challenge or a threat (Lazarus & Folkman, 1984). Many people regard public speaking or airplane flights as very stressful—causing physical reactions such as an increased heart rate and a loss of appetite—while others look forward to the event. Thought-provoking stimulus can lead to positive outcomes such as motivation and improved task performance while threatening ones or distress can result in anxiety, depression, social dysfunction and even suicidal intention.

In academic institutions stress can have both positive as well as negative consequences if not well managed (Stevenson & Harper, 2006). Academic institutions have

different work surroundings compared to non-academic and, therefore, one would expect the difference in indications, causes, and consequences of stress (Chang & Lu, 2007). Not only faculty and staff but students also suffer lot of stress in an academic institution. Students should, however, learn and acquire the necessary knowledge and skills to cope with stress which will in turn make them contribute positively towards their families and also society.

It is also important for the institutions to maintain well balanced academic environment conducive for better learning, with the focus on the students' personal needs. Students have different potentials, goals, and values that they want to fulfil, which is only possible if the students' expectations, goals, and values are integrated with that of the institution (Goodman, 1993). This alignment of expectations and goals will help them to cope up with stress.

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I. Review of Literature

In today's scenario, stress is considered as a problem by different professionals from various sectors. In academic institutions also stress and stress management have become important issues. Stress affects peoples' behaviours, communications and efficiency of individuals. Stress has also been considered as physiological, non-specific reaction to the inside or outside anxieties. It has also been concluded that an individual's way of perceiving and emotionally reacting to a specific thing leads to stress.

Many researchers have done broad research in behavioural science especially on stress and its consequences and decided that this topic needs further consideration (Agolla, 2009). Academic institutions face both types of negative and positive outcomes of stress if not managed properly (Stevenson & Harper, 2006). Every academic institution has different settings of work if compared with non-academic and hence leads to difference in reasons, symptoms and results of stress (Chang & Lu, 2007).

In learning institutions where students work on deadlines and have pressure for doing well in tests or examination, the students are likely to be the targets of stress. This highlights the need for research to examine the sources of academic stress faced by students at various institutions. With such knowledge, educationists will be able to pay more attention to the sources of academic stress of students and also on the use of counselling measures to assist students in managing stress.

Shah et. al, (2009), mentioned that students of the university are generally exposed to different stressful situations. The students confront peculiar problems that are from the problems of non-student groups.

It has been seen that students feel stress to attain high grades and the degree is also high (Hisrich, 1996). Getting high grades is not the only basis for stress. There are some other reasons like more homework, uneasy classroom, and lot of assignments (Kohn & Frozer, 1986). In addition to educational necessities, dealing with teachers and burden of deadlines might also be the reasons of stress. Association with friends and family, way of sleeping and eating habits and their feeling of isolation may affect many students (Shah et.al, 2009 & Wright, 1967). It is important for the institutions to maintain well balanced academic environment conducive for better learning, with the focus on the students' personal needs. Students have different potentials, goals, and values that they want to fulfil, which is only possible if the students' expectations, goals, and values are integrated with that of the institution (Goodman, 1993).

This alignment of expectations and goals will help them to cope up with stress.

Students report feeling academic stress at probable times each semester with the greatest sources of academic stress resulting from taking and cramming for exams, grade competition, and the large amount of content to master in a small amount of time (Abouserie, 1994). Academic stressors comprises of the students perception about the broad knowledge base required and the awareness of an insufficient time to develop it (Carveth et al, 1996). The students face social, emotional, physical and family problems which might affect their learning ability and academic performance. As a result, it is important that individuals develop different strategies in order to manage stressful situations (Fish & Nies, 1996).

According to Hirsch and Ellis (1996), the vibrant relationship between a person and the environment, in stress perception and reaction, is especially magnified in college students. The problems and situations faced by college students may differ from those faced by their non-student peers. Stress among students have been researched on, and researchers have come out with different stressors such as lot of assignments, competition with other classmates, disappointments and poor relationships with other students or lecturers (Fairbrother & Warn, 2003).

The National Institute of Mental Health (NIMH) notes some of the more common stressors for college students like more academic burden, confront with a new environment – with new responsibilities, ups and downs in family relations and one's social life, financial burden, exposure to new generation, ideas, and temptations, away from home for the first time, making decisions at their own on a higher level than one is used to, awareness of one's sexual identity and orientation and preparing for life after graduation. Stress in academic institutions can have both positive and negative consequences if not well managed (Stevenson & Harper, 2006).

Stress management incorporates procedures to prepare a person with operative handling mechanisms for dealing with physical stress (Goodman, 1993). In terms of stress management, Lazarus and Folkman (1984) defined eight separate coping strategies that they believed individuals employ in stressful situations. These are confrontation, seeking social support, planned problem-solving, self-control, accepting re-sponsibility, distancing, positive reappraisal, and es-cape/avoidance.

Some of the stress management techniques include self-management, conflict resolution, positive attitude, self-talk,

breathing, meditation, exercise, diet and rest. Effective stress management also involves learning to set limits for the issues that create stress.

Bhavin et. al. (2012), founded that stress in academic institutions can have both positive and negative consequences if not well managed. Academic institutions have different work settings compared to non-academic and therefore one would expect the difference in symptoms, causes, and consequences of stress. By identifying the sub issues of each component of academic stress among the MBA students of Gujarat Technological University affiliated colleges, the study provides better insights to the academic administrators for initiating efforts to reduce the intensity of academic stress.

In a society it is very important that students should acquire and learn the basic knowledge and skills to handle the stress. This will help them in their career and they may also contribute to the development of the country. It is totally dependent upon the institution to create and maintain healthy environment which is favourable for improved learning while focussing on student's personal needs. Every student has different capabilities, values, and goals that they want to attain in their life and it is possible only when their capabilities, values, goals and beliefs are cultivated in educational institution in stress free environment.

II. Research Design & Methods

The impact of stress on college and university students has been examined world over. It was, therefore, thought to attempt and study stress and related concerns in college students of Hisar city. The study has been designed with the objectives to investigate the factors that influence students' stress level and determining the relationship of these with demographic variables. A few related hypotheses, like the following, have been developed and tested:

H₀ (1): There is no significant relationship between gender and factors influencing stress.

H₀ (2): There is no significant relationship between qualification and factors influencing stress.

H₀ (3): There is no significant relationship between family type and factors influencing stress.

H₀ (4): There is no significant relationship between area and factors influencing stress.

H₀ (5): There is no significant relationship between residential status and factors influencing stress.

Data have been gathered with the help of well structured questionnaire from a sample of 150 student respondents from colleges of Hisar district of Haryana state using convenient sampling method. The questionnaire is designed with two sections: section 1 captures demographic information for the purpose of describing the sample and it consisted of questions pertaining to age, gender, qualification, family, status, residential status etc. Section 2 had questions relating to stress related factors and concerns, academic pressure, personal and environmental problems. All the 13 questions from section 2 of the questionnaire used a Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The data have been analysed using SPSS version 13.0. Factor analysis has been used to achieve the objectives of the study.

Demographical Profile of the Respondents

The demographic characteristics of the respondents have been summarized in Table 1.1. The table revealed that respondents comprised of males (72.7 %) and females (27.3 %). The sample customers were mostly of the age group of 21-25 years (48.7%) followed by age group of less than 20 years (46%) and the age group of 26-above (5.3%). Further, almost equal numbers of the respondents live in urban areas (50.7%) and rural areas (49.3%). The respondents were predominantly post-graduates (63.3%) followed by graduates (22%); and under graduates were (14.7%). With regard to the residential status (59.3%) were hostlers and day scholar were (40.7%).

III. Results & Discussions

Kaiser-Meyer-Olkin (KMO) test and Bartlett's Test of Sphericity has been applied as pre-analysis verification for judging the suitability of the entire sample which is a prerequisite of factor analysis. Table 1.2, shows the value of Kaiser-Meyer-Olkin (KMO) and the Bartlett's Test of Sphericity as 0.571 and 146.110 respectively, which are statistically significant at 1% level of significance. Thus, it indicates that the sample is suitable for factor analytic procedures. Table 1.3 presents the overall reliability of this construct with Cronbach's coefficient alpha having the value of 0.529, which is highly significant.

The data from the questionnaire have been analysed using factor analysis in order to summarize the 13 statements related to sources of stress into smaller sets. First of all, the data were subjected to principal component analysis, where these 13 statements were reduced to five principal components. Here, the researcher has considered only those factors as significant, whose eigen-values was more than one.

The reliability coefficients for five factors ranged from 0.236 to 0.553 (Table 1.4) indicating fair to good internal consistency among the items of each dimensions. Five factors have been extracted which accounts for 54.031 percent of variance. The percentages of variance explained by factor 1 to 5 are 16.569, 10.271, 9.870, 9.062 and 8.259 percent respectively.

The names of the factor statements and factor loadings have been summarized in Table 1.4. Further, the five factors that defined these characteristics have been assigned suitable names according to the nature of variables loaded on each factor. The five factors are: personal problems, relationship problems, social problems, academic problems and lastly environmental problems. Each of these factors has been discussed below:

Factor-1: Personal problems: The rotated matrix has revealed that respondents have perceived this factor to be most important with highest explained variance of 16.569 %. Four out of 13 statements related to personal problems were loaded significantly to this factor. This factor has been named as personal problems as it consists of statements like: experience of power/electricity failure, transportation problems, personal illness, and accommodation problems.

Factor 2: Relationship problems: the second most important factor accounts for 10.271% of the variance. Three statements load high on to this factor. The factor includes statements such as problems with opposite gender, parents, and course mates.

Factor 3: Social problems: The third noteworthy factor, accounts for 9.870% of the variance with high loading of two features, has been named as social problems. The factor incorporates the statements such as, death of a classmate or family member, experience of financial problems.

Factor 4: Academic problems: The fourth factor that surfaced from the factor analysis accounts for 9.062% of the variations and has been designated as academic problems. The Eigen value of 1.178 denotes that the factor is of moderate significance to the respondents. The two statements incorporated on this factor is related to future based on academic course curriculum, and inconsideration and insensitive lectures

Factor 5: Environmental problems: The last factor, accounts for 8.259 % of variance with a load of two statements. It is named as environmental problems as two statements experience of academic work load and problems of congested classroom have been loaded.

Second part of the analysis focused on the understanding the relationship between demographic variables and factors influencing stress.

(a) **Impact of Gender on Factors:** Table 2.1 shows that the null hypothesis H_0 (1) is partially rejected as it discloses that there is a significant difference between the views of males and females relating to only one factor i.e. environmental problems. From the descriptive analysis, it is evident that the males have assigned more significance to this factor. This may be because the males are not bothered too much about academic load and congestion in the classroom. Moreover, they easily get friendly with everyone. Females take some time to mix up with everyone especially in Indian society.

(b) **Effect of Qualification on Factors:** The results of one way ANOVA (Table 2.2) reveals that the null hypothesis H_0 (2) is partially rejected as qualification has a considerable impact on responses regarding stress only on one factor i.e. academic problems has significant relationship with under graduate qualification.

The descriptive analysis confirms that the respondents having under graduate degree in education have more academic problems. This may be due to the fact that undergraduate students are more prone to stress as they have crossed school level and entered into more career oriented courses. The post graduate students feel less stress from problems related to academics.

(c) **Effect of Family type on Factors:** Table 2.3 states that the null hypothesis H_0 (3) is partially rejected as family type is found to be significantly related to only one factor i.e. personal problems that to with families affected due to divorce. Respondents coming from families reduced by divorce feel stress due to personal problems much more than those coming from joint or nuclear families.

(d) **Effect of Area of living on Factors:** The results of one way ANOVA (Table 2.4) reveals that the null hypothesis H_0 (4) is partially rejected as only one factor i.e. personal problems has significant relationship with respondents from rural area.

The descriptive analysis confirms that the respondents from rural area are getting more stress from personal problems. This may be due to the fact that rural students face more transportation, electricity and accommodation related problems in India.

(e) **Effect of Residential status on Factors:** The results of one way ANOVA (Table 2.5) reveals that the null hypothesis H_0 (5) is partially rejected as residential status has a

considerable impact on only one factor i.e. social problems. It can be observed from the result that one factor i.e. social problems has significant relationship with respondents residing in hostels. The descriptive analysis confirms that the respondents from hostels are getting more stress from social problems. This may be due to the fact that hostellers need more support of friends than day scholars. Moreover day-scholars have their family members to take care and support in financial matters as and when needed.

The combined results have been depicted in summary results of ANOVA (Table 2.6) highlighting the relation between demographic variables and derived factors.

IV. Conclusion

The present research work is an attempt to empirically study two objectives: first, to investigate the factors that influence the individual stress levels and second to determine the relationship between demographic variables and factors affecting stress among students.

The research is based on primary data with a sample of 150 respondents drawn from colleges of Hisar district of Haryana state. Statistical tools like factor analysis and ANOVA have been used to analyse the data.

The results of factor analysis revealed five important factors named as: personal problems, relationship problems, social problems, academic problems and lastly environmental problems, that influence student's stress levels. Factor analysis also disclosed that students get more stress from personal, relationship and social problems. Students do not much bother about the academic and environment related problems as they do not create so much stress. Further, the factors are significantly different across qualifications, family types, area and residential status.

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Table 1.1: Demographic Profile of the Respondents

Particulars	Demographic Profile	Frequency	Percent
Sex	Male	109	72.7
	Female	41	27.3
Age	Less than 20	69	46.0
	21-25	73	48.7
	26 and above	8	5.3
Marital Status	Unmarried	182	72.8
	Married	68	27.2
Education Level	Graduate	33	22.0
	Under graduate	22	14.7
	Post-graduate	95	63.3
Living status	Rural	74	49.3
	Urban	76	50.7
Residential status	Hostler	89	59.3
	Day-scholar	61	40.7

Table 1.2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.571
Bartlett's Test of Sphericity	Approx. Chi-Square	146.110
	Df	78
	Sig.	0.000

Table 1.3: Reliability Statistics

Cronbach's Alpha	N of Items
0.529	13

Table 1.4: Name of Factors and their labels

Name of Factor	Statements	Factor Loading	Cronbach Alpha value	Eigen Value	% of Variance	Cumulative %
Personal Problems	Power/Electricity failure problems	.741	.553	2.15	16.56	16.5
	Transportation problems	.731				
	Experience of personal illness	.553				
	Accommodation problems	.486				
Relationship Problems	Problems with opposite gender	.749	.453	1.33	10.27	26.8
	Problems with parents	.668				
	Problems with course mates	.542				
Social Problems	Death of a class-mate or family member	.816	.415	1.28	9.87	36.7
	Experience of financial problems	.729				
Academic problems	Are you sure of your future, based on academic course curriculum?	.836	.236	1.17	9.06	45.7
	Inconsideration and insensitive lectures	.493				
Environmental problems	Academic work load	.886	.272	1.07	8.25	54.0
	Problems of congested classroom	.472				

Table 2.1: ANOVA between Gender and Various Factors

Factors	Male	Female	F	Sig.
Personal problems	-.0162	.0432	.105	.747
Relationship problems	.0183	-.0487	.133	.716
Social problems	.0302	-.0804	.364	.547
Academic problems	.0478	-.1273	.914	.341
Environmental problems	.0888	-.2361	3.193	.046*

*shows significant values at 5% level of significance.

Table 2.2: ANOVA between Qualification and Various Factors

Factors	P.G.	Graduate	Under Graduate	F	Sig.
Personal problems	.0521	-.1532	.0049	.514	.599
Relationship problems	-.0074	.0943	-.1095	.279	.757
Social problems	-.0577	.0496	.1749	.532	.588
Academic problems	.1406	-.5217	.1751	6.169	.003*
Environmental problems	.0337	.0454	-.2138	.588	.557

* shows significant values at 1% level of significance.

Table 2.3: ANOVA between Family type and Various Factors

Factors	Nuclear	Joint	Divorce	F	Sig.
Personal problems	-.0804	-.0019	1.0923	3.295	.04*
Relationship problems	.0851	-.1182	.7450	2.215	.113
Social problems	-.0983	.0689	.2093	.614	.543
Academic problems	.0150	.0132	-.4069	.425	.655
Environmental problems	.1158	-.0893	-.1178	.791	.455

*shows significant values at 5% level of significance

Table 2.4: ANOVA between Family type and Various Factors

Factors	Rural	Urban	F	Sig.
Personal problems	.1598	-.1556	3.803	.050*
Relationship problems	-.0997	.0971	1.457	.229
Social problems	.0494	-.0481	.356	.552
Academic problems	.0280	-.0273	.114	.736
Environmental problems	.0449	-.0437	.293	.589

* shows significant values at 5% level of significance.

Table 2.5: ANOVA between Residential status and Various Factors

Factors	Hosteller	Day scholar	F	Sig.
Personal problems	.0946	-.1380	1.972	.162
Relationship problems	.0403	-.0588	.355	.552
Social problems	.1380	-.2014	4.262	.041*
Academic problems	-.0280	.0409	.171	.680
Environmental problems	.0972	-.1419	2.085	.151

* shows significant values at 5% level of significance

Table 2.6: Summary Results of ANOVA

Factors	Gender	Qualification	FT	Area	RS
Personal problems	X	X	√	√	X
Relationship problems	X	X	X	X	X
Social problems	X	X	X	X	√
Academic problems	X	√	X	X	X
Environmental problems	√	X	X	X	X

(√)represents significant relation at 5% level of significance

WOMEN ENTREPRENEURS IN INDIA AN EMERGING FACE OF MODERN INDIA

Santoshkumar Benur★

India is a land of more than 100crores population. It is considered as a nation with rich human resource. The core strength of India is its human power, which is inbound strength. Out of 1 billion population women are almost half of it. If India wants to achieve the Vision 2020 given by Dr. A.P.J. Adul Kalam, Former President of India, and if it wants to be a super power and a nation to reckon with on the global map it needs to create equal opportunities to its largest strength-Human resource. No country can dream of becoming developed nation where half of its population is deprived of opportunity. No country can think of becoming an economic super power, where half of its population is idle and not contributing anything to the growth of a nation. We as a nation have to provide an opportunity for the overall development of the society. It should be an inclusive growth rather than a growth subjected to one gender, one race or sect. If growth of a nation has to be sustainable, than it should be inclusive growth otherwise it would not be possible to sustain growth for a longer period

Keywords: Entrepreneurship, women entrepreneurship, Qualities, Challenges development road map

An entrepreneur is an important input of economic development. He is catalyst of development: with him we prosper, without him we are poor. The entrepreneurs the world's wisest minds who leave an indelible mark in the history of mankind. They make it possible through their action, and not through words. They do things in a completely new way. They think beyond obvious. They go deeper. They think from different perspective and angles. The characteristics of entrepreneurs are his hunger to learn, to work and to succeed. They have always some thing to learn. They keep learning because they enjoy the challenges.

The word entrepreneur is derived from French word "Entreprendre" which means to "Undertake"- i.e. the person who undertakes the risk of new enterprise. In many countries the entrepreneurs is often associated with the person who starts his own, new and small business. Business encompasses manufacturing, transport, trade and other self employed vocations in the service sector.

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Unlike his male counterpart woman entrepreneur has to encounter many problems. She has to overcome economic, financial, socio-psychological, marketing challenges and lastly family

responsibilities. To prove her self and to achieve her goal in life, she has to cross many barriers. The objective of the Paper is to throw some light on women entrepreneurship in India, what are the challenges they face and some suggestions to overcome those challenges.

Segments of women entrepreneurs:

Four segments of women entrepreneurs exist:

1. Self- help groups: Those who are well served and mentored by microfinance institutions.
2. Grass root entrepreneurs: Those who are driven by a need to augment the family's finances especially to secure their children's future- tailors, flower sellers, STD booth owners etc. With turnover aspirations of 5lakhs a year, they are very work focused as they can see any increase in their earning as directly impacting their children's lives. They are hungry for formal skill and training and can clearly articulate what they want to learn that will help them to earn more. Domestic family support, financial support and better infrastructure and mechanization is what they ask for.
3. Mid-rug entrepreneurs: They are driven by the need to build reputation, become known, improve quality and satisfy creative instincts. Mostly graduates they typically have garment shops, poultry farms, export

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business etc. With the turnover aspirations of Rs.50L to 1cr. Fairly well supported by the family, their biggest challenge is how to take their business to next level.

4. Upper Crest: Drawn from the top most social class, they are very well versed with their business like export houses, travel agencies, traders in pharmaceuticals, often adjunct to their husbands business. They aspire a turnover of more than 5 crores .

Qualities of an entrepreneur (Irrespective of Gender):

According to a recent study, it was found that possession of certain competencies or abilities result in superior performance. An entrepreneur may possess certain competencies and at the same time it is possible to develop these through training, experience and guidance. The competencies required for superior performances are:

1. Initiative: It is an inner urge in an individual to do or initiate something. There is popular saying “well begun is half done”. Entrepreneur is basically an innovator who carries out new combinations to initiate and accelerate the process of economic development.
2. Proper Planning: Successful people make effective forecasting and proper planning by taking in to priorities to be achieved at an earliest. They believe in developing relevant and realistic plans for the attainment of their goals.
3. Looking for Opportunity: An entrepreneur is always on the look out or searching for opportunity and is ready of exploit it in the best interest of the organization.
4. Problem Solver: Successful entrepreneurs take problems as challenges and put in their best for finding out the most appropriate solution for the same. They first try to understand the problem and than design a strategy to overcome the problem.
5. Persistence: An entrepreneur is never disheartened by failures. He or she is the person who has got the attitude of “never die”
6. Commitment to work and Efficiency: Successful entrepreneurs are prepared to make all sacrifices for honoring the commitments they have made. What ever they commit they take it as moral binding for honoring their commitments. They are keen to devise new methods aims at improving efficiency.
7. Self Confident: Top performers are not deterred by difficulties as they believe in their own abilities and strengths. They have full faith on their knowledge,

skill and competence and ware not worried about future uncertainties.

8. Assertive: An assertive person knows what to say, when to say, how to say and whom to say. He believes in his abilities and ensures that others fall in line with his thinking aimed at promoting the interests of the organization.
9. Persuasive: A successful entrepreneur through his sound arguments and logical reasoning is in a position to convince other to do the work the way he wants them to do. It is not physical but intellectual force he will use to convince others.
10. Effective Strategist: A successful entrepreneur possesses the ability to evolve relevant strategy aimed at safeguarding or promoting organizations interest. Strategy may be with respect to facing future uncertainties or challenges posed by competitors.

Women Entrepreneurship in India: State wise number of companies registered and next column show, the companies headed by women entrepreneurs.

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharastra	4339	1394	32.12
Gujrat	3872	1538	39.72
Karnatka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTS	14576	4185	28.71
Total	57,452	18,848	32.82

Women Work Participation: Country wise women work participation.

Country	Percentage
India (1970-1971)	14.2
India (1980-1981)	19.7
India (1990-1991)	22.3
India (2000-2001)	31.6
USA	45
UK	43
Indonesia	40
Sri Lanka	35
Brazil	35

(Source: Business line)

Some of the outstanding qualities of women entrepreneurs are:

Accepts the Challenges	Ambitious
Drive	Enthusiastic
Hard work	Patience
Industrious	Motivator
Skillful	Potential Optimism
Adventurous	Conscious
Educated	Determination to excel
Keeness to learn and imbibe new ideas	Perseverance

Problems of women entrepreneurs:

Although some women have excelled in their enterprise, the fear of success haunts women in general. Some psycho-social factors impeding the growth of women entrepreneurs are as follows:

1. Poor self image of women
2. Inadequate motivation.
3. Discriminating treatment
4. Faulty socialization
5. Role conflict
6. Cultural values
7. Lack of courage and self confidence
8. Lack of encouragement.
9. Afraid of failure and criticism
10. Lack of social acceptance.
11. Unjust social, economic, and cultural system.

Entrepreneur problems faced by Women Entrepreneurs

The individual woman entrepreneur single-handedly faces a plethora of seemingly endless problems.

1. Socio – Personal Problems

Women, especially in our country, face certain problem, which are different from their male counterparts, in the course of starting and managing their own businesses. The management of domestic commitments and child care support are the two issues where women have to play a greater role.

2. Marketing Problems

Marketing is another area, which very often proves to be

the graveyard of many small-scale women entrepreneurs. It has been found that the small-scale entrepreneurs, owing to their high achievement orientation, generally set higher goals in terms of marketing of their products or services but later on find them difficult to achieve because of heavy competition, incurring huge advertisement cost and many other extraneous factors.

3. Occupational Mobility Problems

Occupational mobility, such as shifting from one product line to another is an area where women entrepreneurs are generally found to be more at a disadvantageous position than their male counterparts.

4. Government Assistance Problems

The women entrepreneurs were exasperated by the indifferent attitude of government officials of all the small industry related departments like taxation, labour, power, etc. i.e. when the authorities come to know that the unit is being run by a woman, they discourage allotting sales tax number and giving electricity connection. Above all they have ignorance about various procedures, laws, and complicated bureaucratic set-up while dealing with entrepreneurial support organizations.

5. Financial Problems

Typically women entrepreneurs of small scale enterprises start well but some where down the line in their day-to-day operations they miss the route to success. In more than half such cases the reasons identified can be attributed to financial mismanagement. Financial support as well as financial viability, therefore, is the most important considerations of any business proposition.

6. Production Problems

Production in a manufacturing enterprise involves coordination of a number of activities. While some of these activities are in the control of entrepreneur there are others over which she has little control. Improper coordination or unintended delay in execution of any activity is going to cause production problems in the industry.

7. Personnel Problems

Efficient management of human resources is an important factor in determining the growth and prosperity of business enterprise. This is particularly true in case of small industry where the owners have to forge a close and more personal association with their employees. The women entrepreneurs also expressed their inability to change the negative attitude of labour force while some of them

complained of unionism amongst them. Moreover the women entrepreneurs admitted the lack of experience and self-confidence on their part to deal with personnel working in their organizations.

Ranks of Business Opportunities for Women Entrepreneurs

Area	Rank
Cosmetics and Beauty Parlors	01
Garments and Textile Items	02
Education and Training	03
Interior Decoration	04
Nursery and Creches	05
Handicrafts	06
3P's (Pickles, Powder [spices] and Papad)	07
Consultancy Services	08
Medicare (Medical and Paramedical)	09
Engineering Goods	10

Measures take to encourage women entrepreneurship:

- a. Direct & indirect financial support
- b. Yojnas and programmes
- c. Technological training and awards
- d. Federations and associations
- a. Direct & Indirect Financial Support
 - Nationalized banks
 - State finance corporation
 - State industrial development corporation
 - District industries centers
 - Differential rate schemes
 - Mahila Udyug Needhi scheme
 - Small Industries Development Bank of India (SIDBI)
 - State Small Industrial Development Corporations (SSIDCs)
- b. Yojna Schemes and Programme
 - Nehru Rojgar Yojna
 - Jacamar Rojgar Yojna
 - TRYSEM
 - DWACRA
- c. Technological Training and Awards
 - Stree Shakti Package by SBI
 - Entrepreneurship Development Institute of India
 - Trade Related Entrepreneurship Assistance and Development (TREAD)

- National Institute of Small Business Extension Training
- Women’s University of Mumbai

d. Federations and Associations

- National Alliance of Young Entrepreneurs (NAYE)
- India Council of Women Entrepreneurs, New Delhi
- Self Employed Women’s Association (SEWA)
- Association of Women Entrepreneurs of Karnataka
- World Association of Women Entrepreneurs (WAWWE)
- Associated Country Women of the World (ACWW)

Road map for Development of Women Entrepreneurs

- Right efforts on from all areas are required in the development in the development of women entrepreneurs and the participation in the entrepreneurial activities. Following efforts can be taken in to account for effective development of women Entrepreneurs and in turn resulting in the economic development of the country.
- Consider women as specific target group for all the developmental activities.
- Better educational facilities and schemes should be extended to women folk from government.
- Adequate training programme on management skills to be provided to women community.
- Encourage women participation in the decision making.
- Vocational training to be extended to women community that enables them to understand the production process and production Management.
- Skill development to be done in women polytechnics and ITI’s.
- Training on professional competence and leadership skills to be extended to women Entrepreneurs.
- Training and counseling on a large scale of existing women Entrepreneurs to remove psychological causes like lack of self confidence and fear of success.
- Continuous monitoring and improvement of training programmes.
- Industrial Estates could also provide marketing outlets for the display and sale of products made by women Entrepreneur.
- Repeated gender sensitization programmes should be

held to train financiers to treat women dignity and respect as persons in their own Right.

- Training in entrepreneurial attitudes should start at the high school level through well design courses, which build confidence through behavioral games.
- More governmental schemes to motivate women entrepreneurs to engage in small scale and small scale business ventures.
- District Industries Centres and single window agencies should make use of assisting women trade and business guidance.
- Involvement of Non governmental Organization in women entrepreneurial Training Programmes and counseling.

Successful entrepreneurs of India:

- Mahila Grih Udyog – 7 ladies started in 1959: Lizzat Pappad• Lakme– Simon Tata
- Shipping corporation – Mrs. Sumati Morarji• Exports– Ms. Nina Mehrotra
- Herbal Heritage– Ms. Shahnaz Hussain• Kiran Mazumdar - Bio-technology

IV. Conclusion

Independence has brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by change and development. We hope that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, development programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

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AN EMPIRICAL STUDY ON SALES CAPABILITY AND MARKETING IMPLEMENTATION CAPABILITY OF SMEs IN INDIA AND THEIR IMPACT ON MARKET SHARE

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Research on marketing capabilities and their linkage with business performance can provide a vital source of knowledge for firms to acquire competitive advantage in an industry. This study attempts to understand the sales capability and marketing implementation capability and its impact on business performance. It focuses on different processes of marketing capability and its effect on market share in B2B set up. The data was analysed by using multivariate analytical tools such as reliability analysis and Pearson correlation analysis. It can be inferred that marketing capabilities result in achieving growth in market share. Market processes and capabilities consist of processes which act as links between the firm and the customer. Hence, to enhance the business performance, firms need to enrich the links between customer and firm. It is, therefore, necessary to undertake a study which can explore different marketing capability processes and link these capabilities with business performance. The proposed research on marketing capabilities aims at delineating the best practices among small and medium enterprises (SMEs) in 'business-to-business' context to produce superior results such as firms' improved performance.

Keyword: Sales capability, Marketing implementation capability, business performance, market share, B2B

Marketing capabilities are defined as the integrative processes designed to apply the collective knowledge, skills, and resources of the firm to the market related-needs of the business, enabling the business to add value to its goods and services and meet competitive demands (Day, 1994; Vorhies et al., 1999). As per Day (1994), concept of capabilities is not new and has existed since 1957 in the form of organisation policies. As capabilities are embedded within the structure of organization, they are hard to identify. Over a period, the focus of capability study moved from the content of the product to the business strategy and now, more concern has been given on the performance outcomes. In the beginning when researchers started working on capabilities, resource-based view theory was taken into consideration. Barney (1991) studied resource-based view which states that the variation of a firm's performance is the result of heterogeneity in the levels, value, inimitability and lack of substitutability of its resources. Then the strategic orientation came in the form of market based learning that helped the firm to deploy resources to get maximum benefit in the market environment. The dynamic capability approach was pioneered by Teece et al. (1997). This approach is distinctly based on legacy of resource based view which has shifted from static firm-specific asset to dynamic process of developing capabilities. Now, companies are thinking to invest directly in identifying and investing in marketing capabilities which will give superior performance.

The most distinctive features of market-driven organisations are their mastery in the market sensing and customer linking capabilities (Day, 1994). Market based organisational learning has been identified as an important source of sustainable competitive advantage (Vorhies and Morgan, 2005; Vorhies et al., 1999). In order to understand capabilities, one needs to understand the processes of interaction and inter organisational learning (Croom and Batchelor, 1997). In recent years, management scholars emphasised on resource based view and dynamic capability approach (Pandza et al., 2003). Capabilities of a dynamic nature, aside from being a source of new resources for the company, provide a solid instrument for the organisation's strategies. These capabilities allow the activation and redirection of the complex framework of economic and organisational factors. Dynamic capabilities are key factors in optimising the strategic course of the firm's future (Lopez, 2005).

The resource-based view (RBV) of the firm proposes that firm's performance depend on organization specific resources and capabilities. RBV implies specific path dependencies between resources, capabilities, and firm performance. Hence, RBV takes the perspective that valuable, costly to copy firm resources and capabilities

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provide the key sources of sustainable competitive advantage. Resources can be tangible or intangible, are valuable and non-substitutable. They are usually tacit, socially complex, and rare. According to RBV, firm resources lead to capabilities, and capabilities influence performance (Barney 1991; Wernerfelt 1984). Marketers have been highly interested in how various strategies and orientations affect company performance.

Marketing-led strategies are usually based on the principles of growth throughout the product range. The relationship between marketing objectives and manufacturing strategies appears to be a critical factor affecting the success of the organization but the nature of this relationship is not well defined (Lancaster, 1995). Effective integration of marketing, product engineering and manufacturing is vital for the successful development and commercialization of new products. Hence, focus on the interface between marketing and research & development (R&D) functions is becoming an important area where innovation can be encouraged (Shaw et al., 2004; Kohli and Jaworski, 1990).

We first define marketing capabilities for which we investigate their influence on business performance.

i) selling capability, the processes by which the firm acquires customer orders efficiently and effectively using sales personnel (e.g., Anglin et al., 1990; Shapiro et al., 1997); and ii) marketing implementation capability, the processes by which intended marketing strategy is transformed into realized resource deployments (e.g., Noble and Mokwa, 1999, Kohli and Jaworski, 1990).

Small firms face marketing challenges, which are related to the general characteristics of small businesses, like a limited customer base, limited marketing activity, expertise and impact, reactive rather than planned marketing and difficulties in exploring marketing opportunities (Kobylanski, 2011). However, in contrast to large firms, small firms can build marketing advantages based on a close relationship between entrepreneur/manager and customers (Zontanos and Anderson, 2004). They are close to their markets, have greater flexibility and can implement decisions much faster.

Appiah-Adu and Singh (1998) argue that in small firms, there is not often a need to develop formal procedures to gather and process market intelligence, because they are usually characterised by relatively simple structures, quite cohesive cultures and a limited range of products and customers. These characteristics may, however, enhance the ability of small firms to exploit customer-oriented culture more easily than larger organisations do.

I. Review of Literature

Resource-based view (RBV) that was initiated in the mid-1980s by Wernerfelt (1984) and Barney (1986) had later become one of the dominant contemporary approaches to the analysis of sustained competitive advantage. RBV argues that firms will have different nature of resources and varying levels of capabilities. As per Teece et al. (1997), the competitive advantage of firms is seen as resting on competitive processes. RBV views a firm as a bundle of resources and capabilities. According to the RBV, competitive advantage and durable performance differences between firms are accounted for by asymmetric resource endowments with differential productivities (Wernerfelt, 1984; Barney, 1986; Pandza et al., 2003). Resources and capabilities are embedded in much larger systems (Pandza et al., 2003).

As per Amit and Schoemaker (1993), the firm's resources get defined as the stocks of available factors that are owned or controlled by the firm. Resources are converted into final products or services by using a wide range of other firm assets and bonding mechanisms such as technology, management information systems, incentive systems, trust between management and labour etc. These resources consist, inter alia, of know-how that can be traded (e.g., patents and licenses), financial or physical assets (e.g., property, plant and equipment), human capital, etc. Capabilities, in contrast, refer to a firm's capacity to deploy resources, usually in combination, using organisational processes to affect a desired end. They are information-based, tangible or intangible processes that are firm specific and are developed over time through complex interactions among the firm's resources. They can abstractly be thought of as 'intermediate goods' generated by the firm to provide enhanced productivity of its resources. They also provide strategic flexibility and protection for its final product or service. Unlike resources, capabilities are based on developing, carrying, and exchanging information through the firm's human capital. Makadok (2001) proposed two distinct mechanisms, resource-picking and capability-building, for understanding how managers create economic rents for their firms. The mechanism asserts that firms create economic rent by being more effective than their rivals at selecting resources. The other mechanism asserts that firms create economic rent by being more effective than their rivals at deploying resources.

Barney (1991) has put forward a popular checklist for this. He identified following as the key characteristics for a resource to be strategically important: i) Valuable – Resources should deliver value to the firm, ii) Rare –

Resources that are owned by a large number of firms cannot confer competitive advantage as they cannot deliver a unique strategy vis-à-vis competing firms, iii) Inimitable – Resources can only be sources of sustained competitive advantage if firms that do not possess these resources cannot obtain them, iv) Non-substitutable – Resources should be strategically rare and inimitable by competition. According to Day (2011), both static and dynamic capabilities theories attempt to explain sustainable differences in the performance of competitive firms. Whereas competitive advantage can flow at a point in time from scarce capabilities, sustainable advantages require dynamic capabilities to create, adjust, and keep relevant the stock of capabilities. A dynamic capability is a repeatable and deeply embedded set of skills and knowledge exercised through a process. It enables the firm to stay synchronized with market changes and ahead of competitors.

Sales capability

Increasing sales is crucial to building market share. Hence, sales revenue can be used as the goal for marketing (Barker, 1999). Marketing and sales yields many positive outcomes including stimulating confrontation, mutual understanding, collaboration and sharing (Guenzi & Troilo, 2006). As per Kotler et al. (2013) sales capability consists of training to salespeople, sales support, sales management planning, sales control systems, developing appropriate selling and management skills.

The field sales force is a vital link between organisation and its customers (Cravens et al., 1992). Sales performance can be measured relative to each company's major competitor and relative to the sales organisation's objective. The performance measure includes sales volume, sales growth, profitability and customer satisfaction (Cravens et al., 1992).

The long-term strategic orientation of the company can play a critical role. This means that setting long-term goals, giving emphasis to long-term results and devoting time and effort to long-term decisions allow marketing and sales to align their vision, decision processes and activities. This makes the company more effective and efficient yielding better market performance outcomes (Guenzi and Troilo, 2007). Piercy et al. (1997) identified factors which have effect on sales performance. These factors are: a) an emphasis on customer-orientated selling requiring more varied types and more sophisticated salespeople; b) the need for flexibility and quick decision making requiring structural change away from traditional bureaucratic forms; c) corporate restructuring to remove traditional

barriers between manufacturing, sales, logistics, and customers; d) budget restrictions causing greater scrutiny of the sales process for effectiveness and profit contribution; and, e) the need to organise field units to serve different market segments requiring different selling approaches, managerial structures, and compensation systems. The commitment to fulfilling the needs and wants of customers are now commonly held organisational values across the industrial landscape. Salespersons that possess excellent interpersonal skills can significantly boost sales performance (Ahmad et al., 2010).

Marketing implementation capability

Even a great marketing strategy can be sabotaged by poor implementation. Implementation capability is the capability which focuses on strengthening allocation of marketing resources, delivery of marketing programs, translating marketing strategies into action and have a mechanism for quick execution of marketing strategies.

The SME firm is characterized by a relatively simple organizational structure with relatively fewer people in comparison to large enterprises. Hence, it is imperative for SMEs that the structure and the lines of communication are aligned to support the marketing strategy. Once the marketing strategy has been developed, the task changes to one of implementation of strategy. The formulation of marketing strategy is based on mission, vision, industry, competition, market, and organizational analysis. In SMEs, managers must use networks to implement marketing strategies (Jones and Tilley, 2003)

Implementation refers to the actions performed as a consequence of policy decisions. This is prompted by definition of marketing as a process whereby actions are defined (planned) and then performed (executed) in a way which leads to satisfactory exchanges in the marketplace (Meldrum, 1996). Implementation pervades strategic performance. It is a critical link between the formulation of marketing strategies and the achievement of superior organisational performance (Vorhies and Morgan, 2005; Piercy and Lane, 1996). The inter-functional uniqueness can be configured by characterizing it according to their (a) structural characteristics, e.g. the formalisation of marketing and sales in the organisation and the tasks each function performs, and (b) process dimensions, i.e. interfunctional communication, information sharing and collaboration (Akdeniz et al., 2010). Marketing strategies only result in superior returns for an organisation when they are implemented successfully. Heyer & Lee (1992) pointed out some problems in strategy implementation and

found that most executives believed that within their firms, the strategy was implemented in inconsistent ways with the strategy development. The study also found common problems in implementing the strategy successfully with organisational barriers. These included uneven or inadequate management skills, a poor comprehension of roles, and insufficient coordination across departmental boundaries, unclear lines of accountability, ineffective monitoring, and lack of employee commitment.

Business Performance

Most firms do collect, analyze, and base decisions upon market-share data. Measurements of market share are used by firms with considerable confidence to determine whether management should continue current policies or whether it should alter its policies if it has lost market position. Top management generally expresses their target in terms of market share, although they may weigh other considerations in their deliberations. The use of market share target assumes similarities between the past and the present and between each firm and the industry as a whole. Market share has become a language for the expression of the market targets by top management. Clark (2000) found this dimension of most importance to managers. Since, by definition, changes in market share represent improving or declining performance relative to competitors, it inherently reflects the attainment or loss of competitive advantage.

Market share measure of performance was chosen not only to replicate proven measures used in past research but also because it's regarded as a performance dimension of primary importance to top corporate and business unit managers. An operationalisation of the "success of business' products and programs in relation to those of its competitors in the market, measured by such items as sales growth in comparison with that of competitors or changes in market share" represents an effectiveness dimension of performance (Walker and Ruekert, 1987). Performance over the last one year to major competitors is the effective way to measure business performance (Jaworski and Kohli 1993; Slater and Narver 1995). The relative market share growth is the dependent variable used for this research work. Baker and Sinkula (2005) have examined the market orientation-performance relationship. In research, they used change in market share as an indicator of firm performance. They show that performance in these studies is most often measured with self-report measures of new-product success, profitability, or market share.

Small firms may not act in truly the market oriented way, but concentrate more on customer orientation. Appiah-Adu

and Singh (1998) argue that in small firms, there is not often a need to develop formal procedures to gather and process market intelligence, because they are usually characterised by relatively simple structures, quite cohesive cultures and a limited range of products and customers. These characteristics may, however, enhance the ability of small firms to exploit customer-oriented culture more easily than larger organisations do.

II. Research Design & Methods

Research questions have emerged from the review of literature.

Research Question 1: Does selling capability have a positive effect on business performance?

If sales management is to become more competitive, management practices that improve its effectiveness must be identified and performance hurdles must be eliminated. Otherwise, even competent salespeople will not be able to perform. Training is a vital component for both the initial and ongoing development of the sales representative (Barker, 1999). By understanding the salesperson performance, the organisation can create various programmes to improve sales performance. Additionally, sales organisations should now treat interpersonal skills as a critical skill component in salesperson recruitment and selection exercises and also in formulating rewards and recognition policies. Another implication is that salesperson management systems can significantly affect salesperson performance. Given the importance of salesperson performance in the sales organisation context where organisations depend upon individual salesperson's contributions for meeting sales objectives, management should make every effort to promote organisational commitment (Ahmad et al., 2010).

Sales management would be expected to help the salesperson improve specific selling skill, foster the motivation to perform and ultimately, enhance productivity (Anglin et al., 1990). As per Kotler et al. (2013), sales capability consists of training to salespeople, sales support, sales management planning, sales control systems, developing appropriate selling and management skills. Therefore, it is hypothesized that:

H01: Selling Capability does not have positive relationship with market share.

Research Question 2: Does Marketing Implementation Capability have a positive effect on business performance?

Marketing implementation capability provides an important mechanism for implementing the firm's strategy. As a

result, specialized and architectural marketing capabilities are believed to contribute individually to the successful implementation of product-market strategy. Capability integration can arguably provide the firm with the most advantageous deployment of firm resources (Dutta et al., 1999). Based on these perspectives, the integration of the marketing knowledge capability provides the best opportunity for properly aligning marketing resources with the demands of the various product-market strategies (Vorhies and Morgan, 2005).

Implementation capability is the capability which focuses on strengthening allocation of marketing resources, delivery of marketing programs, translating marketing strategies into action and have a mechanism for quick execution of marketing strategies. Competition is more than just learning; it also involves developing the ability to implement quickly. Many companies are reaching out to firms in other industries to learn how they are able to implement faster. This leads to the following hypothesis:

H02: Marketing Implementation Capability does not have strong relationship with market share.

Methodology

According to the research questions and hypotheses, 3 variables were constructed to carry further analysis, viz. Sales capability, Marketing implementation capability, and Market share. In the current competitive market, relative market share growth is more relevant feature to measure performance. Relative market share works to measure a business against its single, strongest competitor. This is a way of measuring business strength in relation to either a company that is pursuing it or that it is pursuing. It is also a way of knowing where potential threats and opportunities lie. The reason for choosing relative market share, rather than just profits, is that it carries more information than just cash flow. It shows where the brand is positioned against its main competitors, and indicates where it might be likely to go in the future. It can also show what type of marketing activities might be expected to be effective.

Questionnaire Development

After reviewing different articles on marketing capability with respect to our study, a basic conceptual design was developed. A questionnaire was designed based on similar constructs validated in previous research studies. From previous empirical research studies, framework is transformed into statements/questions. In addition, a link among the objectives of the study and their translation into content is established. Questionnaire was developed in

relation to variables that were measured through the items validated in previous studies. However, the final instrument was unique to the extent that it consisted of all relevant items that explained the power of different marketing capabilities of business-to-business SMEs in Indian context. Selected questions from previous studies were taken and dependent variable measured on a 5 point interval scale (5: strongly agree to 1: strongly disagree). Scales are devices used to quantify to measure marketing capability response on a market share variable. After understanding the relationship between the level of measurement and the appropriateness of data analysis from previous studies, the questionnaire was designed.

Establishing Validity

After a draft questionnaire was ready, validity test were conducted. Based on the objective, validity was established using a panel of experts and a field test. Questions were taken into consideration while designing instrument. Is the questionnaire valid? In other words, is the questionnaire measuring what it intended to measure? Does it represent the content? Is it appropriate for the sample/population? Is the questionnaire comprehensive enough to collect all the information needed to address the purpose and goals of the study?. "Validity concerns the soundness of the inferences based on the scores – that is, whether the scores measure what they are supposed to measure, but also not measure what they are not supposed to measure (Kline, 2011). Validity can be divided into discriminant and convergent validities. While addressing questions care was taken to couple it with carrying out a readability test to enhance questionnaire validity. Content validity was checked by feedback from 24 experts in the industry. As the questionnaire designed from the past studies it has concurrent validity. Changes were made, as appropriate, based on both a field test and expert opinion. And then pilot testing in Mumbai and Thane districts of Maharashtra, India was conducted.

Establishing Reliability

Reliability indicates the accuracy or precision of the measuring instrument. The pilot test seeks to answer the question, whether the questionnaire consistently measures what it intends to measures.

Reliability is established using a pilot test by collecting data from 20 pilot samples from the Mumbai and Thane region of Maharashtra state. Data collected from pilot test was analyzed using SPSS 18 (Statistical Package for Social Sciences). SPSS provides two key pieces of information. These are "correlation matrix" and "view alpha if item

deleted” column. Then view “alpha if item deleted” column to determine if alpha can be raised by deletion of items. Deleted items that substantially improve reliability. The reliability coefficient (alpha) can range from 0 to 1, with 0 representing an instrument with full of error and 1 representing total absence of error. A reliability coefficient (alpha) of 0.70 or higher is considered acceptable reliability. From our analysis the cronbach alpha value is 0.899 and split half part 1 is 0.836 and for part 2 is 0.816 this shows that selected items are fit for the study and instrument has good reliability. Total 42 items were retained for the study.

Sample size

Multistage random sampling was be used for study. A multistage random sample is constructed by taking a series of simple random samples in stages. In a multistage random sample, a large area, such as a state, is first divided into smaller regions (such as districts), and a random sample of these districts is collected. In the second stage, a random sample of smaller areas is taken from within each of the regions chosen in the first stage. Then, in the third stage, a random sample of even smaller areas (such as neighbourhoods) is taken from within each of the areas chosen in the second stage. If these areas are sufficiently small for the purposes of the study, then the researcher might stop at the third stage. If not, may continue to sample from the areas chosen in the third stage, etc., until appropriately small areas have been chosen.

Sample size calculation for capability study given below,

S = Estimation of Standard Deviation

$S = 5 \text{ (Number of point scale)} / \sigma \text{ (No. of standard deviation)}$

If $\alpha = 0.05$ (Level of significance) and 5 point scale with Accepted error of 3.3%

Sample size (n) = $(t)^2 * (s)^2 / (d)^2$ Bartlett et al., 2001

$d = (5 * 0.03)$

at $t = 1.96$ and $S = 1.167$

$n = 190$

For the study sample size of 193 individual firms were considered. Data was collected from three states of India namely Maharashtra, Gujarat and Madhya Pradesh.

Data Assessment

The approach suggested by Tabachnick and Fidell (2001), Hair et al. (2005) and Kline (2011) was used for analysis

of the collected data, including examination of item means, standard deviations, correlation analysis, factor analysis. Also, path analysis yielded acceptable results.

The test of internal consistency reliability was performed utilizing Cronbach’s coefficient alpha (Cronbach, 1951). Cronbach’s coefficient alphas are greater than the suggested 0.5 value. Therefore, all scales were considered reliable. Together, the above results support the overall reliability and validity of the scale items used to measure the hypothesized constructs. Pearson correlation analysis used to test the hypothesis.

Data overview

Study was conducted in Maharashtra, Gujarat and Madhya Pradesh states of India. Industries selected for study were chemical, pharmaceutical, capital goods, auto components, electrical, and electronic industry. Table 4.1 gives details about industry wise and state wise data collected.

The respondents belonged to the top management and senior management levels in the SMEs having designations such as directors, owner-directors, vice-presidents, and marketing managers. After analyzing the role and overall decision-making ability of the respondent and his position in organisation structure, respondent was selected for filling the questionnaire. Special care was taken to ensure that he/she has served for a longer time in that organisation.

Total 193 useful responses were collected. Out of 1225 dispatched questionnaires, 39 usable responses were received, showing 3.18 % response rate. Out of 193 useful questionnaires, 154 usable questionnaires were collected personally. Details are given in Table 4.2.

While 112 respondents were from top management, 81 were from senior management levels. The average total experience of respondents is 16 years and the average experience in existing organisation is 11 years. The research study focuses on measuring marketing capabilities of manufacturing firms and their impact on business performance in a B2B environment for SMEs and hence, individually industry wise analysis not included as part of conceptualisation.

III. Results & Discussion

Respondent data were entered into SPSS package, and different statistical techniques were used to analyse the data. Apart from the available descriptive statistics, multivariate analytical methods Pearson correlation analysis used for analysis of data.

Descriptive statistics

Analysis of mean and standard deviation for marketing capabilities are shown in Table 4.3. The study focuses on the development of a number of key variables. The independent variables used are sales capability and marketing implementation capability. The average score was measured using the likert scale of 1-5, where 5 is strongly agree and 1 is strongly disagree, the standard deviation (SD), which summarises the average distance of all responses from the mean and the proportion of all respondents that either strongly agreed or tended to agree with each proposition (% agree).

The mean score for all variables which are, sales capability and marketing implementation capability is 4. This means that on average, respondent tend to agree that they have experienced marketing capabilities effect in business to business setting. However, the difference between the variables is minimal and standard deviations are fairly similar across each variable. The standard deviation is fairly low (0.45), which means that most of the responses are near around the mean and the distribution of responses is fairly normal with responses being fairly evenly distributed either side of the mean.

Correlation analysis was carried out to ascertain the correlation between each marketing capability with relative market share growth. The procedure used to analyse the responses, including the determination of the reliability of the instrument. The questionnaire constructs were tested for their ability to yield a significant factor structure. The instrument could be said to have a high degree of reliability when there is a significant association between responses to each of the attributes.

Reliability analysis

The most commonly reported estimate of reliability is Cronbach's alpha. This statistic measures internal consistency reliability, the degree to which responses are consistent across the items within a single measure. If internal consistency reliability is low, the content of the items may be so heterogeneous that the total score is not the best possible unit of analysis for the measure. Construct reliability is given in Table 4.3. Individual marketing capabilities as first-order construct from the survey data and estimated marketing capability interdependence as a second-order construct will be analysed by capturing the covariance among the marketing capabilities.

Reliability statistics shows that Cronbach alpha except for all other capabilities is above 0.6 shows good reliability.

To calibrate the potential performance impact of marketing capabilities, regression of each firm's marketing capability profile deviation score onto its business performance will be formulated. For the analysis of Reliability and Pearson correlation analysis, SPSS software was used. Table 4.4 shows Cronbach's alpha value as 0.899 which means that selected items are fit for study and instrument has good reliability. Using reliability analysis, one can determine the extent to which the items in questionnaire are related to each other and get an overall index of the repeatability or internal consistency of the scale as a whole.

Split-Half Reliability

In split-half reliability all items that measure the same construct are divided randomly into two sets. Then administered the entire instrument to a sample of people and calculated the total score for each randomly divided half. Table 4.5 shows split half reliability. Split-half reliability for part 1 is 0.836 and for part 2 is 0.816. This shows that sample has good split half reliability.

Hypotheses testing

Based on literature review and research gaps, following hypotheses were tested to understand marketing capability and their relationship with market share. Table 4.6 shows Pearson correlation relationship with sales capability and marketing implementation capability.

H01: Sales capability does not have positive relationship with market share.

A Pearson correlation analysis was performed at significance level of $p=0.01$ using SPSS to test the hypothesis. A Pearson coefficient with respect to market share is 0.235 (Sales Capability). The result of Pearson analysis is given in Table 4.6. It is observed that the sales capability has positive correlation with market share and it is statistically significant. This means that null hypothesis cannot be accepted. It proves that firm's selling capability has positive relationship with the market share. As null hypothesis cannot be accepted, the following alternative describes the relationship between sales capability and market share.

H1: Sales capability has positive relationship with market share.

Training increases salesperson's knowledge base and skill level, resulting in higher performance. Only crafting marketing plan and program is not enough but the mechanism of execution and available resources to execute these plans matters a lot for companies aiming to improve

business performance.

Following hypothesis is exploring relationship of marketing implementation capability with market share. Marketing implementation gives speed to execute market based strategies. Implementation of plans and programs is the absolute necessity for the success of marketing campaigns which, in turn, provide better business performance.

H02: Marketing implementation capability does not have positive relationship with market share.

A Pearson correlation analysis was performed at significance level of $p=0.01$ using SPSS to test the hypothesis. A Pearson coefficient with respect to market share is 0.346 (marketing implementation capability). The result of Pearson analysis is given in Table 4.6. It is observed that the marketing implementation capability has positive correlation with market share and it is statistically significant. This means that null hypothesis cannot be accepted. It proves that firm's marketing implementation capability has positive relationship with market share. As null hypothesis cannot be accepted, following alternative describes the marketing implementation capability relationship with market share.

H2: Marketing implementation capability has positive relationship with market share.

Marketing implementation capability helps organization to systematically translate its programs, plans and strategies into the final outcome. Hence, it is necessary to have regular audits to check whether resources are available with the organization to improve the stated marketing plans. Proper allocation of these resources is necessary for better and systematic execution of marketing programme.

IV. Conclusion

Sales and marketing implementation capabilities were identified as influential to business performance.

Investment in skill development of sales personnel helps firms to understand product and customer more closely. Not only this, it also helps salespersons to move from learning curve to experience curve at a faster pace. Such skillful resource supports the growth of market share. In B2B context, implementation of marketing programs is one of the major challenging tasks. Once marketing program is planned, its execution across the country is the major challenge due to much diversity such as language, culture, geography, climatic condition etc. Hence, during implementation the decision makers need to work efficiently and effectively in such diversities so as to meet

the customer needs in most efficient manner and achieve increased sales.

The marketing capabilities provide value added knowledge to managers on how business processes turn marketing capability into business performance advantage. Subsequently, this study explains how marketing capabilities lead to growth in market share. Marketing capabilities are inimitable resource and therefore a greater potential source of competitive advantage. Managers should consider individual marketing capabilities as separate investment options but also assess the implications of such investments for the firm's overall set of marketing capabilities. Secondly, for significant potential business performance, organizations need to focus on sales and marketing implementation capabilities and make use of it for the success of the organisation.

Limitations and scope for further research

This research is based on the conceptual and empirical results combined and interpreted. The study focuses on marketing capabilities of manufacturing industry with respect to chemical, pharmaceutical, electrical, electronics, capital goods and auto ancillaries. Hence, there is a scope to understand marketing capabilities of other sectors in manufacturing industry. Also, there is an ample scope to delineate the marketing capability in a service industry like aviation, hospitality industry and financial services, etc.

The business performance variable for this study is market share. Other variables such as customer satisfaction and profitability can be used to investigate further.

The present study focuses on B2B setting and hence, there is further scope to investigate capabilities in other settings like consumer goods sector.

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Table 4.1: Industry Type – State Wise Data Details

	Maharashtra	Gujarat	Madhya Pradesh	Total
Chemical	16	14	10	40
Electricals	10	10	7	27
Electronics	10	11	9	30
Capital goods	16	14	12	42
Auto components	9	9	8	26
Pharmaceutical	12	10	6	28
Total	73	68	52	193

Table 4.2: Sample Data Collection

B2B SME Sector	Total Samples	Personally collected	Received by Courier
Chemical	40	32	8
Electricals	27	17	10
Electronics	30	24	6
Capital goods	42	33	9
Auto components	26	24	2
Pharmaceutical	28	24	4
Total	193	154	39

Table 4.3: Construct Reliability

Capability	Average Variance Extracted	Loading Range	Reliability
Sales Capability	84.6	0.8-0.86	0.613
Marketing Implementation Capability	87.33	0.79-0.96	0.65

Table 4.4: Scale Reliability

Cronbach's Alpha	N of Items
0.899	42

Table 4.5: Split-Half Reliability

Cronbach's Alpha	Part 1	Value	0.836
	Part 2	Value	0.816

Table 4.6: Pearson Correlation Matrix

	Sales Capability	Marketing Implementation capability	Market Share
Sales capability	1	0.462**	0.235**
Marketing implementation capability	0.462**	1	0.346**
Market share	0.235**	0.346**	1

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

MEASUREMENT OF E-SATISFACTION: CRITICAL REVIEW OF THE INSTRUMENTS

Pooja Goel ★

Web sites are a critical component of the rapidly growing phenomenon of e-commerce. As the expectations of online shoppers rise, the need for measuring their satisfaction becomes unavoidable. Various scholars tried to define e-satisfaction and developed the instruments to measure the e-satisfaction. But there is little work done in the area of critically examine the available e-satisfaction literature. The present study is a small step towards filling the gap in the area of e-satisfaction. Authors tried to identify the problems in defining and measuring e-satisfaction and also offer scope for future research.

Keywords: Customer satisfaction, e-satisfaction, Web site quality, instrument, e-satisfaction measure.

With the rapid global growth in electronic commerce, business is attempting to gain a competitive advantage by using e-commerce to interact with customers (Lee and Lin 2005). E-commerce is not only helping business but customers also by enabling them getting broader product lines, immediate access to customer reviews of products and services, ready comparison of vendor offerings etc. E-commerce is intensely competitive because of price transparency and the presence of rival businesses only a few mouse click away, thereby making customer loyalty elusive. The high cost of attracting new customers on the internet and the difficulty in retaining them make customer satisfaction and loyalty valuable assets for most e-businesses (Zhang, Dixit and Friedman 2010). Thus understanding the key factors that drive satisfaction in e-markets is crucial for obtaining and retaining profitable online customers.

To address this issue, a growing number of studies have begun to conceptualize, measure, and model user's satisfaction in an e-environment. But there is lack of critically examined or scrutinized literature in this area (Szymanski & Hise, 2000). Thus it is essential to assess e-satisfaction scales that currently exist in an effort to determine potential gaps or opportunities for future research.

The present study is intended to critically examine the existing e-satisfaction literature on the basis of the definition, dimensionality, and instruments of e-satisfaction. Every research work is incomplete if it is not able to give the suggestions for future research. Keeping this view in mind we then identify the gaps or scope for future research.

An overview of E-satisfaction Scales

While analyzing the available E-satisfaction literature and scales it was found that efforts to develop e-satisfaction measures were predominantly centered in the fields of marketing and information technology. The scales are listed in chronological order in table 1 starting with Rust and Zahorik's (1993) framework to determine the important element resulting in customer satisfaction to Barrutia and Gilsaze(2013) Value Co-creation Core Model. The scales were created by scholars from a variety of disciplines, including e-commerce, business and information sciences, thus suggesting that e –satisfaction is a complex phenomenon that has been found interested from multiple disciplines. The number of items per scale ranged from 9 (Rust and Zahorik, 1993) to 61 (Collier & Bienstock, 2006). More than 100 factors or dimensions were identified by the e-satisfaction scales. Of these some dimensions were covered by different scholars repeatedly like design, security, trust, convenience, interaction, function or usability, transaction etc. While some dimensions or constructs were identified less used constructs for measuring e-satisfaction such as nurturing (Anderson & Swaminathan 2011),currency (Elliot & Speck, 2005), language customisation, entry guidance(S. Muylle et al., 200d). A brief description of various scales used for measuring e-satisfaction has been discussed in table 1.

While analyzing the variety of instruments to measure e-satisfaction, it has been observed that to date these instruments have had only a limited impact on the overall e-commerce and business areas. It was found that scales ranged markedly on the number of dimensions and items measured. The study suggests that scholars did not seen

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to be agreed on how, or possibly what, to measure to determine e-satisfaction. In the work done by various scholars only functional and emotional aspects were mainly reviewed, which led us to the conclusion that literature has not advanced past early conceptualizations of web site usage and design. Much of the work done in measuring e-satisfaction was done by citing some popular scales such as End user computing satisfaction (cited 249 times) developed by Tokzadeh & Doll (2001), Constructs related to compelling online experience (cited 108 times) originated by Novak, Hoffman, & Yung (2000) followed by Antecedents to E-loyalty scale given by Srinivasan, Anderson, & Ponnnavolu (2002) and Parsuraman et al.'s (2005) E-S-Qual scale. As citation were an average of five times per year reveals the narrow impact of most instruments. Less number of replications also makes us less confident about the validation of the scales.

Two main reasons can be there for the slow adoption of e-satisfaction scales (a) conceptual and operational definitions of e-satisfaction are inconsistent, leading to a general lack of understanding of what e-satisfaction is and how to measure it. And (b) the dimensions of e-satisfaction scales are redundant and/or ignore aspects of Web sites that are important to e-satisfaction, resulting in potentially inadequate measures of e-satisfaction.

Defining E-satisfaction

The first argument pertains to the definition of e-satisfaction. It has been observed that conceptual and operational definitions of e-satisfaction are inconsistent. While analyzing the literature it was found that definition of e-satisfaction is grounded, and many definitions are based on consumer satisfaction with traditional retail channels. For example, using Oliver's (1997) definition of customer satisfaction as the overall subsequent psychological state following the appraisal of the consumer experience against the prior expectations, Kotler (2000), satisfaction is an individual's feelings of pleasure or disappointment resulting from comparing the perceived performance (or outcomes) of online shopping in relation to his or her expectations. Wang et al. (2001) proposed a construct namely customer information satisfaction (CIS) for web sites that market digital products and services. The authors defined CIS as "a summary affective response of varying intensity that follows consumption, and is stimulated by focal aspects of sales activities, information systems (websites), digital products/ services, customer support, after sale service, and company culture" (p. 91). Similarly Collier and Bienstock (2006), defined e-satisfaction as a result of positive experience. Barrutia and

Gilsanza (2013) also viewed e-satisfaction as a summary psychological state about the consumption experience. These definitions project e-satisfaction as affect-based phenomena, which emphasize the emotional aspect of web site use.

Whereas the conceptual definitions emphasize an affective aspect of e-satisfaction, the operational extensions of those definitions seem to emphasize a rational evaluative perspective. Liu and Arnett (2000) identified three major antecedent of customer satisfaction in e-commerce: information quality, system quality, and service quality. Wang and Tang (2004) identify seven dimensions in their CIS instrument, such as customer support, security, and ease of use which emphasize a cognitive rather than affective experience. The satisfaction literature as a whole has been criticized for its inconsistent use of consumer satisfaction definitions (Giese & Cote, 2000). Further, while operationalizing e-satisfaction it has been overlapped several times with service quality hence blurring the meaning of e-satisfaction.

Dimensions of E-satisfaction

The second argument which came up during study is that there are number and types of dimensions which were used by the researchers to define the e-satisfaction. There are two major problems identified while analysing the instruments: (a) different labels are used for the same construct and (b) difference in the interpretation of the same construct. For instance, the site design dimensions identified by Szymanski and Hise (2000) consists of three items: "Uncluttered screens," "easy search paths and "Fast presentations" whereas design in the scale by Ranganathan and Ganpathy (2002) is represented by "ease of navigation for information search", "Time taken for navigation", and "presence of visual presentation aids (graphics, audio, video)". The items that compose the former dimensions focus on ease, whereas the latter dimension emphasizes ease and multimedia, which is a completely different interpretation of design.

In some cases the design dimension is given a different label, such as Overall site Quality (Yoo & Donthu, 2001), Interactivity (Anderson & Swaminathan, 2011), content (McHaney et al., 2002), Ease of use (Elliot & Speck, 2005). In addition to these limitations, there are aspects that are largely missing or that are ignored entirely by current e-satisfaction scales. For example nurturing (Anderson & Swaminathan 2011), currency (Elliot & Speck, 2005), language customisation (S. Muylle et al., 200d) used by one or two scales only.

In sum, we believe that not only use of mixed labels has created confusion about which dimensions constitute a sound measure of e-satisfaction but also there are instances when these scales were not able to capture all the dimensions covering affective and cognitive domains.

Conclusion and Proposed Managerial Practices

The present study has identified various research gaps in the existing e-satisfaction literature that becomes the basis of future study. Inconsistent definitions which are not able to communicate the clear and complete meaning of the e-satisfaction has been identified as the first problem. While identifying the specific constructs that should be the part of the measurement scale of e-satisfaction and too rapid convergence on a particular set or framework of constructs is the another gap in the literature. The present review informs practice in many ways. First, as e-satisfaction has become the primary driver of success or failure of a web site (Zeithmal, 2002), many businesses and organizations have shifted their focus from how to attract customers to a web site to how to keep customers coming back. The inconsistencies identified in this study caution organisations to be aware of the limitations of current e-satisfaction instruments and present future directions and opportunities in gauging this important concept. Second, as web sites usually serve very different functions, e-satisfaction by its definition applies to nearly every type of business, organization, or group represented online, including government, education, nonprofit, and political Web sites. This suggests a need to develop more comprehensive measures of e-satisfaction that can be used across disciplines to assess the effectiveness of Web sites of all varieties. Replicating current e-satisfaction scales across site types will also help to overcome the lack of validation currently existing with most e-satisfaction scales.

To sum up, there is tremendous research scope for behavioral scientists who wish to explore e-satisfaction and to advance the e-satisfaction literature as a whole.

Future Research in E-commerce

The gaps identified during the course of the study in the literature provide abundant opportunities for future research. First, emotion has been given minimal consideration while developing the scale for measuring e-satisfaction while it is of paramount important in the conventional definitions of customer satisfaction. Emotion can perform as antecedents, moderators or mediators in individual's evaluation formation. The another gap which was felt that much multidisciplinary effort is needed in integrating the existing literature to eliminate redundant

dimensions and clarify the items that represent and measure those dimensions. Being e-commerce an ever-changing field, researchers need to be sensitive about the constant need to update the measurement scale of e-satisfaction. More research is needed to understand not just the What of e-satisfaction but also focus on Why e-satisfaction which will help to understand underlying processes that drive and consequences that result from e-satisfaction. Lastly, there is need to examine the dimensionality of e-satisfaction from both end-user and customer perspectives.

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Table 1: E-satisfaction Scales

Instrument	Dimension	Number of items	Authors	Year	Journal
Mathematical framework for assessing value of customer satisfaction	Intercept, convenience, warmth, checking, ease	9	Rust and Zahorik	1993	Journal of Retailing
Conceptual model of e-satisfaction	Convenience, product offerings, product information, site design, financial security	11	Szymnski and Hise	2000	Journal of Retailing
Conceptualization Of e- service	Core service, supporting service, user interface	22	Riel, Liljander and Jurriens	2001	International Journal of service industry management
Model for measuring customer information satisfaction	Customer support, security, ease of use, digital product/services, transaction and payment, information content, innovation	21	Wang, Tang and Eddie Tang	2001	Journal of electronic commerce research
SITEQUAL	Overall site quality, attitude towards the site, site loyalty, site equity, purchase intention, site revisit intention	23	Yoo and Donthu	2001	Quarterly Journal of electronic commerce research
EUCS instrument	Content, accuracy, format, ease of use, timelines	12	McHaney, Hightower and Pearson	2001	Information and management
Key dimension of B2C website	Information content, design, security, privacy	15	Ranganathan, Ganpathy	2002	Information and management
Moderated effect of e-satisfaction on e-loyalty	Convenience motivation, trust, perceived value, inertia, satisfaction, e-loyalty	28	Anderson and Srinivasan	2003	Psychology and marketing
eTailQ	Website design, fulfillment/reliability, privacy/security, customer service	14	Wol Fin Barged and Gilly	2003	Journal of retailing
WUS measure	Information Relevancy, Information accuracy, Information comprehensibility, information comprehensiveness, ease of use, entry guidance, website structure, hyperlink connotation, website speed, layout, language customization	34	Muyllé, Moenaert and Despontin	2004	Information and Management
Service Quality of Web portals	Usability, usefulness of content, adequacy of information, accessibility, interaction	19	Yang, Cai, Zhou and Nan Zhou	2005	Information and management
E-S-QUAL	Efficiency, fulfillment, system availability, privacy	22	Parasuraman, Zeithaml and Malhotra	2005	Journal of Service Research
Factor affecting consumer attitude towards retail website	Ease of use, product information, entertainment, trust, customer support, currency	26	Elliott, Speck	2005	Journal of Marketing theory and practice
Measuring e-service quality	Ease of use, privacy, design, information accuracy, functionality, order condition, timelines, order accuracy, interactive fairness, outcome fairness, procedural fairness, satisfaction and behavioral intentions	61	Collier and Bienstock	2006	Journal of Service research
Quality of electronic service	Graphic quality, clarity of layout, attractiveness of selection, information quality, ease of use, technical quality, reliability, functional benefit, emotional benefit, overall service quality	27	Fassnacht and Koese	2006	Journal of service research
WebQual	Fit-to-task, tailored information, online completeness, relative advantage, ease of understanding, intuitive operations, trust, response time, visual appeal, innovativeness, emotional appeal, consistent image	36	Loiacono, Watson and Goodhue	2007	International Journal of Electronic Commerce
Drivers of satisfaction and loyalty in e-markets	Commitment, engagement, assortment, network, interactivity, transaction ease, nurturing, adaptation	39	Anderson and Swaminathan	2011	Journal of Marketing theory and practice
Ecommerce success model	Distributive justice, procedural justice, interactional justice, trust, information quality, system quality, service quality, net benefits	38	Fang, Chiu and Wang	2011	Internet Research
Value co-creation core model	Social expertise, innovativeness, coordinative effort, analysis, elaboration, memory, efficiency, system availability, design, information, outcome quality, privacy, enjoyment, ESQ (Electronic Service Quality), Payment equity, value	46	Barrutia and Gilsanz	2013	Journal of Service Research

DEVELOPING RELATIONSHIP BETWEEN TAX STRUCTURE, PENSION FUNDS AND ECONOMIC GROWTH IN OECD NATIONS

Tarika Singh ★ Seema Mehta★ ★

The present paper combines both tax structures and pension funds as the factors of economic importance and explores the impact of both (pension funds and tax rates) on the economic growth in context of OECD nations. Last forty years data on these variables is taken for the purpose of this paper. A Sample size of thirty four nations which form the part of OECD nations was taken for the purpose of this paper. Regression analysis (linear) was used to find out relationship between tax structure, Pension funds and economic growth. The results are important for the nations which are thing for increasing their expenditure for social contribution.

Key Words: Tax structure, Pension funds, social security, Economic growth

During the past several decades, there has been an enormous amount of work in public Finance documenting myriad ways in which taxes distort the allocation decisions of firms and individuals. Many of us have tried to find out answers to the questions like is there a relation between tax structure and economic growth? Or how does tax policy affect economic growth? The more recent literature on endogenous growth, however, suggests that positive externalities omitted from the traditional neoclassical models play an important role in explaining long-run growth. To access foreign markets, firms face a choice between producing goods at home for exports and producing abroad. A host of tax and non-tax factors affect the decision whether to relocate production abroad (Barrios et al 2005). Among the non-tax factors are the size of a foreign market, its growth prospects, wage and productivity levels abroad, the foreign regulatory and legal environment, and distance from the home country (Gorg & Greenway (2004), Barrios et al. (2005) and Mayer and Octavian (2007)). The impact of taxation on foreign direct investment (FDI) has been the subject of a sizeable literature, as reviewed by de Mooij and Verdean (2006) and Devereux and Maffin (2007). Studies of the effect of taxation on FDI location decisions generally examine host country taxation to the exclusion of parent country taxation.

Pension Funds and OECD Countries: A pension fund is any plan, fund, or scheme which provides retirement income. Pension funds are important shareholders of listed and private companies (global investment review). Recent years have witnessed intense pension reform efforts in countries around the globe, which have often involved an increased use of funded pension programmes managed by the private sector. There is a growing need among policy makers and the regulatory community, as well as among

private sector participants, to compare programme developments and experiences to those of other countries.

I. Review of Literature

Arnold (2008) analysed the relationship between tax structures and economic growth. Myles (2006) provided a comprehensive survey on this literature and the associated debate on the nature of the convergence of incomes it has triggered. Engen and Skinner, (1996) said that there have been many theoretical and empirical studies assessing the role of tax policy in economic growth, some of which indicate a negative relationship.

(Amin and Thrift 1994) integration has been considered essential to the economic success of areas such as the Silicon Valley, Route 128 in the Boston Area, the German region of Baden-Württemberg, or the Italian industrial districts. Levine and Renelt's (1992) reviewed of the robustness of the most seminal cross-country growth regressions. Their extreme-bounds analysis of the relationship between economic growth and the social and political variables most commonly used in growth models shows that a large variety of social variables, trade policy measures, fiscal indicators, and an assortment of other political and institutional indicators are not robustly correlated with growth.

Davis (2002) talked about the potential and actual role played by international investment in pension fund management. Blake (1994) suggested that given the varying duration of liabilities it is rational for immature funds having

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“real” liabilities as defined above to invest mainly in equities (whose cash flows have a long duration), for mature funds to invest in a mix of equities and bonds, and funds which are winding-up mainly in bonds (whose cash flows have a short duration).

Cairns (2003) found that Defined benefit schemes as well as public pension schemes have explicit formulas for determining the post-employment income as a function of number of years of service and the final salary or the career average salary of the beneficiary. Devereux and Griffith (1998) reported that foreign-owned establishments in the United Kingdom paid higher wages than domestically owned establishments for both operatives and administrative and technical employees.

Buettner and Ruf (2007) in found that location decisions are affected more by host country statutory tax rates than effective average tax rates, while they find no effect of marginal effective tax rates. Desai and Hines (2002) found that inversions of U.S. multinationals are in part motivated by desire to avoid U.S. corporate income tax on foreign source income.

Voget (2008) found evidence that international headquarter relocations are motivated by a desire to reduce international double taxation. Specifically, he found that the likelihood of headquarters relocation increases in the difference between the home corporate income tax and the average of foreign subsidiaries. De Long and Summer (1999) reported evidence that equipment investment may generate important positive spillovers.

Trostel (1993) demonstrated that a constant labor income tax rate does not affect educational incentives per se, since the government then shares equally in the foregone earnings and the future. Hall and Jorgenson (1967) defined subsequent literature on taxes and rates of capital investment, low current effective tax rates on new investment suggest faster short-run growth, due to an investment boom in response to the temporarily lower tax rates. Schumpeter (1942) emphasized the role of entrepreneurial activity in generating new ideas that raise productivity.

Cullen and Gordon (2002) provided the most general analysis so far, and shows that there are several possible routes through which taxes can affect the amount of entrepreneurial risk-taking. Gordon (1998) showed that the option to incorporate means that a low corporate tax rate relative to personal tax rates encourages risk-taking.

de Long and Summers (1991) reported evidence that

equipment investment may generate important positive spillovers. Gentry and Hubbard(2000) defined that losses push the entrepreneur into a low tax bracket, saving little in taxes, while profits push the entrepreneur into a high marginal tax bracket. Moreno and Santos (2008) presented although the analysis in this paper focuses on the major industrial economies, similar issues arise for emerging market economies.

Kemsley(1998) found that the host country tax only affects the ratio of US exports to foreign production over the period 1984-1992 if the multinationals find themselves in excess credit positions. Hines (1996) showed that foreign countries with worldwide taxation invest relatively much in US states with high state taxes. Heckman et al (1998) emphasized a progressive labor income tax discourages education, since the taxes saved while in school are then more than offset in present value by the future taxes due on the resulting extra earnings.

Gentry and Hubbard (2000) analyzed that businesses always remain non corporate, then risk-taking is discouraged to the extent that the personal tax schedule is progressive. Rodrik and Rodriguez (2000) presented a skeptical view on the existing evidence on the effects of trade openness on growth. Koester and Kormendi (1989) attempted to measure the overall marginal tax rate on all activity that expands with GDP, which can be a poor measure of the marginal personal tax rates on labor income.

Mendoza et al(1994) measured at best an average tax rate on labor income, not a marginal rate, yet incentives depend on marginal rates. Easterly and Rebelo (1993) prepared construct a weighted average of statutory personal income tax rates, taking into account the full schedule of tax rates and the distribution of incomes.

Blake(1997) defined as the ratio of the variance of the funds assets to the degree of risk tolerance. Bodie (1991) defined benefit fund liabilities are, owing to the sponsor’s guarantee, basically a form of corporate debt.

Solnik (1988) suggested that an efficient and integrated world capital market, systematic risk would be minimized by holding the global portfolio, wherein assets are held in proportion to their distribution by current value between the national markets.

Streeck (1992) defined the socio-political setting as a whole provides opportunities and constraints. Baren (1996) defined payroll taxes are not discussed in their paper due to a lack of empirical studies however, it is generally recognised that payroll taxes affect smaller firms more

than larger firms in terms of administration and cost.

OBJECTIVE

To find out the relationship between Tax structure, pension funds (independent variables) and economic growth (dependent variable).

II. Research Design & Methods

The present paper combines both the factors of economic importance and explores the impact of both (pension funds and tax rates) on the growth in context of OECD nations. The study is empirical in nature. Variables of the paper: Tax Structure, Pension Funds and Economic Growth.

A Sample size of thirty four nations which form the part of OECD nations was taken for purpose of study out of the total world's population.

Secondary source was used to collect the data i.e. official website of OECD nations etc. Regression analysis (linear) was used to find out relationship between tax structure, Pension funds and economic growth.

In the paper, Tax Structure is being measured by four variables: Individual tax, Corporate tax and general & specific consumption tax (Koester & Kormendi, 1989; Garrison & Lee, 1992; Padovano & Galli, 2001). The data for the same are available www.oecd.org. Pension fund asset data were collected from a variety of sources. For OECD countries, OECD (2003) and Davis and Steil (2001) are the main sources. Similarly to measure the pension proxy variables has been taken: social expenditure and population growth. The economic growth is measured by taking GDP per capital and growth rate of GDP. Time Frame: The data on these variables are collected from 1970 to 2011 (i.e. almost 40 years).

III. Results & Discussion

To fulfill the objectives of the research, following test were applied.

Normality

The normality of the data (variables) was checked through one sample KS test. The results are discussed below:

Null Hypothesis: Test distribution is normal

The results for KS test indicate that the test distribution is normal for all the series except for tax data. Further as the data are for forty long years, even the tax variables can be considered as normally distributed. Please refer Table 1.

Linear Regression

To find out the relationship between Tax structure, pension funds, and economic growth, linear regression was applied. The results of the same are discussed below in Table 1, 2 and 3.

Dependent Variable: GDP per Capita

Adj R square value is shows coefficient of determination. It tells about model fit. In the case of simple linear regression, it is the squared correlation between the outcomes and the values of the single regressor being used for prediction. In the above table adjusted R square is .921. This means that 92.1% variation is GDP is explained by the independent variables used in the research. This means the independent variables are having a relationship with dependent variable. Further this proves that we are correct on the way of developing relationship between these variables. Please refer Table 2.

Null Hypothesis: Model is Fit

F value is 40.063 at 0% significance level. The null hypothesis is rejected

If we want to test the usefulness of a particular term in our model,

If we wanted to test whether any of independent variables the terms in our model are useful in predicting dependent i.e GDP, we would use the F-test. The F value in the above table measures the model fit. The f value is 40.063 is significant at 0% level of significance. The significance value of the F statistic is less than 0.05, which means that the variation explained by the model is not due to chance but much because of independent variables. Please refer Table 3.

$$Y_{\text{predicted}}(\text{GDPperCapita}) = b_0 + b_1 * \text{Inflation} + b_2 * \text{SocialExpenditure} + b_3 * \text{PersonalIncomeTax} + b_4 * \text{CorporateIncomeTax} + b_5 * \text{GeneralConsumptionTax} + b_6 * \text{SpecificConsumptionTax}$$
. Please refer Tables 4 & 5.

The column of estimates provides the values for b_0 , b_1 , b_2 , b_3 , b_4 , b_5 and b_6 for this equation. The coefficient for Inflation is -990738.765. So for every unit increase in Inflation, a -990738.765 unit decrease in GDP per capita is predicted, holding all other variables constant. Yan & Hu (2011) in his study found similar relationship. The coefficient for Social Expenditure is -2180713.376. So for every unit increase in Social Expenditure -2180713.376 unit decrease in GDP per capita is predicted, holding all other variables constant. Castles in 2006 found educational expenditure is an arena in which monocausal explanations

are wholly inappropriate. Arojona et al. (2002) found no evidence that the level of income inequality affects GDP one way or another. The coefficient for Specific Consumption Tax is -2505760.924. So for every unit increase in Specific Consumption Tax 2505760.924 unit decrease in GDP per capita is predicted, holding all other variables constant.

From the above discussion it can also be interpreted there exists negative relationship between inflation & GDP, Specific Consumption tax & GDP, Social expenditure and GDP. The negative relationship is strong in case of Social expenditure and GDP.

The reasons which may be attributed to this are: Taxes may have affected economic performance via their effects on capital and labour markets, and on human capital formation. Leibfritz et al. (1997) found that that the increased integration of OECD capital markets limits the scope for using tax incentives to raise domestic savings and investment, which suggests that the tax burden in the future will have to fall increasingly on labour as the less mobile factor of production. With labour taxes having already increased sharply in recent years, contributing to a reduced demand for labour, greater labour-market flexibility is required to facilitate employers' passing labour taxes on to reductions in real wages so as to reduce labour costs; while this could reduce labour supply, such effects are likely to be relatively small given most estimates of supply elasticity. Tanzi and Zee (1998) found strong relationship between taxes and savings. Clausing (2007) empirical results indicate a parabolic relationship between tax rates and revenues, implying a revenue-maximizing corporate income tax rate of 33% for the whole sample.

Regression: Taking Growth rate of GDP as Dependent

Adj R square value is shows coefficient of determination. It tells about model fit. In the case of simple linear regression, it is the squared correlation between the outcomes and the values of the single regressor being used for prediction. In the above table adjusted R square is .924. This means that 92.4% variation in GDP is explained by the independent variables used in the research. This means the independent variables are having a relationship with dependent variable. Further this proves that we are correct on the way of developing relationship between these variables. Please refer Table 6.

Null Hypothesis: Model is Fit

F value is 41.552 at 0% significance level. The null hypothesis is rejected

If we want to test the usefulness of a particular term in our model,

If we wanted to test whether any of independent variables the terms in our model are useful in predicting dependent i.e GDP, we would use the F-test. The F value in the above table measures the model fit. The f value is 41.552 is significant at 0% level of significance. The significance value of the F statistic is less than 0.05, which means that the variation explained by the model is not due to chance but much because of independent variables. Please refer Table 7.

$$Y_{\text{predicted}}(\text{Growth rate of GDP}) = b_0 + b_1 * \text{Inflation} + b_2 * \text{Social Expenditure} + b_3 * \text{Personal Income Tax} + b_4 * \text{Corporate Income Tax} + b_5 * \text{General Consumption Tax} + b_6 * \text{Specific Consumption Tax}$$
. Please refer Tables 8 & 9.

The column of estimates provides the values for b_0 , b_1 , b_2 , b_3 , b_4 , b_5 and b_6 for this equation. The coefficient for Inflation is -2125903448275.864. So for every unit increase in Inflation, a -2125903448275.864 unit decrease in Growth rate of GDP is predicted, holding all other variables constant.

The coefficient for Social Expenditure is -3803889655172.411. So for every unit increase in Social Expenditure -3803889655172.411 unit decrease in Growth rate of GDP is predicted, holding all other variables constant.

The coefficient for Specific Consumption Tax is -4668847126436.780. So for every unit increase in Specific Consumption Tax -4668847126436.780 unit decrease in Growth rate of GDP is predicted, holding all other variables constant.

From the above discussion it can also be interpreted there exists negative relationship between inflation & GDP, Specific Consumption tax & GDP, Social expenditure and GDP. The negative relationship is strong in case of Social expenditure and GDP.

The reasons which may be attributed to this are: Taxes may have affected economic performance via their effects on capital and labour markets, and on human capital formation. Leibfritz et al. (1997) found that that the increased integration of OECD capital markets limits the scope for using tax incentives to raise domestic savings and investment, which suggests that the tax burden in the future will have to fall increasingly on labour as the less mobile factor of production. With labour taxes having already increased sharply in recent years, contributing to a reduced demand for labour, greater labour-market flexibility is required to facilitate employers' passing labour taxes on

to reductions in real wages so as to reduce labour costs; while this could reduce labour supply, such effects are likely to be relatively small given most estimates of supply elasticity. Tanzi and Zee(1998) found strong relationship between taxes and savings. Clausing (2007) empirical results indicate a parabolic relationship between tax rates and revenues, implying a revenue-maximizing corporate income tax rate of 33% for the whole sample.

IV. Conclusion

It can be seen that there exists negative relationship between inflation& GDP, personal tax& GDP, General consumption tax & GDP, Specific Consumption tax & GDP. Only corporate tax is having positive relationship with GDP. Social expenditure and GDP are negatively related to each other. General consumption tax emerged out to be a factor which is influencing GDP the most. Although there are other variables too which are affecting GDP. Also specific consumption tax came out to be a factor which was highly negatively related to GDP. Similar results were found in the studies carried out by Arnold(2008) and Davis (2002).

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Table 1: Kolmogorov-Smirnov Test

		GROWTH Rate of GDP	GDP per Capita	Inflation	Social Expenditure	Population Growth	Personal Income Tax	Corporate Income Tax	General Consumption Tax	Specific Consumption Tax
N		41	42	41	28	14	43	43	43	43
Normal Parameters ^{a,b}	Mean	166804 151219 51.2190	25377 826.5 840	5.92 682 93	17.3928 571	.0000000	27.581395	8.3023256	16.2790698	15.767442
	Std. Deviation	132526 807738 85.1700 0	8083185 .61123	3.60132090	1.39680285	.00000000 ^c	2.3526334	.63751316	3.02627841	3.9269351
Most Extreme Differences	Absolute	.136	.111	.126	.211		.313	.473	.234	.178
	Positive	.136	.111	.126	.146		.284	.473	.210	.178
	Negative	-.123	-.091	-.089	-.211		-.313	-.318	-.234	-.112
Kolmogorov-Smirnov Z		.872	.718	.807	1.115		2.053	3.102	1.536	1.168
Asymp. Sig. (2-tailed)		.432	.681	.533	.166		.000	.000	.018	.131
a. Test distribution is Normal.										
b. Calculated from data.										
c. The distribution has no variance for this variable. One-Sample Kolmogorov-Smirnov Test cannot be performed.										

Table 2: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.972 ^a	.945	.921	765381.43402	.945	40.063	3	7	.000
a. Predictors: (Constant), Specific Consumption Tax, Inflation, Social Expenditure									
b. Dependent Variable: GDP per Capita									

Table 3: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	70407831088317.440	3	23469277029439.145	40.063	.000 ^b
	Residual	4100661176829.046	7	585808739547.007		
	Total	74508492265146.480	10			
a. Dependent Variable: GDP per Capita						
b. Predictors: (Constant), Specific Consumption Tax, Inflation, Social Expenditure						

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	107850823.762	16786150.404		6.425	.000
	Inflation	-990738.765	389232.913	-.328	-2.545	.038
	Social Expenditure	-2180713.376	696281.001	-.417	-3.132	.017
	Specific Consumption Tax	-2505760.924	450382.829	-.858	-5.564	.001
a. Dependent Variable: GDP per Capita						

Table 5: Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Personal Income Tax	. ^b	.	.	.	.000
	Corporate Income Tax	. ^b	.	.	.	.000
	General Consumption Tax	. ^b	.	.	.	.000
a. Dependent Variable: GDP per Capita						
b. Predictors in the Model: (Constant), Specific Consumption Tax, Inflation, Social Expenditure						

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.973 ^a	.947	.924	1462756700074.37720	.947	41.552	3	7	.000
a. Predictors: (Constant), Specific Consumption Tax, Inflation, Social Expenditure									
b. Dependent Variable: GROWTH rate of GDP									

Table 7: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	
1	Regression	26672152938198540000000000.000	3	8890717646066181000000000.000	41.552
	Residual	14977600145287370000000000.000	7	2139657163612481300000000.000	
	Total	281699129527272780000000000.000	10		
a. Dependent Variable: GROWTH rate of GDP					
b. Predictors: (Constant), Specific Consumption Tax, Inflation, Social Expenditure					

Table 8: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	165226495402298.800	32080806877596.867		5.150	.001
	Inflation	-2125903448275.864	743881449747.935	-.362	-2.858	.024
	Social Expenditure	-3803889655172.411	1330695591069.982	-.374	-2.859	.024
	Specific Consumption Tax	-4668847126436.780	860747950971.391	-.822	-5.424	.001
a. Dependent Variable: GROWTH rate of GDP						

Table 9: Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Personal Income Tax	. ^b	.	.	.	.000
	Corporate Income Tax	. ^b	.	.	.	.000
	General Consumption Tax	. ^b	.	.	.	.000
a. Dependent Variable: GROWTH rate of GDP						
b. Predictors in the Model: (Constant), Specific Consumption Tax, Inflation, Social Expenditure						

VENTURE CAPITAL FINANCING BY VCFs & FVCIs: A STUDY WITH REFERENCE TO SECTORAL FINANCING IN INDIA

C. Viswanatha Reddy ★

Venture capital is a way of financing swift growing private companies who are in their pubescent phase and require of support in the form of money and corporate guidance. Venture capital financiers (VCFs) are ready to take risks and invest money in companies which are still making efforts to establish themselves in the market but because of the novelty of their ideas and innovations in their field of business they are capable of earning high returns in near future. Therefore VCFs and FVCIs are not only a source of funds for newly established private companies but also a means of encouraging business innovations. The Government of India has made the SEBI as nodal regulator for domestic and overseas venture capital financiers in India for hassle free flow of venture capital. The present paper is divided into four parts. Firstly, the Indian scenario, policy support and the SEBI's role for the growth and development of venture capital financing activities has been covered. Secondly, the number of VCFs and FVCIs registered with SEBI and the details of cumulative investments made by them during the period of analysis has been discussed. Thirdly, the industry-wise cumulative investments made in India by VCFs and FVCIs together and alone were examined. In order to capture the trend precisely the cumulative investments made by VCFs and FVCIs in various industries have been regressed on time. With a view to analyse whether there is a significant difference between various industries respect to investments made by VCFs and FVCIs over the years of the study period, ANOVA: Two-Factor without replications has been performed. Fourthly, the problems of venture capital financing in India were examined. Lastly, few suggestions were offered for further strengthening of these activities in India.

Key Words: Venture Capital, VCFs, FVCIs, SEBI, VCUs.

The concept of venture capital (VC) has emerged with a view to provide finance for innovative ideas backed by entrepreneurial talent and business skills, which have potential for high growth but with intrinsic uncertainties. Apart from finance, venture capitalists provide networking, management and marketing support as well. In the broadest sense, venture capital connotes risk finance as well as managerial support. India has a vast pool of scientific and technical research carried out in research laboratories, defence laboratories as well as in universities and technical institutes. Conducive environment together with incubation facilities can help a great deal in identifying and actualizing some of these researches into commercial production. Further, with the given inherent strengths, viz., advancement in science and technology, research, competitive entrepreneurship, the skilled and cost competitive manpower with excellent policy support, rapid and sustainable economic growth and competitive global strength, India has become a destination for venture capital financing activities.

The specialized venture capital financing system is required to endow with linkage between idea-rich entrepreneurs and cash-rich investors, ensuring funding for innovative firms have positive externalities on the economy. So, it makes

sense for governments to promote an active venture capital market to bring up the nation equal to the developed nations. The Government of India has rightly attempted to promote venture capital financing to new, innovative concepts and ideas, by way of liberalizing taxation norms, providing tax incentives to venture firms, giving scope for the creation of local pools of capital and holding training sessions for the emerging VC investors.

Venture capital activities in India began in 1986 with the start of the economic liberalisation. In 1988, the Indian government formalised venture capital by issuing a set of guidelines. Initially, venture capital was limited to subsidiaries set up IDBI, ICICI and the IFCI, and focused on large industrial concerns. But the turning point came when the well-established start-ups by Indians in the Silicon Valley convinced foreign investors that India had the talent and the scope for economic development and growth. Over the years, more and more private investors from India and abroad have entered the Indian venture capital market.

The Government of India constituted a SEBI committee headed by K. B. Chandrasekhar to make recommendations

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to facilitate the growth of VC industry in India. This committee submitted its report in July 2000 with the prominent recommendations, all of which were accepted and implemented: (a) SEBI should be the nodal regulator for VC funds in India providing a smooth, single window, problem-free regulatory framework for quick and efficient flow of money into VC funds in India; (b) Tax pass-through status should be granted to all regulatory compliant VC funds, similar to that which is provided to mutual funds, ensuring that at the “pool-level” (VC Fund) profits are tax exempt; and (c) A foreign investor who wants to make investment in venture capital company in India has to ensure that it has been registered as a Foreign Venture Capital Investors in India with SEBI under SEBI (Foreign Venture Capital Investor) Regulations 2000. This registration should enable them to have the same facilities as the foreign institutional level of easy investments and disinvestments without any FIBP/RBI approvals. The investments by foreign investors in Indian Venture Capital Undertakings (VCU) and Venture Capital Funds are governed by Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000 and SEBI (Foreign Venture Capital Investor) Regulations 2000. A registered FVCI is allowed to invest 100% of its funds in a VCF registered under SEBI (Venture Capital Fund) Regulations in the following modes:

1. It has to invest at least 66.67% of its investible funds in unlisted equity shares or equity linked instruments of VCUs.
2. It can invest only 33.33% of its funds (and not more), by –
 - a. Subscribing to initial public offer of VCU whose shares are proposed to be listed;
 - b. Investing in debt or debt instrument of the VCU provided that it has already invested by way of equity in such a VCU;
 - c. Preferential allotment of equity shares of a listed company subject to lock in period of one year;
 - d. Investment by subscription or purchase in the equity shares or equity-linked securities of a financially weak listed company or industrial listed company;
 - e. Investment by way of subscription or purchase in Special Purpose Vehicles created for the purpose of facilitating or promoting investment in accordance with these regulations.

I. Review of Literature

Dr Reddy C.V. (2014)¹ in his study entitled “Performance

Analysis of Venture Capital and Private Equity Financing in India” has highlighted that the SEBIs and DFIs regulations, regulations for PE financiers, regulations for domestic VC financiers, regulations for VCFs in India backed by International financiers should be brought into single platform. Dr Reddy C.V. (2014)² in his another article “Risk Capital and MSMEs in India” has concluded that the nation waits for the burgeoning VC business in India in spite of the existing shortcomings in the Indian infrastructure.

Jeng L. A., and Wells P.C., (2000)³, in their research paper entitled “The Determinants of Venture Capital Funding: Evidence across Countries”, Amit R., et al., (1998)⁴ in their study on “Why do Venture Capital Firms Exist? Theory and Canadian Evidence” and Sahlman W.A., (1990)⁵ in his analytical study entitled “The Structure and Governance of Venture Capital Organizations” have concluded that venture capitalists (VCs) are active investors that take equity positions in ventures that might otherwise be unable to acquire adequate financing.

Timmons J., et al., (1986)⁶ in their study entitled “Venture Capital’s Role in Financing Innovation for Economic Growth”, Mac Millan and others., (1989)⁷ in their research entitled “Venture Capitalists’ Involvement in their Investments: Extent and Performance” Fried V. H., et al., (1995)⁸ in their study entitled “The Venture Capitalist: a Relationship Investor” have opined that Due to their expertise with investing in entrepreneurial ventures often in specific industries, VCs frequently assist entrepreneurs with strategic issues through their periodic dialogue as well as their role on the board of directors. Daily et al., (2002)⁹ in their study entitled “Governance and Strategic Leadership in Entrepreneurial Firms” have concluded that VCs can also serve as intermediaries between lenders and entrepreneurs. According to Williamson (1996)¹⁰ in his work entitled “The Mechanisms of Governance”, VC involvement may also provide the new venture with legality and may act as a structure of plausible obligation for those transacting with the new ventures. Further, Megginson and Weiss, (1991)¹¹ have highlighted in their research paper titled “Venture Capitalist Certification in Initial Public Offerings” that venture capitalists can introduce entrepreneurs to key buyers and suppliers and help them to establish ties with higher reputation underwriters.

Gompers and Lerner, (1999)¹² in their work on “The Venture Capital Cycle”, Seppa (2003)¹³, in his contribution “Essays on the Evaluation and Syndication of Venture Capital Investments” and Smith, (1999)¹⁴ in his work on “How Early Stage Entrepreneurs Evaluate Venture

Capitalists” have highlighted that it is crucial for venture capitalists to retain a good reputation to signal their honesty and ability to potential investors, peers and potential investment targets. Smith, (1998)¹⁵ in his work on “Venture Capital Contracting in the Information Age” has been suggested that entrepreneurs select venture capitalists based on their reputation and this may inspire venture capitalists to perform diligently and avoid opportunistic behavior.

Zopounidis, (1994)¹⁶ in a study on “Venture Capital Modeling: Evaluation Criteria for the Appraisal of Investments” has highlighted that the investment processes of VCs to make their investment decisions have a relatively long tradition in entrepreneurship research, with the first studies ranging back to the 1970s. Some other studies by Riquelme and Rickards, (1992)¹⁷ offer a number of valuable insights into the VC decision process. The results of such studies are often interpreted as direct evidence on the long-term success factors of new firms, because professional investors who earn their money by investing in new firms are considered to possess much experience in distinguishing winners from losers. Zacharakis and Meyer, (1998)¹⁸, Shepherd and Zacharakis, (1999)¹⁹; Zacharakis and Meyer, (2000)²⁰ and Shepherd et al., (2003)²¹, etc., have pronounced that though research gives key insights into the criteria used in the evaluation process, more recent studies reveal that previous results might be misleading due to (a) methodological shortcomings: as most research in this area relies on post hoc methodologies which typically suffer from problems of recalling past information and (b) biases in the decision process of VCs.

Statement of the Problem:

In the globally competitive world, the companies are required to be super efficient with respect to cost, productivity, labour efficiency, technical back up, flexibility to consumer demand, adaptability and foresightedness. There is an impending demand for highly cost effective, quality products and hence the need for right access to valuable human expertise to guide and monitor along with the necessary funds for financing the new projects. To bring the nation at par and above the developed nations, the Government of India has been promoting venture capital financing to new, innovative concepts & ideas, by liberalizing taxation norms, providing tax incentives to venture firms, giving a Philip to the creation of local pools of capital and holding training sessions for the emerging VC investors. Venture Capital Funds in India (both Domestic, i.e., VCFs and International, i.e., FVCIs) are governing by the SEBI. It has become the nodal agency for registration and regulation of both domestic and

overseas venture capital funds. Accordingly, it has made the regulations, namely, SEBI (VCFs) Regulations 1996 and SEBI (FVCIs) Regulations 2000. These regulations provides the guidelines and procedures for establishment of VCFs both with in India and outside it; their management structure and set up; as well as size of investment criteria’s of the funds. The present paper highlights the scenario of VCFs and FVCIs in India, Growth in Number of VCFs and FVCIs in India, Cumulative Investment Details of VCFs and FVCIs, Performance analysis of VCFs and FVCIs in India, etc, and offers some useful suggestions for strengthening of such activities in India.

Objectives of the study:

The objectives of the study are as follows:

1. To explain the growth in number of registered VCFs and FVCIs with SEBI.
2. To examine sector-wise cumulative investments by VCFS and FVCIs together in India.
3. To discuss the growth in sector-wise investments by VCFs and FVCIs during the study period.
4. To understand the statistical relationship between investments by VCFs and FVCIs during the study period.
5. To offer some valid suggestions for further strengthening of venture capital financing activities in India.

II. Research Design & Methods

In view of the objectives of the study listed above, an exploratory research design has been adopted. Exploratory research is one, which lays particular emphasis on the analysis and interpretation of the existing and available information and it makes use of secondary data.

Sources of data:

The study is based on secondary data and has been collected from SEBI’s Handbook of Statistics, 2013-14, and the websites of different venture capital financiers, etc. The respective source from which the data has compiled is mentioned at each table under source. However, the study period ranges from 2006 to 2014.

Hypothesis of the Study:

Based on the data available and association between the variables under study, the following hypothesis is structured.

H_{01} : There is close association between mean percentages of investments by VCFs and FVCIs among different sectors of industries.

H_{02} : There is no significant difference between mean percentages of investments by VCFs and FVCIs during different years of the study period.

Tools of Analysis:

The statistical tools applied for data analysis are - Percentages, Compound Annual Growth Rate (CAGR), Mean, Variance, Standard Deviation, Pearson's Correlation Coefficient and Correlation Matrix, Linear Trend Analysis, ANOVA – Two Factor without Replication, t-Statistic, Multiple R, R Square, Adjusted R Square, Standard Error of Difference, etc.

Scope of the paper:

The scope of the present paper is divided into four parts. Firstly, the number of VCFs and FVCIs registered with SEBI and their cumulative investments during the period of analysis has been discussed. Secondly, the industry-wise cumulative investments made in India by VCFs and FVCIs together as well as separately were examined. Thirdly, to capture the trend precisely the cumulative investments made by VCFs and FVCIs across the industries have been regressed on time. Further, to understand the association between investments made by VCFs and FVCIs among various industries over the years of study period, ANOVA: Two-Factor without replications has been performed. Fourthly, few suggestions were offered for further strengthening of these activities in India.

Limitations of the Study:

Since the venture capital financing is a strange concept in India, much research has not taken place. So, there is a paucity of literature on the topic.

III. Results & Discussion

Growth in Number of VCFs and FVCIs in India:

Table No.1 provides the data relating to the number of VCFs and FVCIs registered with SEBI and their proportion to the total number of institutions during the study period, i.e., from 2004-05 to 2013-14. The proportions show frequent fluctuations during the study period. Therefore, no comment is possible on the changes in the relative proportions of these institutions. At best we can say that the percentage share of VCFs has been consistently greater than that of the FVCIs. The percentage share of VCFs in relation to the total number of institutions over the study

period has declined from 78.12 per cent in 2004-05 to 50.17 per cent in 2008-09 and again increased to 52.15 per cent in 2013-14. The mean percentage of VCFs to the total number of institutions was recorded at 54.51 per cent. The percentage of FVCIs in relation to the total number of units over the study period has increased from 21.87 per cent in 2004-05 to 47.15 per cent in 2013-14. The mean percentage of FVCIs in relation to the total number of institutions was recorded at 45.47 per cent.

Cumulative Investment Details of VCFs and FVCIs:

Venture Capital has emerged as an important source of finance for small and medium-sized firms, especially for starting the business and business expansion. Keeping in view of the advantages of venture capital financing, the VCFs and FVCIs are continuously striving to provide the sufficient risk capital for promoting the small and medium sized enterprises at affordable cost and without any usual hurdles.

Table No.2 witnesses that the amounts of investment (cumulative) by VCFs and FVCIs have consistently increased during the study period. The amount of investment by VCFs has increased from Rs.9,350 crores as on 31st March 2006 to Rs.35,003 crores as on 31st March 2014. Similarly, the amount of investment by FVCIs also increased from Rs.7,256 crores as on 31st March 2006 to Rs.44,804 crores as on 31st March 2014. During the study period, the growth rate in respect of cumulative investments made by VCFs and FVCIs was satisfactory. The highest growth rate of investments by VCFs recorded during the year 2006-07 over 2005-06, i.e., 85.29 per cent. During 2009-10 and 2013-14, it recorded a negative growth over its previous years, i.e., - 4.47 per cent and - 1.12 per cent respectively. Similarly, the maximum growth rate of investments by FVCIs recorded during the year 2006-07 over 2005-06, i.e., 114.77 per cent. During 2011-12 and 2013-14, it recorded a negative growth over its previous years, i.e., - 12.79 per cent and - 0.19 per cent respectively. It is clear from the analysis that, the growth rate in respect of cumulative investments by VCFs and FVCIs was satisfactory and they are little fluctuated. The Person's correlation test says that there is a significant relationship between investments by VCFs and FVCIs at 1% level with $r = 0.950$ (significant at the 0.01 level (2-tailed)), which is high and positive. Therefore, there is a statistical relationship between investments by VCFs and FVCIs during the study period.

Sector-wise flow of Investments by VCFs and FVCIs:

The VC industry (VCFs and FVCIs together) in India has

extended many sectors, where the risk and return are high and parallel. With a view to analyse data, the overall investments by VCFs and FVCIs in India have been classified into 9 sectors, viz., information technology, telecommunications, pharmaceuticals, bio-technology, media and entertainment, services sector, industrial products, real estate, and others.

Industry-wise investments together by VCFs and FVCIs have increased from Rs.16,606 crores as on 31st March 2006 to Rs.88,012 crores as on 31st March 2014 (as shown in Table No.3). The mean percentage of investments in Real Estate with 18.22 per cent, followed by Telecommunication with 8.73 per cent, Information Technology with 6.84 per cent, Services Sector with 6.43 per cent, Industrial Products with 4.19 per cent, Pharmaceutical Sector with 2.51 per cent, Media or Entertainment sector with 2.23 per cent, Bio-technology with 0.80 per cent, Other Industries with 50.09 per cent respectively. To know the statistical relationship between mean percentage of investments by VCFs and FVCIs among different sectors of industries in different years of the study period, ANOVA: Two-Factor without Replication (Table No.4) has been performed.

At 95% confidence level, the critical value of F for $\delta_1=8$ and $\delta_2=64$, $F_{0.05}$ is 2.086 and for $\delta_1=8$ and $\delta_2=64$, $F_{0.05}$ is 2.086. The calculated value of F for rows is 3.89 and it is greater than the critical value and falls in rejection region. Hence, the null hypothesis (H_{01}) is rejected. The calculated value of F for columns is 312.06. This is much greater than the critical value and falls in the rejection region. Hence, the null hypothesis (H_{02}) is rejected.

The results of regression analysis are provided in Table No.5. In the first set of comparison, the correlation coefficient between the variables is 0.41, which is insignificant and the regression value is 0.17 showing an impact of 17 per cent on the dependent factor. In the second set of comparison, the correlation between the variables is 0.76, which is significant and the regression value is 0.58 showing an impact of 58 per cent on the dependent factor. While the correlation between the variables in third set of comparison is 0.96, which is highly significant and the regression value is 0.92 showing an impact of 92 per cent on dependent factor and so on.

Industrial Sector-wise Investments by VCFs:

VCFs provide funds to the firms after carefully scrutinizing the projects at various stages, viz., early stage financing (for product development, R&D and initial marketing), expansion financing (financing for working capital,

development financing), acquisition/buyout financing (to acquire another firms, turnaround financing), etc. Their main aim is to earn huge returns on their investments, but their concepts are totally different from the traditional money lenders. VCFs can not only take active participation in the management of the company but also provides expert advises in making the projects profitable. Thus, venture capitalist and the entrepreneur act as partners.

The data provided in Table No.6 states that industry-wise investments by VCFs have increased from Rs.9,350 crores as on 31st March 2006 to Rs.35,003 crores as on 31st March 2014. the mean percentage of investments in real estate with 29.95 per cent, followed by services sector with 6.59 per cent, industrial products with 4.23 per cent, information technology with 3.47 per cent, media or entertainment with 3.23 per cent, telecommunication and pharmaceutical sectors with 2.59 per cent each, other industries with 46.03 per cent respectively.

The results of regression analysis with respect to time are provided in Table No.7. In the first set of comparison, the correlation coefficient between the variables is 0.82, which is significant and the regression value is 0.68 showing an impact of 68 per cent on the dependent factor. In the second set of comparison, the correlation between the variables is 0.89, which is significant and the regression value is 0.80 showing an impact of 80 per cent on the dependent factor. While the correlation between the variables in third set of comparison is 0.92, which is highly significant and the regression value is 0.85 showing an impact of 85 per cent on dependent factor and so on.

From the correlation matrix (Table No.8), high correlation has been observed during the study period between investments in 'telecommunication sector' and 'Real estate' at 0.971. The correlation of total investments with various sectors, viz., 'other industries' at 0.984, followed by media/entertainment at 0.968 and real estate at 0.967 indicating the sound relationship between total investments and the said industrial sectors. A moderate correlation, i.e., 0.337 has been observed between Total Investments and Information Technology Sector during the study period. However, the negative correlation has been identified between Total Investments by VCFs and the investments in pharmaceuticals and bio-technology sector.

Industrial Sector-wise Investments by FVCIs:

Industry-wise investments by FVCIs (as shown in Table No.9) have increased from Rs.7,256 crores as on 31st March 2006 to Rs. 44,804 crores as on 31st March 2014. The mean percentage of investments in telecommunications

with 13.95 per cent, followed by Information Technology with 9.85 per cent, real estate with 8.24 per cent, services sector with 6.35 per cent, industrial products with 4.27 per cent, pharmaceutical sector with 2.36 per cent, other industries with 53.39 per cent respectively.

The results of time series analysis are provided in Table No.10. In the first set of comparison, the correlation coefficient between the variables is 0.07, which is highly insignificant and the regression value is 0.00 showing no impact on the dependent factor. In the second set of comparison, the correlation between the variables is 0.69, which is significant and the regression value is 0.48 showing an impact of 48 per cent on the dependent factor. While the correlation between the variables in third set of comparison is 0.69, which is significant and the regression value is 0.48 showing an impact of 48 per cent on dependent factor and so on. From the correlation matrix (Table No.11), high correlation has been observed during the study period between investments in 'telecommunication sector' and 'bio-technology' at 0.971. The correlation of total investments with various sectors, viz., 'other industries' at 0.979, followed by information technology at 0.968 and bio-technology at 0.967 indicating the sound relationship between total investments and the said industrial sectors. A moderate correlation, i.e., 0.307 has been observed between total investments and real estate sector during the study period. However, no negative correlation has been identified between total investments by FVCIs and any of the sectors of the industry.

IV. Conclusion

In the light of the foregoing analysis in various dimensions of the performance of VCFs and FVCIs in India, the researcher has offered the following suggestions for better performance and to become a major source of finance/capital for the Indian industry.

1. There is a serious mismatch between the variety of venture capital available in India and what the market demands. Most of the domestic and overseas venture capital financiers are offering second stage and expansion financing (which is less risky) and completely neglecting the start-up finance. So, it is suggested that the government should make a policy that certain percentage of financing (based on demand) must be meant for start-ups (ex: 40:60).
2. In order to encourage idea rich, cash less entrepreneurs, the policy making body at the apex level should set up separate cell for the collection of ideas. Periodically, those ideas must be screened by the experts and

recommend the commercially viable ones for financing by VCFs and FVCIs. No doubt, this would promote the concept of financing innovation and provide an opportunity to the many young technocrats to become entrepreneurs.

3. Most of the VCFs in India are an extended arm or a division of global investment institutions. Their representation is more than 95 per cent of the VC invested in India. The investment mandates of these VCFs are often driven by the parent institutions' global view, which often ignores local market needs. To overcome this limitation, it is necessary to promote India VCFs by establishing domestic VCF Association.
4. Indian rupee depreciation is another serious bottleneck making FVCIs in India unattractive. Every FVCI in India has been a victim of the depreciation of the rupee against the dollar. The returns produced by FVCIs in India, measured in US dollars or other Western currencies, turn out to be considerably less attractive than that measured in Indian currency. Hence, there is an urgent need that the government of India should encourage domestic VCFs by liberalizing the policy guidelines, viz., licensing system, taxation, etc.
5. Most of VCFs and FVCIs in India are focusing on few sectors only, viz., IT & ITES, Bio-technology, Pharmaceutical and Service sectors. It is suggested that they should expand their wings in to modern areas like clean technology, green technology, power generation (solar power and wind power), education sector, infrastructure, film production, radio taxi, beauty salon, apparel, eco system, cloud computing, etc.
6. Another issue for slow performance of VCFs and FVCIs in India is poor quality of corporate governance and lack of sensitivity among entrepreneurs and investors, to each other's legitimate business aspirations. So, there is need to develop a model code of conduct for entrepreneurs and investors for their win-win association.

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Table 1: SEBI Registered VCFs & FVCIs in India

Year	No. of VCFs (A)	No. of FVCIs (B)	Percentage to Total	Percentage to Total	Total (A+B)
2004-05	50	14	78.12	21.87	64
2005-06	80	39	67.22	32.77	119
2006-07	90	78	53.57	46.42	168
2007-08	106	97	52.21	47.78	203
2008-09	132	129	50.57	49.42	261
2009-10	158	143	52.49	47.50	301
2010-11	184	153	54.59	45.40	337
2011-12	207	175	54.18	45.81	382
2012-13	211	182	53.68	46.31	393
2013-14	218	200	52.15	47.85	418
<i>Mean</i>			54.51	45.47	
<i>Variance</i>			24.21	24.21	
<i>t-statistic</i>			2.75		
<i>t-critical value for 18 degrees of freedom</i>			2.10		

Source: SEBI Handbook of Statistics, 2013-14

Table 2: Cumulative Investment Details of Venture Capital Funds (VCFs) and Foreign Venture Capital Investors (FVCIs)
(Rs. in Crores)

31 st March	VCFs			FVCIs			Total
	Amount	Annual Growth Rate	Percentage to Total	Amount	Annual Growth Rate	Percentage to Total	
2006	9,350	---	56	7,256	---	44	16,606
2007	17,325	85.29	53	15,584	114.77	47	32,909
2008	21,216	22.45	52	19,800	27.05	48	41,016
2009	24,101	13.59	49	25,567	29.12	51	49,668
2010	23,023	-4.47	41	33,242	30.01	59	56,265
2011	27,593	19.84	42	38,731	16.51	58	66,324
2012	31,557	14.36	48	33,775	-12.79	51	65,332
2013	35,400	12.17	44	44,891	32.91	56	80,291
2014	35,003	-1.12	44	44,804	-0.19	56	79,807
<i>Mean</i>	24,952	20.26	47.55	29,295	29.67	52.44	54,246
<i>Std. Dev.</i>	8,520	---	5.32	13,163	---	5.32	21,426
<i>CAGR</i>	17.94	---	---	25.55	---	---	21.68
<i>Correlation:</i>				<i>VCF</i>	<i>FVCIs</i>		
<i>Pearson's Correlation</i>	<i>VCFs</i>			<i>I</i>	<i>.950**</i>		
	<i>FVCIs</i>			<i>.950**</i>	<i>I</i>		
	<i>N</i>			<i>9</i>	<i>9</i>		

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

Source: SEBI Handbook of Statistics, 2013-14

Table 3: Industry-wise Cumulative Investment Details of Venture Capital Funds (VCFs) and Foreign Venture Capital Investors (FVCIs)

(Rs. in Crores)

Sectors of Economy 31 st March	Information Technology	Tele Communication	Pharmaceutical	Biotechnology	Media/ Entertainment	Services Sector	Industrial Products	Real Estate	Others	Total
	2006	1,564 (9.41)	844 (5.08)	682 (4.10)	208 (1.25)	321 (1.93)	1,290 (7.76)	957 (5.76)	4,056 (24.42)	6,684 (40.25)	16,606
2007	2,369 (7.19)	990 (3.00)	1,076 (3.26)	385 (1.16)	470 (1.42)	2,475 (7.52)	2,047 (6.22)	6,348 (19.28)	16,749 (50.89)	32,909
2008	2,520 (6.14)	1,076 (2.62)	1,229 (2.99)	634 (1.54)	906 (2.20)	2,976 (7.25)	1,951 (4.75)	6,311 (15.38)	23,413 (57.08)	41,016
2009	2,755 (5.54)	3,654 (7.35)	1,465 (2.94)	424 (0.85)	1,227 (2.47)	3,353 (6.75)	2,131 (4.29)	7,927 (15.95)	26,732 (53.82)	49,668
2010	3,549 (6.30)	8,003 (14.22)	1,445 (2.56)	327 (0.58)	1,503 (2.67)	3,254 (5.78)	1,669 (2.96)	11,262 (20.01)	25,252 (44.88)	56,265
2011	4,391 (6.62)	7,963 (12.00)	1,244 (1.87)	328 (0.49)	1,631 (2.45)	3,699 (5.57)	2,327 (3.50)	12,098 (18.24)	32,643 (49.21)	66,324
2012	4,557 (6.97)	7,534 (11.53)	1,263 (1.93)	316 (0.48)	1,310 (2.00)	3,733 (5.71)	2,435 (3.72)	11,250 (17.21)	32,934 (50.41)	65,332
2013	5,453 (6.79)	8,481 (10.56)	1,066 (1.32)	364 (0.45)	1,975 (2.45)	4,781 (5.95)	2,696 (3.35)	13,240 (16.49)	42,235 (52.60)	80,291
2014	5,782 (6.56)	10,769 (12.23)	1,378 (1.56)	359 (0.40)	2,144 (2.43)	4,948 (5.62)	2,809 (3.19)	14,922 (16.95)	44,901 (51.01)	88,012
<i>Mean (%)</i>	6.84	8.73	2.51	0.80	2.23	6.43	4.19	18.22	50.09	---
<i>Std. Dev.</i>	1.08	4.32	0.90	0.42	0.38	0.88	1.16	2.77	4.94	---
<i>CAGR</i>	11.79	34.76	3.14	-0.87	20.89	9.04	4.03	11.2	13.11	13.08

Source: SEBI Handbook of Statistics, 2013-14

Table 4: ANOVA-Two Factor without Replication

Source of Variation	SS	d.f	MS	F	P-value	F crit
Variance Between Rows	3.11	8	3.89	5.64	1	2.086
Variance Between Columns	17252.75	8	2156.59	312.06	3.27	2.086
Residual or Error Variance	442.28	64	6.91			
Total Variance	17695.03	80				

Source: Calculated using MS Excel.

Table 5: Regression Test: Sector-wise flow of Investments by VCFs and FVCIs

Total Investments & Investments in IT Sector:				
Model	R	R Square	Adj. R Square	Std. Err. of Estimate
1	0.41 ^a	0.17	0.05	1.05
b. Dependent Variable: Investments in IT Sector				
Total Investments & Investments in Telecommunication Sector:				
1	0.76 ^a	0.58	0.51	3.06
b. Dependent Variable: Investments in Telecom Sector				
Total Investments & Investments in Pharma Sector:				
1	0.96 ^a	0.92	0.91	0.22
b. Dependent Variable: Investments in Pharma Sector				
Total Investments & Investments in Bio Tech. Sector:				
1	0.84 ^a	0.71	0.67	0.23
b. Dependent Variable: Investments in Bio Tech. Sector				
Total Investments & Investments in Media & Entertainment Sector:				
1	0.49 ^a	0.24	0.12	0.37
b. Dependent Variable: Investments in Media & Entertainment Sector				
Total Investments & Investments in Services Sector:				
1	0.86 ^a	0.74	0.69	0.43
b. Dependent Variable: Investments in Services Sector				
Total Investments & Investments in Industrial Products:				
1	0.80 ^a	0.64	0.57	0.69
b. Dependent Variable: Investments in Industrial Products				
Total Investments & Investments in Real Estate Sector:				
1	0.16 ^a	0.02	-0.13	1.73
b. Dependent Variable: Investments in Real Estate Sector				
Total Investments & Investments in Other Sectors:				
1	0.22 ^a	0.05	-0.17	3.73
b. Dependent Variable: Investments in Other Sectors				

a. Predictors: (Constant), Total Investments

Source: Calculated using SPSS Statistics 21

Table 6: Industry-wise Cumulative Investment Details of Venture Capital Funds (VCFs)

Sectors of Economy	Information Technology	Tele Communication	Pharmaceutical	Biotechnology	Media/ Entertainment	Services Sector	Industrial Products	Real Estate	Others	Total
31 st March										
2006	668 (7.14)	42 (0.44)	487 (5.20)	200 (2.13)	284 (3.03)	648 (6.93)	486 (5.19)	2,626 (28.08)	3,909 (41.80)	9,350
2007	779 (4.49)	118 (0.68)	716 (4.13)	354 (2.04)	401 (2.31)	1,134 (6.54)	735 (4.24)	4,207 (24.28)	8,881 (51.26)	17,325
2008	871 (4.10)	275 (1.29)	581 (2.73)	603 (2.84)	622 (2.93)	1,618 (7.62)	1,095 (5.16)	4,887 (23.03)	10,664 (50.26)	21,216
2009	783 (3.24)	215 (0.89)	790 (3.27)	373 (1.54)	937 (3.88)	1,866 (7.74)	1,205 (4.99)	6,495 (26.94)	11,437 (47.45)	24,101
2010	533 (2.31)	858 (3.72)	460 (1.99)	187 (0.81)	802 (3.48)	1,215 (5.27)	783 (3.40)	8,155 (35.42)	10,029 (43.56)	23,023
2011	578 (2.09)	1,185 (4.29)	469 (1.69)	188 (0.68)	911 (3.30)	1,443 (5.22)	1,110 (4.02)	9,373 (33.96)	12,336 (44.70)	27,593
2012	770 (2.44)	1,182 (3.74)	550 (1.74)	216 (0.68)	1,101 (3.48)	2,137 (6.77)	1,224 (3.87)	10,159 (32.19)	14,218 (45.05)	31,557
2013	954 (2.69)	1,468 (4.14)	420 (1.18)	222 (0.62)	1,148 (3.24)	2,428 (6.85)	1,252 (3.53)	11,482 (32.43)	16,026 (45.27)	35,400
2014	776 (2.21)	1,444 (4.12)	480 (1.37)	214 (0.61)	1,201 (3.43)	2,239 (6.39)	1,292 (3.69)	11,623 (33.20)	15,730 (44.93)	35,003
Mean (%)	3.47	2.59	2.59	1.33	3.23	6.59	4.23	29.95	46.03	---
Std. Dev.	1.63	1.69	1.37	0.83	0.44	0.88	0.70	4.47	3.07	---
CAGR	1.89	55.6	-0.18	0.84	19.75	16.76	12.99	20.43	19.00	17.94

Source: SEBI Handbook of Statistics, 2013-14.

Table 7: Regression Test: Sector-wise flow of Investments by VCFs (Standalone)

Total Investments & Investments in IT Sector:				
Model	R	R Square	Adj. R Square	Std. Err. of Estimate
1	0.82 ^a	0.68	0.63	0.98
a. Dependent Variable: Investments in IT Sector				
Total Investments & Investments in Telecommunication Sector:				
1	0.89 ^a	0.80	0.77	0.80
b. Dependent Variable: Investments in Telecom Sector				
Total Investments & Investments in Pharma Sector:				
1	0.92 ^a	0.85	0.83	0.56
b. Dependent Variable: Investments in Pharma Sector				
Total Investments & Investments in Bio Tech. Sector:				
1	0.84 ^a	0.71	0.67	0.47
b. Dependent Variable: Investments in Bio Tech. Sector				
Total Investments & Investments in Media & Entertainment Sector:				
1	0.50 ^a	0.25	0.14	0.40
b. Dependent Variable: Investments in Media & Entertainment Sector				
Total Investments & Investments in Services Sector:				
1	0.28 ^a	0.07	-0.05	0.90
b. Dependent Variable: Investments in Services Sector				
Total Investments & Investments in Industrial Products:				
1	0.75 ^a	0.56	0.50	0.49
b. Dependent Variable: Investments in Industrial Products				
Total Investments & Investments in Real Estate Sector:				
1	0.71 ^a	0.51	0.44	3.33
b. Dependent Variable: Investments in Real Estate Sector				
Total Investments & Investments in Other Sectors:				
1	0.27 ^a	0.07	-0.05	3.16
b. Dependent Variable: Investments in Other Sectors				

a. Predictors: (Constant), Total Investments

Source: Calculated using SPSS Statistics 21.

Table 8: Correlation analysis across the sectors Investments by VCFs

Sector Code	1	2	3	4	5	6	7	8	9	10
1	1.000									
2	0.063	1.000								
3	0.199	0.656	1.000							
4	0.488	-0.547	0.577	1.000						
5	0.236	0.863**	-0.270	-0.304	1.000					
6	0.614	0.714*	-0.099	-0.005	0.908**	1.000				
7	0.481	0.658	-0.007	0.103	0.894**	0.940**	1.000			
8	0.134	0.971**	-0.479	-0.469	0.952**	0.822**	0.776*	1.000		
9	0.423	0.842**	-0.215	-0.124	0.941**	0.950**	0.926**	0.922**	1.000	
10	0.337	0.902**	-0.316	-0.250	0.968**	0.929**	0.896**	0.967**	0.984**	1.000
** Significant at 0.01 level (2-tailed)						* Significant at 0.05 level (2-tailed)				
1. Information Technology, 2. Telecommunications, 3. Pharmaceuticals, 4. Biotechnology, 5. Media/Entertainment, 6. Services Sector, 7. Industrial Products, 8. Real Estate, 9. Others, 10. Total Industries										

Source: Calculated using MS Excel

Table 9: Industry-wise Cumulative Investment Details of Foreign Venture Capital Investors (FVCIs)

Sectors of Economy	Information Technology	Tele Communication	Pharmaceutical	Biotechnology	Media/ Entertainment	Services Sector	Industrial Products	Real Estate	Others	Total
31 st March										
2006	896 (12.34)	802 (11.05)	195 (2.68)	8 (0.11)	37 (0.50)	642 (8.84)	471 (6.49)	1,430 (19.70)	2,775 (38.24)	7,256
2007	1,590 (10.20)	872 (5.59)	360 (2.31)	31 (0.19)	69 (0.44)	1,341 (8.60)	1,312 (8.41)	2,141 (13.73)	7,868 (50.48)	15,584
2008	1,649 (8.32)	801 (4.04)	648 (3.27)	31 (0.15)	284 (1.43)	1,358 (6.85)	856 (4.32)	1,424 (7.19)	12,749 (64.38)	19,800
2009	1,972 (7.71)	3,439 (13.45)	675 (2.64)	51 (0.19)	290 (1.13)	1,487 (5.81)	926 (3.62)	1,432 (5.60)	15,295 (59.82)	25,567
2010	3,016 (9.07)	7,145 (21.49)	985 (2.96)	140 (0.42)	701 (2.10)	2,039 (6.13)	886 (2.66)	3,107 (9.34)	15,223 (45.79)	33,242
2011	3,813 (9.84)	6,778 (17.50)	775 (2.00)	140 (0.36)	720 (1.85)	2,256 (5.82)	1,217 (3.14)	2,725 (7.03)	20,307 (52.43)	38,731
2012	3,787 (11.21)	6,352 (18.80)	713 (2.11)	100 (0.29)	209 (0.61)	1,596 (4.72)	1,211 (3.58)	1,091 (3.23)	18,716 (55.41)	33,775
2013	4,499 (10.02)	7,013 (15.62)	646 (1.43)	142 (0.31)	827 (1.84)	2,353 (5.24)	1,444 (3.21)	1,758 (3.91)	26,209 (58.38)	44,891
2014	4,450 (9.93)	8,059 (17.98)	851 (1.89)	150 (0.33)	719 (1.60)	2,318 (5.17)	1,342 (2.99)	1,995 (4.45)	24,924 (55.62)	44,804
Mean (%)	9.85	13.95	2.36	0.26	1.28	6.35	4.27	8.24	53.39	---
Std. Dev.	1.40	6.00	0.57	0.10	0.63	1.47	1.92	5.36	7.84	---
CAGR	22.18	33.43	20.22	44.25	44.89	17.40	13.98	4.24	31.57	25.55

Source: SEBI Handbook of Statistics, 2013-14

Table 10: Regression Test: Sector-wise flow of Investments by FVCIs (Standalone)

Total Investments & Investments in IT Sector:				
Model	R	R Square	Adj. R Square	Std. Err. of Estimate
1	0.07 ^a	0.00	-0.13	1.49
a. Dependent Variable: Investments in IT Sector				
Total Investments & Investments in Telecommunication Sector:				
1	0.69 ^a	0.48	0.40	4.62
b. Dependent Variable: Investments in Telecom Sector				
Total Investments & Investments in Pharma Sector:				
1	0.69 ^a	0.48	0.40	0.44
b. Dependent Variable: Investments in Pharma Sector				
Total Investments & Investments in Bio Tech. Sector:				
1	0.62 ^a	0.39	0.29	0.07
b. Dependent Variable: Investments in Bio Tech. Sector				
Total Investments & Investments in Media & Entertainment Sector:				
1	0.40 ^a	0.16	0.02	0.59
b. Dependent Variable: Investments in Media & Entertainment Sector				
Total Investments & Investments in Services Sector:				
1	0.85 ^a	0.72	0.67	0.69
b. Dependent Variable: Investments in Services Sector				
Total Investments & Investments in Industrial Products:				
1	0.67 ^a	0.46	0.36	1.47
b. Dependent Variable: Investments in Industrial Products				
Total Investments & Investments in Real Estate Sector:				
1	0.76 ^a	0.59	0.52	2.37
b. Dependent Variable: Investments in Real Estate Sector				
Total Investments & Investments in Other Sectors:				
1	0.00 ^a	1.01	-0.16	6.25
b. Dependent Variable: Investments in Other Sectors				

a. Predictors: (Constant), Total Investments

Source: Calculated using SPSS Statistics 21.

Table 11: Correlation analysis across the sectors Investments by FVCIs

Total Investments & Investments in IT Sector:				
Model	R	R Square	Adj. R Square	Std. Err. of Estimate
1	0.07 ^a	0.00	-0.13	1.49
a. Dependent Variable: Investments in IT Sector				
Total Investments & Investments in Telecommunication Sector:				
1	0.69 ^a	0.48	0.40	4.62
b. Dependent Variable: Investments in Telecom Sector				
Total Investments & Investments in Pharma Sector:				
1	0.69 ^a	0.48	0.40	0.44
b. Dependent Variable: Investments in Pharma Sector				
Total Investments & Investments in Bio Tech. Sector:				
1	0.62 ^a	0.39	0.29	0.07
b. Dependent Variable: Investments in Bio Tech. Sector				
Total Investments & Investments in Media & Entertainment Sector:				
1	0.40 ^a	0.16	0.02	0.59
b. Dependent Variable: Investments in Media & Entertainment Sector				
Total Investments & Investments in Services Sector:				
1	0.85 ^a	0.72	0.67	0.69
b. Dependent Variable: Investments in Services Sector				
Total Investments & Investments in Industrial Products:				
1	0.67 ^a	0.46	0.36	1.47
b. Dependent Variable: Investments in Industrial Products				
Total Investments & Investments in Real Estate Sector:				
1	0.76 ^a	0.59	0.52	2.37
b. Dependent Variable: Investments in Real Estate Sector				
Total Investments & Investments in Other Sectors:				
1	0.00 ^a	1.01	-0.16	6.25
b. Dependent Variable: Investments in Other Sectors				

Source: Calculated using MS Excel

A STUDY ON CONSUMER BUYING BEHAVIOUR OF CONFECTIONERY PRODUCTS IN VISAKHAPATNAM

T.Venkateswarlu ★

The objective of the research paper is to understand consumer buying behaviour of confectionery products in an Indian scenario with specific reference to Visakhapatnam. The purpose of this paper is to investigate the various factors that has impact on buying decision of consumers. The respondents were selected based on convenient sampling method and data analysis and interpretations have been done based on statistical techniques. The study implicates that different factors have significant influence on buying behaviour. This study also contributes to the knowledge of how confectionery companies will be able to understand buying habits of consumers.

Confectioneries are used to make confections. In general these are sugar rich products of varied varieties. These products fall under FMCG category. These products are preferred by people at varied occasions. Irrespective of financial backgrounds and age groups, confectioneries are consumed by all kinds of people. These confectioneries are available at all types of stores. Like other FMCG products, confectioneries are all also made available in rural areas.

The confectioneries are categorized into three types. They are: Sugar Confectioneries, Sugar-free confectioneries and Baker's confectioneries. Sugar confectioneries include candied fruits & nuts, chocolates, chewing gums, sweets, sugar candies etc. These confectioneries are rich in sugar and carbohydrates. Sugar-free confectioneries have less/no sugar content in them. These are consumed for healthy nutrition purpose. These are, in general, consumed on prescription by doctors to some people and also by common persons who are addicted to chewing gums in order to get rid of fatty acids. Baker's confectioneries are also called flour confectioneries. These include doughnuts, cakes, sweet pastries, cookies etc.

There are many confectionery producers in world; some of the leading producers include Mars Inc., Ferrero Group, Nestle SA, Hershey Foods Corp., Britannia, Perfetti Van Melle etc. As per the article published in International Cocoa Industry on 23rd January 2015 Mars Inc., Mondelez International and Ferrero Group top the Industry with Net sales-2014 of 18,480 US \$ million, 14,350 US \$ million and 10,911 US \$ million respectively.

Along with 4 P's of Marketing i.e. product, price, place and promotion. Packaging also plays a vital role in the sales of confectioneries. Companies implement new strategies in order to gain market share and to sustain competition.

Like other FMCG products, confectionery producers also introduce new variety of products from time to time in order to improve their market position. Confectionery producers follow wide range of promotions involving celebrities and also use animations to draw attention of the viewers. Varied types of advertisements are aired for different age categories of people. Companies also follow discounts and free coupons/offers for products to attract new customers and to encourage customers to buy products in more quantity than usual.

I. Review of Literature

“Analysts predict lightning growth for Indian confectionery market, by RJ Whitehead, published in Food navigator-asia.com on 11th Feb.2015, throws light on the growth in Indian Confectionery market. Due to economic growth and development, the disposable incomes have been increased, particularly in middle class. Hence, the companies eye at tapping this market more than that in the previous years. Chocolates, gums & jellies are most preferred confectioneries by Indians according to this research article, while, children are more attracted towards sweet candies and toffees. With the above stated advantages, the analysts look at 70% growth in the market by 2018 over 2013.

“India's Confectionery market seeing innovative products & new brands”, by Juhi Sharma, published in India Retailing.com on 15th Sep.2014, deals with the induction of new brands into the Indian confectionery market, challenges faced by the companies and concerned prospects. The writer quoted example of Dabur's Hajmola

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success in the market right from its introduction stage which is promoted as a digestion supportive tablet and candy. In this way, many companies targeted the market with unique promotion and products. Companies started producing the products considering the consumers' consciousness towards their health and the products like Mint were instant hit. The companies also follow unconventional distribution patterns to gain sales.

"Slowdown makes Candies, toffees sweeter than Chocolate in India" by Ratna Bhushan, Economic Times in 2013, discusses about the shift in the trend from chocolate consumption towards candies and toffees consumption in India. According to this article, the price played a key role in the shift. The chocolates were priced starting from Rs.5 per pack, while candies and toffees were priced from Rs.1 per pack influencing consumers to get more packs for less price. Analysts attribute that lack of innovation in products as well as promotion and packaging lead to the downfall in the consumption of chocolates in India. According to this article, Confectioneries makers like Ferrero, Wrigley's, Parle & ITC attribute the increasing demand to factors like introduction of new products, high investments in distribution and marketing spends and products innovation.

"Indian Confectionery industry on a growth trajectory driven by rising consumerism and young consumers", by Nandita Vijay, published in FnBnews.com, on March 7, 2011, discusses brief on the trends in the chocolate industry and the challenges faced by the confectioneries producers. According to this article, the confectionery industry has achieved maturity stage. Many players have entered into the Indian market and there were also some Joint Ventures & Mergers which resulted in the growth of the industry. The positioning strategies are changed accordingly to influence the health-conscious consumers. According to this article, rising inflation and food prices, mainly cost of sugar, is the major challenge that is and will be faced by the confectioneries producers.

Objectives of the Study

- I. To understand the demographic profile of the respondents.
- II. To understand the buying pattern and amount spent in buying confectionery products.
- III. To analyse the buying process of confectionery products.
- IV. To analyse the effect of promotion on buying behaviour.

Limitations of the Study

- I. Time constraint is a major problem which has affected inferences drawn from the study.
- II. Some of the respondents were not interested and were avoiding sharing the information with the researcher.
- III. The survey was carried out in Visakhapatnam alone and it doesn't represent the over all scenario of Indian market.

II. Research Design & Methods

Sources of Data

The study consists of both primary and secondary data. The primary data has been collected through the method of questionnaire and the secondary data has been collected from industry reports and internet.

Sample Selected for the Study.

A total of 281 respondents from Visakhapatnam city were selected for the study. Convenience sampling methods were followed for collecting the response from the respondents.

Area of the Study

The study area is confined to Visakhapatnam city, Andhra Pradesh. It is identified as a city with mix of people from different cultures and regions representing people from different parts of the country.

Tools for Analysis

The statistical tool used for the purpose of the analysis of the study is simple percentage technique and ranking techniques. After the collection of data through the questionnaire, editing was done carefully. Based on the response of samples, tables were prepared. The data collected were analysed and interpreted with the help of tables and figures.

CHI-SQUARE ANALYSIS

Chi-square analysis is done to test the independence of variables Age of the respondents and the amount respondents spend for purchasing sugar confectioneries. This analysis is also applied to test for independence between the variables age of the respondents and amount the respondents spend for purchasing Baker's confectioneries.

Two null hypotheses are considered. They are:

H_{01} : Age of the respondents & the amount the respondents spend to purchase sugar confectioneries are independent

to each other.

H_{02} : Age of the respondents & the amount the respondents spend to purchase baker's confectioneries are independent to each other.

Test for H_{01} :

III. Results & Discussion

1. Packing of the Confectionery products play a vital role in consumers' buying behaviour. The more attractive and appeal the package creates, the more buys consumers do.
2. Other than Cadbury & Nestle, the respondents were unable to recollect other brand names even though they consume the products that fall under them.
3. In this FMCG i.e. confectionery segment, the promotion through celebrities doesn't impact consumer preference towards the products.
4. In the case of confectionery segment, price and taste of the products impact more in the consumer buying behaviour.
5. Compared to sugar confectionery & baker's confectionery, sugar-free confectionery products are consumed less.
6. Consumers easily switch to other brands of confectionery products if there is unavailability of their preferred product.
7. In the case of Baker's confectionery, discounts impact the quantity of buy made by the consumers.
8. Considering both Baker's confectioneries & Sugar confectioneries, chocolate flavour products are preferred/consumed more.

Interpretation 1: According to Table no.1, 50% of the respondents fall in the age group 18-23 years, 21% respondents having age less than 18 years and 14% of the total respondents fall in age group 24-29 years.

Interpretation 2: The above table no.2 represents the choice of respondents in the extent of consumption of confectionery products. Among sugar, sugar-free & baker's confectionery products, maximum i.e. 48% of the total respondents consume sugar confectionery more where the next place goes to Baker's confectionery with 33% and sugar-free confectionery with 19% of respondents preferring more when compared to others.

Illustration 3: According to the analysis (Table. No. 3) 69% of the total respondents don't check for sugar content before consuming confectionery products while the

remaining do check for sugar content.

Illustration 4: Above table no.4 reflect frequency of Sugar-free confectionery by the respondents. 53% of the total respondents purchase Sugar free confectionery occasionally while 19% & 18% of the respondents prefer to buy Sugar-free confectionery twice a week & weekly respectively.

Illustration 5: The table no.5 reflects frequency of Sugar confectionery by the respondents. 27% of the total respondents purchase Sugar confectionery occasionally while 23% & 23% of the respondents prefer to buy Sugar confectionery twice a week & weekly respectively.

Illustration 6: This illustration deals with the general preference of respondents towards various types of Sugar Confectionery. 41% of the respondents prefer Chocolates more against sugar candies (10%), chewing gums (15%), ice cream (23%) & candied fruits & nuts (11%).

Illustration 7: This illustration throws light on do the respondents recognize the brand name of Sugar confectionery they consume and of yes, which Brand's Sugar Confectionery they consume more. 50% of the respondents prefer Cadbury's products while 15% & 14% of the respondents prefer Nestle & Mars/Wrigley's products respectively.

Illustration 8: With respect to the respondents' choice of most preferred brand, they were given an opportunity to rank the factors which they feel responsible for their brand preference. 67% of the respondents opted Taste of the product as the highly influencing factor where as price of the products occupied second spot with 12% of the respondents felt that this is the highly influencing factor for brand preference

Illustration 9: While purchasing Sugar Confectioneries 49% of the respondents feel brand is highly important for them whereas 16% of the respondents feel that brand plays least important role while purchasing Sugar Confectioneries.

Illustration 10: According to table no.10, 43% of the respondents spend <300 (Rs.) per month for purchasing Sugar confectioneries whereas 33% of the respondents spend Rs.300 to Rs. 600 per month for purchasing Sugar Confectioneries.

Illustration 11: The table no.11 reflect that about 35% of the respondents strongly agree that the price on the confectioneries impact the quantity of purchase while, 6% of the respondents strongly disagree the statement.

Illustration 12: According to Table no.12, 31% of the

respondents feel that Discounts/offers/coupons have huge impact on quantity of purchase of Sugar Confectionery, whereas 30% of the respondents feel that Discounts/offers/coupons impact very less on their quantity of purchase.

Illustration 13: According to table no.13, about 41% of the respondents agree that the package appeal impacts while purchasing sugar confectioneries whereas 8% of the respondents disagree with the statement.

Illustration 14: According to table no.14, about 42% of the respondents prefer to purchase sugar confectioneries in bulk occasionally, whereas 26% of the respondents won't buy in bulk.

Illustration 15: According to table no.15, about 55% of the respondents prefer visiting nearest store for purchasing sugar confectioneries whereas 32% of the respondents prefer to buy at their most preferred store.

Illustration 16: According to table no.16, about 35% of the respondents agree that the advertisements highly impact in selection of brand in sugar confectioneries while purchasing, whereas 8% of the respondents strongly disagree with the statement.

Illustration 17: The table no.17, reflect frequency purchase of Baker's confectionery by the respondents. 32% of the total respondents purchase Baker's confectionery occasionally while 24% & 27% of the respondents prefer to buy Baker's confectionery twice a week & weekly respectively.

Illustration 18: This illustration deals with the general preference of respondents towards various types of baker's confectioneries. 33% of the respondents prefer cakes more against pastries (31%), cookies (22%), doughnuts (14%).

Illustration 19.1: according to table no.19.1, within cakes 64% of the respondents prefer chocolate flavoured where as 12% of the respondents prefer vanilla and 1% prefer black forest & butter scotch.

Illustration 19.2: according to table no.19.2, within Cookies 55% of the respondents prefer chocolate flavoured where as 13% of the respondents prefer vanilla, strawberry & almond flavour cookies. As per their response, 2 out of 281 respondents won't prefer cookies; hence the sample considered here for illustration 19.2 is 279.

Illustration 19.3: according to table no.19.3, within doughnuts, 57% of the respondents prefer chocolate flavoured where as 14% of the respondents prefer vanilla, while 13% prefer almond flavour doughnuts. As per their response, 17 out of 281 respondents won't prefer

doughnuts; hence the sample considered here for illustration 19.3 is 264.

Illustration 19.4: according to table no.19.4, within pastries, 55% of the respondents prefer chocolate flavoured where as 14% of the respondents prefer vanilla, while 11% of the respondents prefer strawberry & pineapple flavour pastries.

Illustration 20: According to table no.20, 40% of the respondents spend about Rs.150 to Rs.500 per month for purchasing Baker's confectioneries whereas 32% of the respondents spend less than Rs.150 per month for purchasing baker's confectioneries.

Illustration 21: With respect to table no.21, about 35% of the respondents agree that brand is most important while purchasing baker's confectioneries where 13% of the respondents disagree the above statement.

Illustration 22: The table no.22 reflect that about 40% of the respondents agree that the price on the baker's confectioneries impact the quantity of purchase while, about 9% of the respondents disagree the statement.

Illustration 23: According to table no.23, about 41% of the respondents prefer to purchase baker's confectioneries in bulk occasionally, whereas 22% of the respondents won't buy in bulk.

Illustration 24: According to Table no.24, 31% of the respondents feel that discounts/offers/coupons have huge impact on quantity of purchase of baker's confectionery, whereas 29% of the respondents feel that Discounts/offers/coupons impact very less on their quantity of purchase.

Illustration 25: According to table no.25, about 46% of the respondents prefer visiting nearest store for purchasing sugar confectioneries whereas 48% of the respondents prefer to buy at their most preferred store.

Illustration 26: According to table no.26, about 18% of the respondents feel it's reliable to purchase sugar confectioneries online/Internet whereas 40% of the respondents disagree with the above statement.

Illustration 27: According to table no.27, about 20% of the respondents feel it's reliable to purchase baker's confectioneries online/Internet whereas 43% of the respondents disagree with the above statement.

Illustration 28: According to table no.28, about 21% of the respondents feel it is reliable to purchase Sugar-free Confectioneries online/Internet whereas 38% of the respondents disagree with the above statement.

Illustration 29: The tables 29 to 32 reflect the chi-square

values solved through SPSS 13.0. The obtained Chi-Square value is 12.216, with 12 degrees of freedom, considering 5% level of significance and P value is 0.428. As the obtained P value is more than 0.05, hence the considered two variables i.e. age of the respondents and amount spend to purchase Sugar confectioneries are independent, accepting the null hypothesis H_{01} . As there may be an age category spending more in amount but the respondents are less in number and vice versa, hence the chi-square result may be moving towards the independence of variables.

The tables reflect the chi-square values solved through SPSS 13.0. The obtained Chi-Square value is 5.047, with 12 degrees of freedom, considering 5% level of significance and P value is 0.956. As the obtained P value is more than 0.05, hence the considered two variables i.e. age of the respondents and amount spend to purchase baker's confectioneries are independent, accepting the null hypothesis H_{02} . As there may be an age category spending more in amount but the respondents are less in number and vice versa, hence the chi-square result may be moving towards the independence of variables.

IV. Conclusion

The rise in disposable incomes and the consumers' shift from unbranded to branded products can be the prospect to the confectioneries producers in India. The Confectioneries producers should aim at the consumer market with unique strategies in order to gain the market share and sustain the competition. Before entering into the untapped market, research should be performed regarding the consumers' behaviour towards 4 P's of marketing and then as per the analysis the companies should align their strategies accordingly. On one hand the rise in the consumption of candies and toffees is a good sign for the non-chocolate confectioneries producers as a product category is in decline stage. But, on the other hand, the major Chocolate confectionery producers will face a loss if they don't come up with unique strategies and unique selling points for their products. With online business being most utilized platform, the confectioneries producers & distributors/wholesalers may implement new strategies in order to increase their sales and build their market position.

With unique selling points, considering 4 P's of marketing along with Packaging, aimed differently at consumers belonging to rural and urban confectionery producers can achieve their objectives.

Advertisements should be very frequently played in the media such as television in order to occupy top spot in the minds of consumers. This acts as reminders so that

consumers will not forget the confectioneries.

Varied flavours of the confectioneries should be produced and should be made available at stores at all times. Hence, even though consumers shift to other flavours of same confectionery products they end up purchasing from their preferred brand. Discounts and special offers should be enabled, in case of baker's confectionery, in order to encourage the frequency and quantity of purchase.

Suggestions

1. Packing should be attractive and should create an appeal in the minds of consumers in order to increase sales.
2. Coinage pricing can be the best strategy to increase the sales sugar confectionery.
3. Promoting the confectionery products through celebrities, animations or cartoons will impact the consumer buying behaviour and especially attract children.
4. Companies should make sure than their confectioneries are available at store at all times, as the consumers may easily shift to another brand's products if their preferred product is unavailable at the time of their visit.
5. Advertisements should be very frequently played in the media (Ex. T.V), in order to occupy top spot in the minds of consumers. This act as reminders so that consumers will not forget the Confectioneries.

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Table No.1

AGE	No. of Respondents	% of responses
<18years	59	21
18-23years	140	50
24-29 years	39	14
30-35years	19	7
>35years	24	8
Total	281	100

Table No.2

Option	No. of Responses	% of Responses
Sugar Confectionery	134	48
Sugar free Confectionery	55	19
Baker's Confectionery	92	33
Total	281	100

Table No.3

Choice	No. of Responses	% of responses
Yes	87	31
No	194	69
Total	281	100

Table No.4

Choice	No. of Responses	% of responses
Daily	29	10
twice a week	52	19
weekly	50	18
occasionally	150	53
Total	281	100

Table No.5

Choice	No. of Responses	% of Responses
Daily	75	27
twice a week	66	23
Weekly	64	23
Occasionally	76	27
Total	281	100

Table No.6

Choice	No. of Responses	% of Responses
Sugarcandies	28	10
Chewing gums	42	15
Chocolates	115	41
Ice cream	65	23
Candied fruits & nuts	31	11
Total	281	100

Table No.7

Choice	No. of Responses	% of Responses
Nestle	42	15
Cadbury	142	50
Mars/Wrigley's	39	14
Hershey's	34	12
Lotte	24	9
Others	0	0
Total	281	100

Table No.8

Choice	No. of Responses	% of Responses
Taste of products	188	67
Product pricing	33	12
Offers	19	6.5
celebrity endorsements	20	7
sugar content	20	7
Others	1	0.5
Total	281	100

Table No.9

Choice	No. of Responses	% of Responses
Least important (1,2,3)	45	16
Neutral(4,5,6)	97	35
High Important (7,8,9)	139	49
Total	281	100

Table No.10

Amount (in Rs.)	No. of Responses	% of Responses
<300	121	43
300-600	92	33
600-1000	53	19
>1000	15	5
Total	281	100

Table No.11

Choice	No. of Responses	% of Responses
strongly agree	42	15
agree	94	33
neutral	97	35
disagree	31	11
strongly disagree	17	6
Total	281	100

Table No.12

Choice	No. Of responses	% of responses
Low impact (1,2,3)	84	30
Neutral(4,5,6)	111	39
High Impact (7,8,9)	86	31
Total	281	100

Table No.13

Choice	No. Of responses	% of responses
strongly agree	53	19
agree	115	41
neutral	79	28
disagree	22	8
strongly disagree	12	4
Total	281	100

Table No.14

Choice	No. Of responses	% of responses
Weekly	28	10
Monthly	63	22
Occasionally	118	42
don't prefer to buy in bulk	72	26
Total	281	100

Table No.15

Choice	No. Of responses	% of responses
at any nearest store	156	55
at a preferred store	90	32
Online	22	8
buy from sales personnel	13	5
Total	281	100

Table No.16

Choice	No. of responses	% of responses
strongly agree	29	10
agree	98	35
neutral	96	34
disagree	37	13
strongly disagree	21	8
Total	281	100

Table No.17

Choice	No. Of responses	% of responses
daily	33	12
twice a week	68	24
weekly	77	27
occasionally	103	37
Total	281	100

Table No.18

Choice	No. Of responses	% of responses
cakes	93	33
doughnuts	40	14
cookies	62	22
pastries	86	31
Total	281	100

Table No.19.1

Choice	No. Of responses	% of responses
chocolate	180	64
strawberry	27	10
vanilla	35	12
pineapple	20	7
almond	16	6
others	3	1
Total	281	100

Table No.19.2

Choice	No. Of responses	% of responses
chocolate	152	55
strawberry	36	13
vanilla	37	13
pineapple	18	5.5
almond	35	13
others	1	0.5
Total	279	100

Table No.19.3

Choice	No. Of responses	% of responses
chocolate	150	57
strawberry	30	11
vanilla	36	14
pineapple	14	4.5
almond	33	13
others	1	0.5
Total	264	100

Table No.19.4

Choice	No. Of responses	% of responses
chocolate	148	53
strawberry	32	11
vanilla	39	14
pineapple	31	11
almond	28	10
others	3	1
Total	281	100

Table No.20

Choice	No. Of responses	% of responses
<150	89	32
150-500	113	40
500-1000	60	21
>1000	19	7
Total	281	100

Table No.21

Choice	No. Of responses	% of responses
strongly agree	41	15
Agree	98	35
Neutral	98	35
Disagree	38	13
strongly disagree	6	2
Total	281	100

Table No.22

Choice	No. Of responses	% of responses
strongly agree	47	17
Agree	114	40
Neutral	75	27
Disagree	25	9
strongly disagree	20	7
Total	281	100

Table No.23

Choice	No. Of responses	% of responses
Weekly	46	16
Monthly	60	21
Occasionally	114	41
don't prefer to buy in bulk	61	22
Total	281	100

Table No.24

Choice	No. Of responses	% of responses
Low impact (1,2,3)	80	29
Neutral(4,5,6)	113	40
High Impact (7,8,9)	88	31
Total	281	100

Table No.25

Choice	No. Of responses	% of responses
at any nearest store	128	46
at a preferred store	134	48
Online	15	5
buy from sales personnel	4	1
Total	281	100

Table No.26

Choice	No. Of responses	% of responses
Agree	51	18
neutral	119	42
disagree	111	40
Total	281	100

Table No.27

Choice	No. Of responses	% of responses
Agree	56	20
neutral	104	37
disagree	121	43
Total	281	100

Table No.28

Choice	No. Of responses	% of responses
Agree	58	21
neutral	115	41
disagree	108	38
Total	281	100

Table No. 29: Age of Respondent (in years) * How much do you spend in purchasing sugar confectionery products per month (in Rs.) Cross tabulation

		How much do you spend in purchasing sugar confectionery products per month (in Rs.)				Total	Total(%)
		<300	300-600	600-1000	>1000		
Age of Respondent (in years)	<18	23	18	12	6	59	21
	18-23	64	45	26	5	140	49.8
	24-29	19	11	7	2	39	13.9
	30-35	8	8	1	2	19	6.8
	>35	7	10	7	0	24	8.5
Total		121	92	53	15	281	100
Total(%)		43.1	32.7	18.9	5.3	100	

Table No. 30: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.216(a)	12	.428
N of Valid Cases	281		

a. 6 cells (30.0%) have expected count less than 5. The minimum expected count is 1.01.

Table No. 31: Age of Respondent (in years) * how much do you spend on purchasing baker's confectionery, monthly (in Rs.)? Cross tabulation

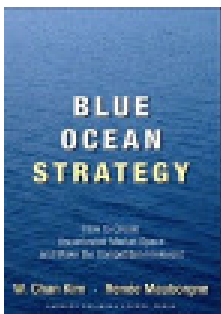
		how much do you spend on purchasing baker's confectionery, monthly (in Rs.)?				Total	Total(%)
		<150	150-500	500-1000	>1000		
Age of Respondent (in years)	<18	22	23	10	4	59	21
	18-23	40	60	31	9	140	49.8
	24-29	11	16	8	4	39	13.9
	30-35	8	6	4	1	19	6.8
	>35	8	8	7	1	24	8.5
Total		89	113	60	19	281	100
Total(%)		31.7	40.2	21.4	6.8	100	

Table No. 32: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.047(a)	12	.956
N of Valid Cases	281		

a. 5 cells (25.0%) have expected count less than 5. The minimum expected count is 1.28.

A BOOK REVIEW ON BLUE OCEAN STRATEGY



Author: W. Chan Kim & Renée Mauborgne

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Blue Ocean Strategy is a practice to transform the organization into uncontested market space by formulation, validation and execution of value innovation process. It is a study of 150 strategic moves of more than 30 diversified industries made between years 1880 to 2000. It is a contrived concept of INSEAD professor W. Chan Kim and Renee Mauborgne and published in international best-selling book “Blue Ocean Strategy” in 2005.

The Blue Ocean concept is designed with an aim to overcome the traditional practice of business by eliminating the concept of competitive strategy. The authors explain that traditional business practice is harmful when industry or company are in head-to-head competition in a continual and costly battle for market share to achieve a competitive advantage. It is a systemized and sequential process to break the traditional boundaries of competitive strategy by identifying value innovation and simultaneous pursuit of low cost and differentiation

Blue Ocean Strategy tools and framework are designed with an aim to bring and build shared understanding of the organization in strategy formulation. It plays a vital role for implanting innovative practice in organizational culture and we can say that it integrates strategy formulation and change management.

Concept and Framework of Blue Ocean Strategy

The economic concepts explain that when products are identical and markets are diverse and monopoly doesn't bring that difference, in this situation price play a substantial function for designing market size and development of the organization. The price competition is a zero sum game, and the consumers will be the only winners. These conditions bring only two options for an organization, either they beat the competition by low price or by adding exceptional benefits and try to create differentiation. Most of the organizations discuss about low cost innovation or innovative differentiation. The situation is that “product innovation” practice does not talk simultaneously about low cost and differentiation.

What is blue ocean strategy and how it differs from traditional strategy in terms of thought process and implementation? Blue ocean strategy is a method which is used to create and capture blue oceans in orderly and act as competing in the red ocean space of business. The strategy is considered as remedy to survive and sustain for current business and value innovation for an entrepreneur. It is an analytical framework for searching value innovation opportunity or we can allege a right direction for the correct market.

W. Chan Kim and Renee Mauborgne (2005) created “Blue Ocean Strategy”. In point of act, to explain the market in two different spaces “Red Ocean Strategy” (Contested Space) and “Blue Ocean Strategy” (Uncontested Space). Blue Ocean denotes a virgin market space, industries not in existence today and rules of the game still to be determined. According to authors industries or company should concentrate on “Reconstructionist view” instead of “Structuralist View”.

Blue Ocean Strategy explains about “strategic moves” in the 1880 to 2000s period of time and how decisions were taken to help the establishment to get rewarded, when they get out of the comfort zone. It explains that when you sail on an uncontested market space, it became riskier for an organization to stay in the market and sustain its position. Picking out the short term from the long term tendencies and determining the proper changes is risky for any company or business to identify the correct strategic moves. To minimize the risk factor authors explains six principles of Blue Ocean Strategy.

1. Reconstruct Market Boundaries
2. Focus on Big Pictures, not numbers,
3. Reach beyond existing demand
4. Get the strategic sequence right
5. Overcome organization hurdles

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6. Build execution into strategy

First four principles explain about “strategy formulation” and remaining two focus on “strategy execution” which is the core part of Blue Ocean Strategy. Before getting into details about mentioning six principles organization need to discuss the industry’s need and to discuss competitive situation and challenge in industry’s strategic logic and business model.

Reconstruct Market Boundaries	<ul style="list-style-type: none"> • Focus on uncontested market space • Identify ways of reconstructing market boundaries • Study the market and identify ways of reconstructing market boundaries • These paths basically depend on underlying assumptions which require to realize first. The assumptions are industry similarity, industry strategic groups, buyer group, emotional orientation, competitive threats and scope for modifications.
Focus on Big Picture, Not the Numbers	<ul style="list-style-type: none"> • Focus on aligning strategic planning and focus on big pictures • Strategy canvas” which explain industry or company current competitive position which represent a clear picture of it. • It concentrates on four steps of visualization known as visual awakening, visual exploration, and visual strategy fair and visual communication. • These processes diverted towards one more process known as Pioneer-Migrator-Settler Map (P.MS Map).
Reach Beyond Existing Demand	<ul style="list-style-type: none"> • Understand the customer and its size and for that there is a model called “Three Tiers of Noncustomers” • The Three Tiers of Noncustomers explain in three different categories, “Soon To Be, Refusing and Unexplored” • These processes will assist us to interpret the available size on opportunity in the market.
Get the Strategic Sequence Right	<ul style="list-style-type: none"> • Get the strategic sequence right leads towards understanding and creating a business model which creates a win-win situation and make a healthy profit for an organization by adopting Blue Ocean moves. • The validating Blue Ocean ideas and to ascertain the commercial viability of the same is more important for designing strategic sequence right.
Overcome Key Organizational Hurdle	<ul style="list-style-type: none"> • It is a really hard job to get people from their comfort zone to sail in Blue Ocean. The key hurdles in execution are Cognitive Hurdles, Resource Hurdles, Motivational Hurdles and Political Hurdles. • To overcome this hurdles authors designed Tipping Point Leadership to execute the Blue Ocean Idea into cost effective way and winning employees’ backing in executing a break from the status quo.
Build Execution into Strategy	<ul style="list-style-type: none"> • A strategic shifts in organization structure and culture brings dynamic changes in employee engagement. • The authors place the practice of fair process brings good result in executing Blue Ocean Strategy and for that they designed model of “the Three E principles of Fair Process” known as Engagement, Explanation and Expectation.

Conclusion – The Sustainability and Renewal of Blue Ocean Strategy

A successful execution of the Blue Ocean Idea is creating space for a company to take an advantage of available opportunity but we cannot ignore the problem of imitation.

It is a dynamic process and requires a continuous effort towards value innovation. The market can imitate an idea, but value innovation practices take time to imitate. As per research, companies can hold on an average fifteen plus years of their positioning by adopting and maintaining value innovation practices.

Concerns of Blue Ocean Strategy

The creation of Blue Ocean highly depends on how the organization is aligning their resources in predicting customers need and future change expected in the market. World of Blue Ocean is quite a hard task because understanding customer need in advance is inconceivable, many a times customers himself does not recognize what they require. The guidelines and procedure describe by W. Chan Kim and Renee Mauborgnee in Blue Ocean Strategy book is highly procedural, and it takes time to sail in Blue Ocean. It does not give immediate result, because it focuses on the big picture which no one knows how rosy it is.

Critique to the Blue Ocean Strategy

This book states that creation of Blue Ocean highly depends on how the organization is aligning its resources to predict customer needs and their expectations of future change in the market. The authors suggested two different extreme conditions, first to focus on creating entirely new industries and second to expand market boundaries, which create problem while understanding market position and circumstances of a group. To understand both conditions a company should think about their customers in advance and predict their desired needs, but the problem here is that market research about customer requirements cannot be judged correctly. This brings the company into anxious conditions. The foundation of Blue Ocean depends on understanding market by using Strategy Canvas and Eliminate-Reduce-Raise-Create Framework (ERRC), which merely gives information about competition because by applying that model, we cannot predict customer demands successfully. These situations bring considerable risk for a company.