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It gives us immense pleasure to put the present issue of Uttaranchal Business Review to our readers. It is believed that research is an unending process and always requires improvement and updation. The focus of our journal is research articles, thought provoking pieces, philosophical view about business issues and in general concerns about the changing world scenario and needs of the day. The present issue offers many thought provoking avenues to researcher and practitioner. We encourage researchers and faculty members of management institutes to use this as a platform to publish their work and express their ideas for future research.

We have a variety of articles in this issue containing consumer behavior in FMCGs in Tripura authored by Triankur Dey & L S. Sharma. The impact of dubious advertisements on consumer behavior is analysed by Prof (Dr.) K R Subramanian and Dr. D.S. Chaubey in which authors have attempted to point out the dangers of creating a growing consumer apathy towards such advertisements, products and companies manufacturing and or marketing them.

S. M. Tariq Zafar & Waleed Hmedat have evaluated the impact of Foreign Direct Investment on Indian Economic Growth. Chette Srinivas Yadav, Prof. A.Sudhakar Rao, Mohit Kumar & Dr B. Sai Giridhar have figured out the impact of Hindu Calendar and festivals on Indian Stock Market.

Ms. Rashi Sharma & Dr. V.P Srivastava have explored the role of Microfinance in financial inclusion for elevating the lifestyle of bottom of pyramid people. Jitendra Charan, & Dr. Amit Sharma have scrutinized the impact of personality traits on adoption of online banking in Udaipur.

A. Mohan Rebellow & Dr. Sidheswar Patra have reviewed the role of Machiavellianism in Corporate Environment. Shivani Joshi deliberated on interrelatedness between communication norms, organizational culture and performance.

Prof.(Dr.) Rajesh Bahuguna & Avnish Bhatt elaborated on judicial intervention and the legal aspects of Double Imprisonment. Dr. Durga Madhabmahapatra & Dr. Ashok Kumar Mohanty commented upon a progressive strategy in Indian Banking Sector.

Dr. Mustfa Hussain has presented a case study regarding strengthening Horti-supply chain by adopting innovative Business Model in Uttarakhand.

We are looking forward to readers' response, suggestions and feedback. I must thank our advisory board members and editorial board members for their help and guidance.

Sincerely,

Prof(Dr.) D.S. Chaubey
Editor-in-Chief

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A STUDY ON CONSUMER BEHAVIOUR OF SELECT FAST MOVING CONSUMER GOODS IN TRIPURA

Abstract

Consumer behavior can be explained as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. The beliefs, views, attitudes, mental state, specific needs, characteristics etc. work behind the rostrum as a motivating factor to make any purchase decision. Every customer is different in terms of making purchase decisions. This paper attempts to study the consumer behaviour of select FMCG products in Tripura state by looking into the socio economic profile as well as the attributes of the select FMG products in the purchase of these products. The study finds that quality attribute plays the primary role while purchasing the FMCG products.

Keywords: Consumer behaviour, select FMCG products, Socio-economic profile of consumer, Attributes of product.

Introduction

Consumer behavior can be explained as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Schiffman and Kanuk, 2004). Early researches on consumer behavior verbalized that a consumer is led by his personal attributes that facilitate him/her to form a concept which guides him/her in the decision making process. The beliefs, views, attitudes, mental state, specific needs, characteristics etc. work behind the rostrum as a motivating factor to make any purchase decision. Every customer is different in terms of making purchase decisions. Consumer behavior includes all of the activities of buyers, ex-buyers and potential buyers from pre-purchase deliberation to post-purchase evaluation, and from continued consumption to discontinuance. It extends from the awareness of a want, through the search for and evaluation of possible means of satisfying it, and the act of purchase itself, to the evaluation of the purchased item in use, which directly impacts upon the probability of repurchase (Alba et al., 1991).

Products which have a quick turnover and low cost by nature are termed as Fast Moving Consumer Goods (FMCG) products. These products are frequently purchased and consumed in a fast pace. Customers spend fewer amounts of time and effort to take a purchase decision of these FMCG products. Generally consumers get a wide range of variety in such consumable goods and can have

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different choices. These goods are so essential as well as available in our life that these are sold in every 'kirana shop'. Product life cycle for these goods is very short. Starting from the morning till going to bed at night to sleep, these FMCG products are required and used. These products have immense influence in the life of the consumers. These goods are sold every day. They individually seem to be of small value but altogether they form a momentous part in consumers' total expenditure. India's FMCG industry is the 4th largest sector in its economy and has been playing a significant role with near about 8 million stores selling FMCGs engaging 25 million people as whole sellers, distributors, retailers and others (Siji, 2015). FMCG consists of personal care products, oral care, hair care, fast foods, skin care, grocery, home care, educational materials, dry foods, drinks, or even vegetables also. It is noted by Siji (2015) that the size of the personal care products is estimated at \$537 million, the skin care and cosmetic market is valued at \$274 million in recent years.

Objectives of the study

- To analyse the socio economic characteristics of the consumers in Tripura.
- To elicit the attributes of the select FMCG products while making purchase decisions

Need of the study

Consumers are the pivot of any business activity. All the retail activities hinge on consumers and their consumption related behavior. The purchasing process of a consumer is the consequence of interplay of social, cultural, economic as well as psychological faculties of the consumers. Retailing is a growing industry and small states like Tripura are also experiencing this change. Retail business is getting new formats having infused up with changing consumers' behavior. Understanding the consumers is valuable for business community as it provides pertinent information about who is buying, what is being bought, from where a consumer is buying, when he is buying, and if not buying, why he is not buying etc.

Tripura is a small state in the North East India sharing an international boundary with Bangladesh from three sides and having a population of about 37 lakhs. The state had undertaken initiatives of industrialization long ago and a special industrial estate has been established. In each subdivision state government has set up retail markets. A study on consumer behavior in the retail sector can throw light on how sale of existing products can be boosted, what changes are required in existing products, if consumers do not like a product, why they don't like, what changes are required to increase the market share etc. This study encompasses consumption of durable and non durable products. Human psychology is unpredictable and consumers' decision making is a process which is

influenced by conscious and unconscious factors. It is thus imperative to study the buying pattern of the retail customers.

Review of Literature

There is a considerable variation in household expenditure pattern where decisions are taken many a time on the basis of brand, price, package and total consumption etc. Household product category of grocery items is a lucrative area of business in which a larger extent of socio economic and purchase characteristics are interlinked with consumer purchase behavior. Different socio-economic and purchasing characteristics of the consumers are exhibited differently in their buying behavior. It is assumed that socioeconomic characteristics are reasonably highly correlated with a household's product consumption. In a study conducted by Frank (1967) five buying characteristics of the consumers in house hold expenditure were studied. They are total consumption, private brand-proneness, brand loyalty, package-size-proneness, and average price paid per unit of product purchased. These are experimented in different context. The researcher found that there is a positive correlation between socioeconomic characteristics and product consumption and it remains same for both total grocery consumption and the specific interest for any product.

Consumers and their behavior are being discussed irrespective of their age groups. But different age groups have different consumption patterns as well as selection of goods and services. The conceptual frame work of elder people has been an important threshold for study. Older consumers are active shoppers. Their purchase behavior or decision making fashion differ from the teen age groups. Different behavioral variables were explored by Tongren (1988) in his research on behavior characteristics of older consumers

There is a relation between purchase behavior and cost of holding goods in inventory. People shop and a thoughtful of the factors describe variations in shopping behavior across households. Households vary in their shopping costs and demand for grocery products owing to variation in their demographic and socioeconomic characteristics. Household has been described as a rational decision making unit and also acts as an inventory management unit which attempts to procure and stock the product it requires. Three types of costs related to the procurement and consumption of the goods incurred by the households: the cost of the goods it purchases, the cost of travel to stores and the cost of holding inventory. Bawa and Ghosh (1999) attempted to establish a model of shopping behavior associated with shopping and the cost of holding goods in inventory. In this research paper the researchers concluded by stating that the number of buying trips is positively correlated to the inventory holding cost and negatively to the cost of travel. But in case of irregular buying though reduces travel cost but increases inventory cost instead.

Explaining consumers' psychology and buying behavior research, Optimum stimulation level (OSL) and consumer exploratory behavior (CEB) which cause individual differences in purchase process, consumers attempt to attain a satisfactory level of stimulation, where he supposed to be engaged in the exploration of an environment Dastidar and Dutta (2006). By explaining CEB, the researchers underlined the psychological motivation of the behaviors that consumers portray during the buying process.

Rani (2010) explored with a frame work A-B-C-D paradigm which is understood from consumer behavior of rural people. The four stages of this paradigm that were found to be relevant in Indian

rural market are- access, buying behavior, customer characteristics and disposal. It has been observed that Indian rural people buy their necessity commodities mostly on weekly basis. It was found that most of the rural people purchase their household goods from *Kirana* or street shops with over 2.5 million Kirana throughout the country's rural towns and villages. A study based on the perceptions, buying behavior and satisfaction of the consumers in Indian market relates show a flow of trend in every spectrum and how it's being led and changing the life style of Indian consumers Kumari (2012). Now consumers do shop online, deeply influenced by celebrity endorsement, more quality oriented brand conscious and outlet movers. Consumers are found to show complex buying behavior when they are highly involved in a purchase, they move through a learning process, followed by alternative study, judging the best choice and go for purchase decision.

Now- a- day's changed demographics and economy, changing lifestyles, technology and desire for comfort and luxury became the new phases in rural consumption. With the advent of governmental schemes and programs, the infrastructure of the rural areas has been improved as pointed out by the researchers Prakash and Pathak (2014). The analysis of the research revealed that the rural consumers are more aware of the brands; they make a considerable search for the products of their choice. Among the various factors that influence the purchase behavior of the rural people are price thus being so price sensitive; brand name and product loyalty are also one the motivating factor to influence their buying behavior. Especially, FMCG products even in many sub urban areas, also online shopping became a new identity of the rural people.

Though India is a developing country and many of its sectors are still underdeveloped, constructive economic strategies are opening new vistas of opportunities in urban as well as in rural areas. Most of the Indian people depend on the rural markets, *kirana* stores or on the local *haats*. Their dependence on unorganized retail sector is not unjustified. Longer opening hours, extensive credit facility and making products available on customer demand not only attracting the customers towards the *kirana* stores also retaining the customers to these stores for a longer period of time. Though big retail marts are mushrooming in most of the semi urban areas, cities but a large section still remain attached to unorganized sector. Researchers like Pandey and Rai (2014) have attempted to show that the services offered by the *kirana* stores have a huge impact on consumer buying behavior. By searching the factors that affect consumer behaviors towards unorganized retailers, the researchers concluded with some issues like the fixing a fair pricing with a well organized assortment planning by the unorganized retailer can sustain the belief of the consumers and be able to retain them for long.

Research Methodology

This research is descriptive in nature as the study aims to find out the consumer behaviour about select FMCG products in Tripura state. The study is carried out through observation and survey method through a structured questionnaire. All the eight districts of Tripura namely, West Tripura, North Tripura, South Tripura, Dhalai, Khowai, Unokoti, Siphajjala, Gomati were selected for the purpose of the study to represent the consumers of retailing in Tripura state. For the purpose of collecting data, 300 samples are chosen from all the districts of Tripura. Data was collected through structured questionnaire and interview method. Further, secondary data from research related documents, published books, article, newspapers, published, and unpublished research work of various institutions were used extensively The data collected were tabulated and used SPSS ver 20 and tools like Kendall's W and chi square were to draw inferences from the data.

Data analysis

Socio Economic Profile

Questionnaires were distributed 300 respondents and they were collected, out of which 256 were found to be suitable for enumeration. The questionnaires were coded and transformed into numerical data using a software application SPSS ver. 20. Further, all the questionnaires were entered as values and different statistical tools like Percentage Analysis, Mean Score, Kendall's W, Pearson Chi-Square were calculated.

Table 1: Profile of the Respondents

Sl. No.	Particulars	Classification	Frequency	Percentage
1	Marital Status	Single	111	43.40%
		Married	145	56.60%
2	Age Group	18-25 Years	15	5.86
		26-35 Years	153	59.77
		36-45 Years	63	24.61
		46-55 Years	20	7.81
		56-65 Years	5	1.95
3	Educational Qualification	Non-matriculate	12	4.7
		Matriculate	15	5.9
		Undergraduate	29	11.3
		Graduate	126	49.2
		Post graduate	67	26.2
		Above Post graduate	7	2.7
4	Occupation	Unemployed /House-wife / Retired	26	10.20%
		Agriculture	2	0.80%
		Own-self business	41	16.00%
		Clerical	20	7.80%
		Officer	26	10.20%
		Skilled Worker	11	4.30%
		Private sector employee	25	9.80%
		Unskilled worker	2	0.80%
		Student	10	3.90%
		Teaching	50	19.50%
		Professional service	25	9.80%
		Others	18	7.00%
				Total

Source: Primary Data

The above table 1 shows the profile of the respondents in terms of marital status, age-group, educational qualification and their occupation. It was found that 56.60 percent were married while the remaining 43.40 percent were single. It also found that the majority of the respondents were from young age group of 26-35 representing 59.77 percent followed by 24.61 percent. In terms of educational qualifications, highest category belongs to having a graduate degree represented by

49.2 percent followed by post graduation by 26.2 percent. Tripura has a high literacy rate is reflected by the data that almost every one of the respondents is literate. The occupations of the respondents show that teachers are the largest among the respondents representing 19.50 percent, followed by 16.00 percent who owns business and followed equally by unemployed/house-wife /retired and officers at 10.20 percent each. So it can be inferred that the respondents are from a varied cross section of the society and represents the different social sections.

Table 2: Income level of the Respondents

Income	Total	Percentage
Below Rs. 10,000	49	19.22
Rs. 10,000-20,000	97	38.04
Rs. 20,000-30,000	49	19.22
Rs. 30,000-40,000	32	12.55
Rs. 40,000-60,000	24	9.41
Above Rs. 60,000	4	1.57
Total	255	100.00

Source: Primary Data

The above table 2 shows the income pattern of the respondents. The highest group is in the income group of Rs. 10,000-20,000 represented by 97 respondents (38.04 percent). The second group belongs equally to Below Rs. 10,000 group and Rs. 20,000-30,000 group represented 19.22 percent respectively. The data shows that the respondent the widely distributed and represents the wider sections of the state in terms of income.

Table 3: Possession of the durable goods

Durable items	Total N=256	Percentage
Radio	59	23.05
TV	256	100.00
LPG	241	94.14
Fridge	218	85.16
Oven	56	21.88
Bike	159	62.11
Mobile	252	98.44
Computer	144	56.25
Scooter	67	26.17
Jewelry	202	78.91
Washing Machine	88	34.38
Car	49	19.14
Camera	164	64.06
Air Conditioner	32	12.5

Source: Primary Data

The above table displays the possession of consumer durables by the respondents. Consumer durables are costly and consumers pass through a prolonged process starting from need felt, information search to post purchase behavior. Almost every household is having more or less durable goods in their possession. Since these goods are not purchased frequently and requires a lot of evaluation in terms of attributes, cost, availability, quality, looks, brand after sales service etc. The table shows that all the respondents (100 percent) are having TV sets at their home followed by mobile handsets (98.44 percent). LPG connection and uses gas cylinder at their home is represented by 94.14 percent which is reflected by the effective system of rationing and distribution of the gas cylinders. 85.16 percent of the respondents are having fridge at their home. The high percentage of jewellery possession also reflects the concept of savings and investments of the respondents. Two wheelers are represented by 62.11 percent for bikes and 26.17 percent for scooters. The data also reflects that the respondents are from various backgrounds as respondents having four wheelers are represented by 19.14 percent and for air conditioning by 12.50 percent. The overall analysis of the socio economic profile of the respondents show that the majority of the respondents are married, educated and are from the middle income group who have the major amenities for comfort and recreation.

Attributes considered during the purchase of select FMCG products

Attributes mean a quality or feature regarded as a characteristic or inherent part of of product or service. By identifying the product attributes and measuring their relative importance in the target market, marketers can determine the most suitable offering for a given market (Hawes and Baker, 1994). In order to study the attributes considered in the purchase of select FMCG products the attributes of Price, Quality, Availability, Looks/Package, Health Matter and Claims were considered. The selected FMCG products are grocery items, vegetables, hair care products, oral care products, skincare products, house-care products, educational materials, dry foods/packet foods, non-alcoholic drinks, fast foods and fish/meat. These items are selected on the basis that these products are considered essential and necessary in today's world. Each of these select products are asked to be ranked according to the attributes of the product and a test statistics is derived to find the concordance by using Kendall's W to arrive at a conclusion.

Attributes considered in terms of Grocery items

Among the FMCG products, grocery items are frequently purchased and used every day by the consumers. The following table displays the priority of respondents' in terms of grocery item with reference to attributes pertaining to it.

Table 4: Ranking of attributes related to the purchase of Grocery items

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	77 30.1%	153 59.8%	1 0.4%	5 2.0%	21 8.2%	- -
2	77 30.1%	65 25.4%	32 12.5%	9 3.5%	75 29.3%	- -
3	74 28.9%	35 13.7%	55 21.5%	24 9.4%	63 24.6%	2 0.8%

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
4	19 7.4%	2 0.8%	76 29.7%	3 1.2%	49 19.1%	9 3.5%
5	6 2.3%	1 0.4%	85 33.2%	88 34.4%	46 18.0%	22 8.6%
6	3 1.2%	- -	7 2.7%	21 8.2%	2 0.8%	109 42.6%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data.

The above table shows the ranking in terms of purchasing the grocery products. In terms of price, it is shown that up to rank 3, most of the respondents have expressed their highest priority in quality followed by price, availability, health matter and other factor like looks or package. The lowest priority is found in terms of claims where 1 and 2 ranks are absent and the rests are marked by lower ranks. It can be inferred that consumers are quality oriented rather than any other attribute in terms of purchasing grocery items for their consumption.

Table 5: Descriptive Test Statistics: Attributes related to the purchase of Grocery items

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.254	1.1070	1.0	6.0	2
Quality	256	1.566	.7843	1.0	5.0	1
Availability	256	3.909	1.0899	1.0	6.0	4
Looks	256	4.292	1.0013	1.0	6.0	5
Health matter	256	3.117	1.2626	1.0	6.0	3
Claims	256	5.744	0.5019	3.0	6.0	6
Kendall's W	0.664	Chi-Square	850.196	Asymp. Sig.	0.000	

Source: Primary data

From the above descriptive statistics, it can be inferred that it is the quality of the grocery items which is the maximally sought after by the consumers followed by price, health benefits, availability and looks or packaging of the grocery products. It is the claims viz., refund or replacement which is least considered by the respondents. In the above table Kendall's W as 0.664, Chi-Square value as 850.196 are shown, which suggests that there is a high degree of concordance (agreement among the consumers of grocery products) as denoted by Kendall's W. The significance value is 0.000 which is less than 0.5 and it indicates that there is a significant difference among the categorical variables pertains to the purchase of grocery products.

Attributes considered in terms of Vegetables

Vegetables are one of the significant daily used consumable goods which are sold almost everywhere in the state. Vegetables are sold in regulated or non-regulated as well as in wholesale and retail. The following table depicts the priority of the consumers in terms of purchase of vegetables.

Table 6: Ranking of attributes related to the purchase of vegetables

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	28 10.90%	169 66.00%	9 3.50%	5 2.00%	45 17.60%	- -
2	119 46.50%	45 17.60%	19 7.40%	22 8.60%	51 19.90%	- -
3	67 26.20%	29 11.30%	47 18.40%	54 21.10%	56 21.90%	7 2.70%
4	28 10.90%	11 4.30%	66 25.78%	87 33.98%	63 24.60%	9 3.50%
5	13 5.10%	2 0.80%	111 43.40%	71 27.70%	39 15.20%	11 4.30%
6	1 0.40%	- -	4 1.60%	17 6.60%	2 0.80%	229 89.50%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data.

From the above table it can be noticed that highest priority is given to quality while making a purchase decision of vegetables. This is followed by price and availability which are the second and third most significant attributes to the consumers. Health benefits of the vegetables are also considered with looks. Claims e.g. refund or replacement is found to be less preferred by the consumers while buying vegetables for them on daily basis.

Table 7: Descriptive Statistics: Attributes related to the purchase of vegetables

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.539	1.0206	1	6	2
Quality	256	1.563	0.9096	1	5	1
Availability	256	4.028	1.139	1	6	5
Looks	256	3.968	1.1302	1	6	4
Health matter	256	3.024	1.3545	1	6	3
Claims	256	5.635	0.5998	3	6	6
Kendall's W	.614	Chi-Square	785.342	Asymp. Sig.	0.000	

Source: Primary data.

From the table 7 of descriptive statistics, it can be seen that highest emphasis laid on quality of the vegetables by the consumers and it is followed by price which is another significant determining factor of purchase rather than health benefits and looks. In terms of claims or refund (if dissatisfied), respondents are found least interested and consequently ranked lower.

According to the above mentioned test statistics, it can be interpreted as that there is a high degree of

concordance (agreement among the consumers of vegetables) as denoted by Kendall's W. The Chi Squire value 785.342 and significance value 0.000 suggest that as it is less than 0.5 there is a significant difference among the attributes related to purchase of vegetables.

Attributes Considered in terms of Hair care products

Hair care products are found everywhere in almost everywhere in small or big shops. These are not essential products and consist of oil, shampoo, conditioner, dye, hair colours, heena, cream, hair gel etc. Consumers are asked to rank them according to their priority. The following table and analysis show the depiction of their choice.

Table 8: Ranking: Attributes related to the purchase of Hair care products

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	54 21.10%	130 50.80%	12 4.70%	9 3.50%	50 19.50%	2 0.80%
2	83 32.40%	2 0.80%	19 7.40%	11 4.30%	53 20.70%	4 1.60%
3	78 30.50%	87 34.00%	46 18.00%	43 16.80%	56 21.80%	14 5.50%
4	25 9.80%	33 12.90%	86 33.60%	95 37.10%	46 18.00%	16 6.30%
5	15 5.90%	2 0.80%	83 32.40%	77 30.10%	50 19.50%	70 27.30%
6	1 0.40%	2 0.80%	10 3.90%	21 8.20%	1 0.40%	150 58.60%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

From the above table, it can be analysed that as hair care products are not that much costly and having a wide range of varied products as well as brands, consumers are seen preferring quality to price and looks. Availability and health benefits are also considered in case of buying hair care products. Like other attributes, claims or refund or replacement turned out to be least considered by the consumers.

Table 9: Descriptive Statistics: Attributes related to the purchase of Hair care products

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.48	1.127	1	6	2
Quality	256	1.657	0.7901	1	5	1
Availability	256	3.932	1.1746	1	6	4
Looks	256	4.11	1.1307	1	6	5
Health matter	256	2.984	1.4113	1	6	3
Claims	256	5.656	0.6802	2	6	6
Kendall's W	0.595	Chi-Square	762.154	Asymp. Sig.	.000	

Source: Primary data

From the descriptive statistics table 9, it can be ascertained that in terms of purchasing hair care products consumers are found quality driven as clear from the highest priority in it followed by price and then health matter, availability, looks package and lastly claims which is seen least considered. These products are easily found almost in every store and looks and image is found in secondary consideration. But primary focus is observed in terms of quality of the hair care products.

According to the above Test Statistics, it can be construed that there is a little high degree of concordance (agreement among the consumers of hair care products) as denoted by Kendall's W (0.595). The chi square value (762.154) and significance value as the latter is less than 0.5 so there is a significant difference among the attributes related to purchase of hair care products by the consumers.

Attributes Considered in terms of Oral care products

Oral care products include toothbrush, tooth paste, mouth wash etc. These are sold in every small or big retail store throughout. These goods are easily found in every *kirana* stores. Consumers are asked to rank oral care goods in terms of few attributes mentioned below.

Table 10: Ranking: Attributes related to the purchase of Oral care products

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	51 19.90%	131 51.20%	16 6.30%	6 2.30%	53 20.70%	- -
2	82 32.00%	83 32.40%	22 8.60%	13 5.10%	54 21.10%	3 1.20%
3	87 34.00%	35 13.70%	43 16.80%	44 17.20%	56 21.80%	9 3.50%
4	22 8.60%	4 1.60%	97 34.80%	97 37.90%	49 19.10%	14 5.50%
5	12 4.70%	3 1.20%	77 30.10%	80 31.30%	47 18.40%	87 34.00%
6	2 0.80%	- -	9 3.50%	16 6.30%	- -	227 88.70%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

From the table 10, it can be seen that consumers are much aware of the quality of the oral care products and they rank it first in comparison to other aspects. It is taken for granted that to consumers price does not hold that much importance in case of oral care products and they are found to prefer quality or good products for them. The ranking is followed by price, health benefits, and availability and looks accordingly. The last attribute which is found least considered is claims viz. refund etc.

Table 11: Descriptive Statistics: Attributes related to the purchase of oral care products

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.484	1.0953	1	6	2
Quality	256	1.691	0.8509	1	5	1
Availability	256	3.837	1.2231	1	6	4
Looks	256	4.105	1.087	1	7	5
Health	256	2.931	1.4028	1	5	3
Claims	256	5.686	0.6519	2	6	6
Kendall's W	596	Chi-Square	762.351	Asymp.Sig.	.000	

Source: Primary data

From the above table it can be inferred that highest priority is found in case of quality followed by price as second highest rank and then health benefits of the oral care products. Consumers are health conscious and they prefer quality goods for them. This is followed by availability, looks and claims at last. These attributes are found least considered in comparison to quality, price and health related issues.

The test statistics values suggests that there is a subtle high degree of concordance (agreement among the consumers of oral care products) as denoted by Kendall's W (596). The chi square value is mentioned as 762.351. The significance value is .000 which is less states that there is a significant difference among the attributes related to purchase of oral care products by the consumers.

Attributes Considered in terms of Skincare products

Skin care products are like lotion, toiletries, soaps, body oil, moisturizer, cream, beauty products etc. and respondents are asked to rank them according to their choice or preferences. The following table 12 gives the picture of their preference.

Table 12: Ranking: Attributes related to the purchase of Skin care products

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	50 19.50%	126 49.20%	5 2.00%	10 3.90%	64 25.00%	- -
2	75 29.30%	93 36.30%	19 7.40%	8 3.10%	58 22.70%	4 1.60%
3	81 31.60%	28 10.90%	42 16.40%	53 20.70%	54 21.10%	1 0.40%
4	39 15.20%	4 1.60%	96 37.50%	83 32.40%	38 14.80%	6 2.30%
5	9 3.50%	5 2.00%	84 32.80%	89 34.80%	42 16.40%	15 5.90%
6	2 0.80%	-	10 3.90%	13 5.10%	-	230 89.80%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

In the above table 12, it can be observed that as skin care products are having a direct contact with the skin, the consumers are seen more conscious about that and ranked quality as their highest priority followed by price, health benefits, looks availability and claims at last. After price, consumers do consider health related issues and to some extent the looks and image of these products. Claims as compensation or replacement is ranked low as considered least.

Table 13: Descriptive Statistics: Attributes related to the purchase of Skincare products

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.563	1.1185	1	6	2
Quality	256	1.706	0.8698	1	5	1
Availability	256	4.036	1.0603	1	6	4
Looks	256	4.064	1.1114	1	6	5
Health	256	2.747	1.4056	1	5	3
Claims	256	5.746	0.6272	2	6	6
Kendall's W	0.611	Chi-Square	782.07	Asymp. Sig.	.000	

Source: Primary data

The above table no 13 advocates that in terms of purchasing skin care products consumers are found to be more quality oriented. The second priority is as always price which is followed by health matter, their easy availability and looks or image or packaging. These attributes are thoroughly considered and differs in ranks with subtle differences. The last considered attribute is claims or reimbursement which is least considered.

It is observed in the table 13, there is a high degree of concordance (agreement among the consumers of skin care products) as denoted by Kendall's W (0.611). Regarding the significance value as it is 0.000 and is less than 0.5, so there is a significant difference among the attributes pertaining to the purchase of skin care products.

Attributes Considered in terms of House-care items

The house-care products includes floor cleaner, washing powder, fresheners etc. Everyday these products are sold in a huge quantity everywhere which are the regular requirements of the consumers. The following table shows their priority.

Table 14: Ranking: Attributes related to the purchase of House-care products

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	86 33.73%	119 46.9%	23 9.1%	8 3.2%	19 7.40%	- -
2	85 33.3%	88 34.6%	22 8.7%	15 6%	44 17.20%	2 0.80%
3	50 19.6%	36 14.2%	61 24.1%	57 22.8%	49 19.10%	2 0.80%

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
4	22 8.6%	10 3.9%	85 33.6%	86 34.4%	40 16.9%	9 3.50%
5	11 4.3%	1 0.4%	62 24.5%	68 27.2%	78 30.50%	12 4.70%
6	1 0.4%	- -	- -	16 6.30%	7 2.70%	144 56.30%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

The above table points out that in terms of house care goods also consumers expressed their highest priority in quality with rank 1 and price with rank 2. This is followed by availability, looks and health matter related to these items ranked posed consecutive ranks. The least attribute considered is claims or adjustments or refund (in case of dissatisfaction).

Table 15: Descriptive Statistics: Attributes related to the purchase of house-care products

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.176	1.1394	1	6	2
Quality	256	1.764	0.8628	1	5	1
Availability	256	3.557	1.202	1	5	3
Looks	256	3.956	1.1211	1	6	5
Health	256	3.57	1.3403	1	6	4
Claims	256	5.74	0.5826	2	6	6
Kendall's W	0.598	Chi-Square	765.101	Asymp. Sig.	.000	

Source: Primary data

The above table 15 suggests that in terms of purchasing house care products also consumers are found giving quality with highest rank followed by price as second priority. The rest of the attributes like availability, health matter related to these goods and looks or appearance though ranked differently but they get differed with subtle variations. Claims are considered as the least considering attribute among all.

From the test statistics results, it can be inferred that there is a high degree of concordance (agreement among the consumers of house care products) as denoted by Kendall's W (0.598) and chi square value (765.101). With reference to the significance value (.000) as it is smaller than 0.5 so it also can be stated that there is a significance variations among the attributes related to the purchase of house care goods.

Attributes Considered in terms of Educational materials

Educational materials contain pen, paper, ink; other accessories etc. consumers are provided a set of questionnaire to rank their preferences in terms of purchasing such materials. The following table explains their choice behaviour.

Table 16: Ranking: Attributes related to the purchase of Educational materials

Ranks	Price	Quality	Availability	Looks/Package	Claims
1	86 33.60%	130 50.80%	25 9.80%	15 5.90%	- -
2	90 35.20%	84 32.80%	27 10.50%	53 20.70%	1 0.40%
3	56 21.90%	25 9.80%	111 43.40%	71 27.70%	2 0.80%
4	22 8.60%	17 6.60%	87 34.00%	104 40.60%	11 4.30%
5	2 0.80%	- -	5 2.00%	13 5.10%	234 91.40%
6	- -	- -	1 0.40%	- -	8 3.10%
Total	256	256	256	256	256
Percentage	100	100	100	100	100

Source: Primary data

From the above table it can be understood that in terms of purchasing educational materials, consumers ranked quality as their highest priority with rank1 and second highest is price with rank 2. It is followed by availability and looks or image as ranked 3 and 4 with very high percentage. Claims received a very nominal response and ranked last denoting the least choice of the consumers.

Table 17: Descriptive Statistics: Attributes related to the purchase of Educational materials

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.078	0.9831	1	5	2
Quality	256	1.723	0.8929	1	4	1
Availability	256	3.091	0.972	1	6	3
Looks	256	3.19	1.0099	1	5	4
Claims	256	4.899	0.3704	2	6	5
Kendall's W	0.62	Chi-Square	635.178	Asymp. Sig	.000	

Source: Primary data

According to the assigned ranks, from the above table, it can be commented that in case of educational materials, consumers gave their highest priority to quality only. It is the price in the second position and that is followed by availability and looks which are of slightly different and lastly claims which is found least considered by the respondents.

From the above table, Kendall's W and Chi-Square value are shown as 0.62 and 635.178. From these, it can be inferred that there is a high degree of agreement among the consumers of educational materials as denoted by Kendall's W. The significance value is 0.000 as it is less than 0.5, so it also can be concluded that a significant variation can be observed among the attributes related to the purchase of educational materials.

Attributes Considered in terms of Dry food/ Packet Food

Dry food and packet food includes nuts, chips, cakes, biscuits, pastry, snacks etc. these products are easily available and sold in huge amount in every small or big retail shops. Respondents are asked to rate their choice accordingly. The following table shows their preference.

Table 18: Ranking: Attributes related to the purchase of Dry food/ Packet Food

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	34 13.3%	136 53.1%	10 3.9%	9 3.5%	67 26.2%	- -
2	73 28.5%	87 34.0%	14 5.5%	22 8.6%	58 22.7%	1 0.4%
3	95 37.1%	23 9.0%	54 21.1%	37 14.5%	46 18.0%	4 1.6%
4	34 13.3%	6 2.3%	93 36.3%	101 39.5%	28 10.9%	2 0.8%
5	18 7.0%	4 1.6%	80 31.3%	72 28.1%	56 21.9%	17 6.6%
6	2 0.8%	- -	5 2.0%	15 5.9%	1 0.4%	232 90.6%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

The above table regarding the priority of the consumers in terms of dry or packet food shows that price is not the 1st priority to the consumers whereas quality as always remains as the highest priority to the consumers as expressed by rank 1. Because dry foods are related to taste, so consumers proved to be highly quality oriented. Price as 2 rank followed by health matter, looks or image and availability of the dry food products. Claims are found to be least preferred.

Table 19: Descriptive Statistics: Attributes related to the purchase of Dry food/ Packet Food

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.746	1.1141	1	6	2
Quality	256	1.652	0.8588	1	5	1
Availability	256	3.912	1.0812	1	6	4
Looks	256	3.976	1.1511	1	6	5
Health	256	2.806	1.5049	1	6	3
Claims	256	5.792	0.5213	2	6	6
Kendall's W	.598	Chi-Square	765.541	Asymp. Sig	.000	

Source: Primary data

As seen in table 19 in terms of dry food or packet food item, first priority is given to quality followed by price and health benefits. These two attributes are slightly varied signifying the equal importance of price and health in terms of dry food items. However, it is followed by easy availability and look which are also of similar importance and lastly the claims which is least considered by the consumers.

The test statistic table suggest that there is a high degree of concordance (agreement among the consumers of dry food or packet food item) as denoted by Kendall's W (.598) and Chi Square value (765.541). In the case of significance value (.000) as it is less than 0.5 so it also can be statistically inferred that there are significant differences among the attributes associated with the purchase of dry food or packet food items.

Attributes Considered in terms of Non-alcoholic Drinks

Non-alcoholic drinks are primarily represented by juice, health drinks, soda, cold drinks; fruit beverages etc. Respondents are asked to rate their choices according to the attributes given to them. The following table shows their preferences.

Table 20: Ranking: Attributes related to the purchase of Non-alcoholic drinks

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	38 14.8%	109 42.6%	13 5.1%	9 3.5%	85 33.2%	2 0.8%
2	69 27.0%	110 43.0%	19 7.4%	15 5.9%	49 17.2%	1 0.4%
3	101 39.5%	28 10.9%	45 17.6%	41 16.0%	38 14.8%	6 2.3%
4	32 12.5%	5 2.0%	79 30.9%	111 43.4%	27 10.5%	10 3.9%
5	15 5.9%	4 1.6%	92 35.9%	65 25.4%	58 22.7%	9 3.5%
6	1 0.4%	- -	8 3.1%	15 5.9%	4 1.6%	228 89.1%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

The above table represents that consumers prefer quality of the drinks as their highest priority. Rank 2 is given to price followed by availability, looks or image and health with consecutive ranks. Though health benefits of drinks are felt by most of the consumers but it is ranked with 5. Claims in this matter turned out to be least considered.

Table 21: Descriptive Statistics: Attributes related to the purchase of Non-alcoholic Drinks

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.688	1.0792	1	6	2
Quality	256	1.77	0.8388	1	5	1
Availability	256	3.944	1.1902	1	6	4
Looks	256	3.988	1.0972	1	6	5
Health	256	2.765	1.615	1	6	3
Claims	256	5.628	0.7575	1	6	6
Kendall's W	.558	Chi-Square	714.012	Asymp. Sig.	.000	

Source: Primary data

According to the preference in terms of drinks, it can be noticed that it is quality which subdued the other attributes as ranked 1 followed by price and most importantly health benefit. Availability and looks or image are also found to be considered while least consideration is found in the case of claims.

From the test statistic table, it can be concluded that there is a high degree of concordance (agreement among the consumers of non-alcoholic drinks) as mentioned by Kendall's W of being associated with chi square value of 714.012. As far as significance value (.000) is concerned, as it is less than 0.5 so there are significant differences among the attributes connected with the purchase of drinks as well.

Attributes Considered in terms of Fast foods

In Tripura, there is no branded fast food retail chain or outlet. Maximum fast food items are sold on local stalls which are available in the city as well as in rural area. Consumers are asked to provide ranks according to their choice. Their preferences are shown in the table below.

Table 22: Ranking: Attributes related to the purchase of Fast foods

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	23 9.0%	112 43.8%	10 3.9%	21 8.2%	88 34.4%	- -
2	58 22.7%	109 42.6%	13 5.1%	15 5.9%	62 24.2%	2 0.8%
3	117 45.7%	30 11.7%	29 11.3%	39 15.2%	39 15.2%	2 0.8%
4	40 15.6%	5 2.0%	92 35.9%	101 39.5%	26 10.2%	6 2.3%

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
5	18 7.0%	- -	105 41.0%	61 23.8%	40 15.6%	19 7.4%
6	- -	- -	7 2.7%	19 7.4%	1 0.4%	227 88.7%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

From the above table of ranking, it can be found that consumers are quality oriented as ranked it 1. Price is given rank 2 and followed by looks and images which are of quite similar percentages received rank 3 and 4. Though availability is ranked 5 defines its easy accessibility but consumers are found emphasized more on quality. However, least interest is found in claims.

Table 23: Descriptive Statistics: Attributes related to the purchase of Fast foods

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.889	1.008	1	5	3
Quality	256	1.718	0.745	1	4	1
Availability	256	4.139	1.083	1	6	4
Looks	256	3.869	1.284	1	6	3
Health	256	2.494	1.46	1	6	2
Claims	256	5.698	0.558	2	6	5
Kendall's W	.606	Chi-Square	775.447	Asymp. Sig.	.000	

Source: Primary data

According to the table 23, quality is ranked highest by the consumers in terms of fast food buying followed by health matter; thus meaning that consumers are quality driven and consider health issues also. This is followed by price, availability. These food items are found everywhere and cheap so price and accessibility is considered secondarily. Least interest and consideration is found in case of claims.

From the test statistic column, it can be mentioned that there is a very high degree of concordance (agreement among the consumers of fast food items) as mentioned by Kendall's W (.606) and chi square value (775.447). So far as significance value (.000) is concerned, as it is less than p value 0.5 so there are significant differences among the attributes connected with the purchase of fast food items.

Attributes Considered in terms of Fish/Meat

In Tripura almost every small or large market has fish and meat stalls separately. Local as well as imported fish are sold in retail and wholesale basis. In the rural or urban areas, fish and meat are sold abundantly. Consumers are asked to rank their preferences and it is displayed below.

Table 24: Ranking: Attributes related to the purchase of Fish/Meat

Ranks	Price	Quality	Availability	Looks/Package	Health Matter	Claims
1	49 19.1%	149 58.2%	12 4.7%	5 2.0%	41 16.0%	- -
2	86 33.6%	64 25.0%	21 8.2%	28 10.9%	57 22.3%	- -
3	69 27.0%	37 14.5%	47 18.4%	42 16.4%	71 27.7%	1 0.4%
4	41 16.0%	6 2.3%	79 30.9%	95 37.1%	42 16.4%	6 2.3%
5	11 4.3%	- -	94 36.7%	73 28.5%	43 16.8%	13 5.1%
6	- -	- -	3 1.2%	13 5.1%	2 0.8%	236 92.2%
Total	256	256	256	256	256	256
Percentage	100	100	100	100	100	100

Source: Primary data

According to the above table 24, price is given rank 2. It means that consumers consider price after quality which is depicted as the highest rank. This is followed by health, availability and looks of fish or meat and ranked consecutively. But least consideration is found in the case of claims.

Table 25: Descriptive Statistics: Attributes related to the purchase of Fish/Meat

Attributes	N	Mean	Std. Deviation	Minimum	Maximum	Assigned Ranks
Price	256	2.527	1.102	1	5	2
Quality	256	1.609	0.819	1	4	1
Availability	256	3.899	1.159	1	6	4
Looks	256	3.944	1.126	1	6	5
Health	256	2.98	1.333	1	6	3
Claims	256	5.801	0.398	3	6	6
Kendall's W	.622	Chi-Square	796.140	Asymp. Sig.	.000	

Source: Primary data

According to the descriptive statistics above, it can be seen that quality is given highest priority followed by price, health matters, availability and looks. That means consumers are quality driven; they mostly look for good quality of fish and meat mostly. But quality should be matched with price and in that case if prices matched with quality purchase occurs. Consumers purchase fish and meat from local markets where sufficient quantity and variety are available. Moreover, the appearance of fish and meat is also judged by the consumers. Least responses are found in terms claims. From the test statistic results it can be stated that there is a very high degree of concordance (agreement among the consumers of fish and meat) as mentioned by Kendall's W (.622) and chi square value (796.140). So far as significance value (.000) is concerned, as it is smaller than 0.5 so there are significant differences among the attributes connected with the purchase of fish and meat.

Summary of Findings and Conclusion

The overall analysis of the socio economic profile of the respondents finds that the majority of the respondents are married, educated and are from the middle income group who have the major amenities for comfort and recreation.

The analysis of the select FMCG products finds that the most sought attribute is quality as evidenced by the Kendall's W for all products. The secondary ranking is found to be variant among the select products due to the nature of products.

In terms of the attributes of the grocery products, it was followed by price, health benefits, availability and looks or packaging of the grocery products. It is the claims viz., refund or replacement which is least considered by the respondents.

Regarding vegetable products, after quality, it is followed by price which is another significant determining factor of purchase rather than health benefits and looks of the vegetable.

For the hair care products, after quality then price and then health matter, availability, looks package and lastly claims which is seen least considered. In oral care products, price is the second highest rank and then health benefits. Consumers are health conscious and they prefer quality goods for them.

Regarding skin care products, the second highest priority is price which is followed by health matter, their easy availability and looks or image or packaging. These attributes are thoroughly considered and differs in ranks with subtle differences.

Purchasing house care products also finds that price attribute as second priority. The rest of the attributes like availability, health matter related to these goods and looks or appearance though ranked differently but they get differed with subtle variations.

It can be commented that in case of educational materials, consumers are found given their highest priority in quality only. It is the price in the second position and that is followed by availability and looks

Dry food or packet food item, first priority is given to quality followed by price, health benefits. These two attributes are slightly varied signifying the equal importance of price and health in terms of dry food items

Preference in terms of non-alcoholic drinks, it is price attribute as second most sought and most

importantly health benefit. Availability and looks or image are also found to be considered.

Quality is ranked highest by the consumers in terms of fast food buying followed by health matter; thus meaning that consumers are quality driven and consider health issues also. This is followed by price, availability. These food items are found everywhere and cheap so price and accessibility is considered secondarily.

For fish/meat, after quality attribute priority is followed by price, health matters, availability and looks.. Moreover, the appearance of fish and meat is also judged by the consumers.

Thus, it can be concluded that while buying FMCG products the consumers are giving the most importance in quality aspects if the products and services. Food and beverages are very importance in terms of health benefits as well as price. There it can be concluded that FMCG sector must produce goods and services in terms of quality products with competitive prices along with health conscious.

The study gives an insight about consumer behaviour regarding product attributes for the select FMCG products. It can be inferred that the consumers are aware of the quality aspect of the products depending on the socio-economic parameters of the consumers. From the study, it has been found that quality is ranked as highest important attribute. This is followed by price aspects of the products as well as health aspects for the products which are meant to be consumed. It is also concluded that the FMCG sector is growing and will continues to grow. FMCG sector has to maintain its importance by providing quality product at reasonable price to consumer. Quality is the main motivating factor for the consumer to buy the products of FMCG. It is also to be noted that although quality plays a very important role for the consumers, there is also a need to study the hypothesis in terms of dimensions of price and quality relating to other levels of income group consumers.

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CONSUMER RESPONSE TO DUBIOUS ADVERTISEMENT CLAIMS

ABSTRACT

Advertisements play an important role in giving product information and shaping consumer attitudes towards new products and markets. Such information provided through advertisements has to be factual, verifiable, relevant, timely and most importantly not misleading resulting in wrong customer perceptions. Since currently TV, the www, internet, mobile Apps and other electronic media are popular, media has to play a very responsible role in shaping the views of the public. Unfortunately recent trends in advertisements, particularly some of the TV commercials which take up a significant portion of viewer time, have not lived up to this responsibility. Apart from informing prospective consumers correctly and completely media has the responsibility not to mislead youngsters in the impressionable age group. Recently some TV commercials have shown over enthusiasm in giving wrong information during the examination time of March (however, subsequently some good sense has prevailed and these advertisements have modified content). We do not know if some damage has been done inadvertently to the minds of youngsters! The article brings to focus such promotional activity which may affect the credibility of the product, media and even the advertisement and the companies for which such advertisements are broadcast. The authors have attempted to point out the dangers of creating a growing consumer apathy towards such advertisements, products and companies manufacturing and or marketing them.

Keywords: *Consumer Apathy, dubious advertisement claims, responsibility of media to provide factual, verifiable and timely content, unbiased customer perceptions, impressionable youngsters, advertisement credibility and content,*

Introduction

A survey of recent TV Commercials and advertisements would indicate the mindless inaccuracies in the information provided, particularly in the comparative product advertisements that would either suggest assumption of mediocre intelligence for the audience or the audacity with which the advertizing and product companies are getting away with wrong, incorrect or not easily verifiable information for the audience. A recent example is the advertisements for hand wash, germ protected soaps etc. If we make a combination of the products (For example a liquid hand wash along with a soap) used by unsuspecting consumer it should provide more than 100% protection against any type

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of germ or infection. Some advertisements go to the extent of suggesting a threat of non-usage and not so smart attitude if one is not using them!

Consumers have been bombarded with commercials from morning till they go to sleep particularly in the TV medium which attracts most of the consumers from all demographic categories. Generally advertisements are placed during the commercial breaks with popular serials and sports programs which attract a large audience. The audience is left with no choice but suffer the commercial advertisements; but the advertising companies gain the attention of probable buyers and consumers of products. Mostly, it is during such breaks that most of the advertisements appear with their attractive and captivating visuals and a message suitably wrapped in statistics which the hapless viewer can neither make out nor an attempt is made by advertiser to ratify. So, many tall claims get away with their unrealistic and ambitious postures, simply because the average viewer and prospective customer cannot verify the claims easily! It is a complex, expensive and often legal process which most consuming public cannot afford. Such helplessness of consumers lead to apathy, the advantage of producers and mindless glee of advertisers who become bolder and bolder with dubious claims through advertisements, in their effort to create hair splitting product differentiation! Often consumers are amazed and wonder if such a differentiation is possible and exists in real world.

Review of Literature

Companies are not allowed to make statements that are incorrect or likely to create a false impression under the law. This rule applies to their advertising, their product packaging, and any information provided by their staff or online shopping services. It also applies to any statements made by businesses in the media or online, such as testimonials on their websites or social media pages. For example, businesses cannot make false claims about the quality, style, model or history of a product or service, whether the goods are new, the sponsorship, performance characteristics, accessories, benefits or use of products and services, the availability of repair facilities or spare parts, the need for the goods or services any exclusions on the goods and services. It makes no difference whether the business intended to mislead you or not. If the overall impression left by a business's advertisement, promotion, quotation, statement or other representation creates a misleading impression in your mind—such as to the price, value or the quality of any goods and services—then the behavior is likely to breach the law. There is one exception to this rule. Sometimes businesses may use wildly exaggerated or vague claims about a product or service that no one could possibly treat seriously or find misleading. For example, a restaurant claims they have the 'best steaks on earth'.

These types of claims are known as 'puffery' and are not considered misleading.

Union minister for food and public distribution, Shri. Ram Vilas Paswan recently said that once the new Consumer Protection Bill 2015 comes into force, celebrities will be held liable for any fault in the products they endorse."Till now, celebrities were not being held accountable for the products they advertise. But, with the new Act, the celebrities along with the manufacturers, will be liable in case the products do not match the claims made in the advertisements," Paswan said that after conducting a review meeting of consumer courts of 12 east and north-eastern states. Expressing concern over differential pricing of bottled drinking water, the Union minister said the MRP of bottled water should be the same everywhere, and not costlier at hotels and malls. "If a consumer is charged more, it amounts to fraud for which action would be taken," he said.

It is common practice for advertisements to include some information in fine print. This information must not contradict the overall message of the advertisement. For example, if an advertisement states that a product is 'free' but the fine print indicates some payment must be made, the advertisement is likely to be misleading. Some advertisements or sales material may compare products or services to others on the market. These comparisons may relate to factors such as price, quality, range or volume. Comparative advertising can be misleading if the comparison is inaccurate or does not appropriately compare products. Bait advertising takes place when an advertisement promotes certain (usually 'sale' prices) on products that are not available or available only in very limited quantities. It is not misleading if the business is upfront in a highly visible, clear and specific manner about the particular product 'on sale' being in short supply or on sale for a limited time. Environmental claims may appear on small household products such as nappies, toilet paper, cleaners and detergents through to major white goods and appliances. They may include statements about environmental sustainability, recycling, energy and water efficiency or impact on animals and the natural environment, for example 'green', 'environmentally safe' or 'fully recycled'.

Consumer Protection

The Department of Consumer Affairs has launched this portal for registering online complaints for Grievances Against Misleading Advertisements (GAMA). Any advertisement or promotion through Television, Radio, or any other electronic media, Newspapers, Banners, Posters, Handbills, wall-writing etc. to misrepresent the nature, characteristics, qualities or geographic origin of goods, services or commercial activities so as to mislead the consumer could be broadly defined as a misleading advertisement. Advertisements appearing in News Papers, hoardings, handbills, wall writing as well as advertisements in Electronic media such as TV channels, radio channels, internet sites etc. are some examples. See Table 1 and Table 2 for details of legal reliefs available to consumers.

In India we need still to educate consumers about their rights and how they can complain and get relief against their grievances. Many consumers are not even aware that there are such forums which will entertain genuine complaints and seek relief. Consumer forums need to take up this matter more aggressively to counter the impact of over ambitious and ambiguous advertisement claims. The regional and district level bodies have to play an active role in educating the consumers according to their requirements. They also need to actively interact and involve with the advertising companies to avoid any misrepresentation of facts.

Box 1

Under the act, Consumers can redress their grievances as mentioned below: A onetime registration is required for lodging a complaint. For registration go to the web portal <http://gama.gov.in> and click on the login link and then sign up giving details required, verify through your email. The User id and password are created. Using this user id and password, enter into the portal and fill in require details of complaint attaching necessary audio / video / paper clip / photograph (if available). You can register a complaint along with the copy / video / audio of such advertisement through the nearest Grahak Suvidha Kendra or designated Voluntary Consumer Organizations (VCOs) who will in turn lodge your grievance through the web portal of the GOI at <http://gama.gov.in> to bring it to the notice of the Government. Regional Language and local complaints will be taken up by Grahak Suvidha Kendras / Voluntary Consumer Organizations (VCOs) as the case may be with appropriate local authorities. National level complaints would be forwarded to the concerned regulator of the sector to which the complaint pertains. Complaints would also be monitored for follow up action by the Department of Consumer Affairs. Regulators will be in turn take up the matter with the concerned Company / Agency for remedial action. All VCOs, regulators and DoCA will update the action taken by them regularly through the web portal. All unresolved complaints will be placed before the Inter-Ministerial Committee constituted by the Department of Consumer Affairs, for arriving at a logical conclusion. Complainants could login using user id and password provided at the time of registering complaint and can track the status. Alternatively, GSK / VCOs would inform the complainant, if the complaint was lodged through them, from time to time. Every complaint will be registered and a Unique Complaint ID is issued. The complainant can track the status of the complaint using this ID. The complaint will be forwarded to the concerned regulator / authority for action against those responsible for the misleading advertisement. Action according to the provisions of the existing law will be initiated.

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Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution Government of India

Box 2**CONSUMER PROTECTION ACT, 1986**

1. The Consumer Protection Act, 1986 was enacted to protect the interests of the consumers. This is an important landmark legislation in the field of consumer protection as it provides for establishment of three-tier quasi-judicial consumer disputes Redressal machinery at the District, States and National levels to render simple, inexpensive and speedy justice to consumers. These Redressal agencies have the jurisdiction to adjudicate the complaints received from consumers against any defect in the goods purchased or deficiencies in the services availed or any other trade practice. The Act also provides for establishment of Consumer Protection Councils at the Central, State and District levels which are Advisory Bodies to promote and protect the rights of consumers.
2. Besides the National Consumer Disputes Redressal Commission (NCDRC) at the national level, 35 State Consumer Disputes Redressal Commissions (State Commissions) and 618 District Consumer Disputes Redressal Fora (District Fora) are functional in the country as on 31.03.2014. These Consumer Fora have collectively disposed of over 91.10% of the total of 41,18,530 cases filed since inception.
3. The Consumer Protection Act, 1986 has been earlier amended three times in the years 1991, 1993 & 2002 to make the act more purposeful in order to widen the scope and to strengthen the functioning of Consumer Fora further amendment is under process.

DEFINITION OF CONSUMERS

As per Consumer Protection Act, 1986, "Consumer" means any person who buys or avails of any service for a consideration which has been paid or promised or partly paid and partly promised under any system of deferred payment etc. (for details refer to Section 2(1)(d) of CP Act, 1986).

CONSUMER'S RIGHTS

- a. The right to be protected against the marketing of goods and services which are hazardous to life and property.
- b. The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services as the case may be, so as to protect the consumer against unfair trade practices.
- c. The right to be assured, wherever possible, access to a variety of goods and services at competitive prices.
- d. The right to be heard and to be assured that consumer's interests will receive due consideration at appropriate fora.
- e. The right to seek redressal against unfair trade practices for restrictive trade practices or unscrupulous exploitation of consumers and
- f. The right to consumer education.

Apathy to Empathy: A BusinessShift

Technology affects our everyday lives more than most would imagine. It has shaped our means of communication, education, social life and even business models. 15 years ago, the majority of businesses pushed product and services out to consumers. This was how companies have functioned since the beginning of the industrial revolution. Today, factories produce more goods than a population could actually obtain at sustainable levels. To compensate, companies decrease the cost of goods by lowering the quality of production to ensure constant mass production and keep pushing product to the mass market. "Collaborative Consumption" is a new business model, where consumers are making an incredible shift from acquiring mass production products to renting or sharing products only when they need them. Consumers are tired of acquiring "stuff" which ends up controlling their lives or where they must live to house this stuff. Consumers began creating a new consumer acquisition model called Collaborative Consumption Model. U.S. News published a compelling article "[The Rise of The Collaborative Consumption Economy](#)" on April 9, 2012 by David Brown. In this article, David identifies a new model of consumer habits, "peer-to-peer" consumption. No longer are people acquiring goods when they want something or even if they may need sometime in the near future, rather, consumers are sharing purchases with others or renting products when needed, minimizing space needs as well as costs.

The progression of economics is driven by the consumer's increasing demand for greater value, technology is a key reason in the evolution of economic value, and however, there is another element that is driving this shift in consumption as well as how companies are modeling their businesses. This is a shift from apathy to empathy (See Figure 1)

In the traditional business model of consumer goods or services, most companies functioned in a state of apathy - not listening to the consumer's wants, rather how consumers buy. Companies created offerings and pushed them out into the market and using marketing and advertising to create demand; then the advent of the internet. At first, the internet was a great way to promote, distribute and sell new products to a larger mass market. For businesses, only a slight adaptation to their business model was needed to exist in this new competitive arena. Yet technology and the internet would begin to grow a new breed of consumers and educate existing ones. A consumer who shares information openly, resells products and even collaborates on product design. Business need to become collaborative if they plan to grow.

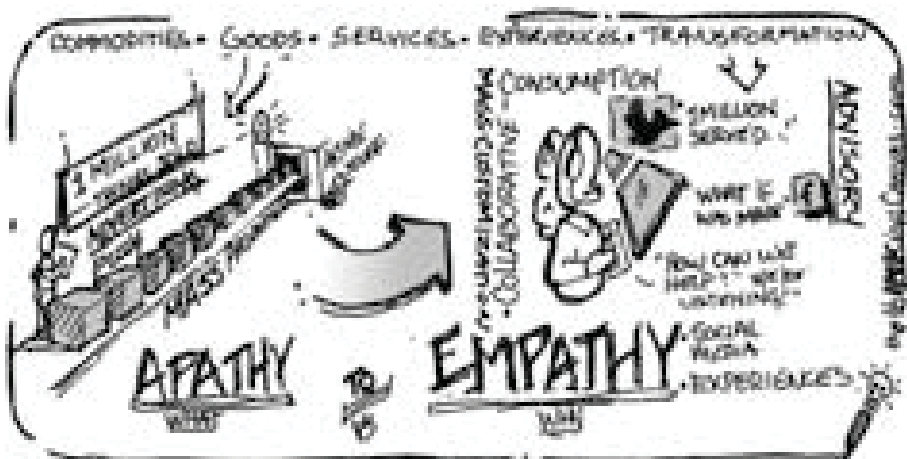


Figure 1 (Apathy to Empathy)

Through the use of social media and instant connectivity, the old model of apathy thinking is dying. If companies are to grow and maintain profitability, they will need to begin to think about consumers on a more empathetic level. Understand how consumers see the world and those providing to them. Companies will need to listen more and tell less to the consumer about products and services. If there is any truth in this new collaborative consumption economy idea, then a new business model is needed. A model that embraces empathy and moves away from traditional apathy. If companies truly want to know the consumer, then they will need to get to know the consumer and how the consumer sees and thinks about them. Below is the visual structure model of the new "Empathetic Business Model" (Fig. 2)

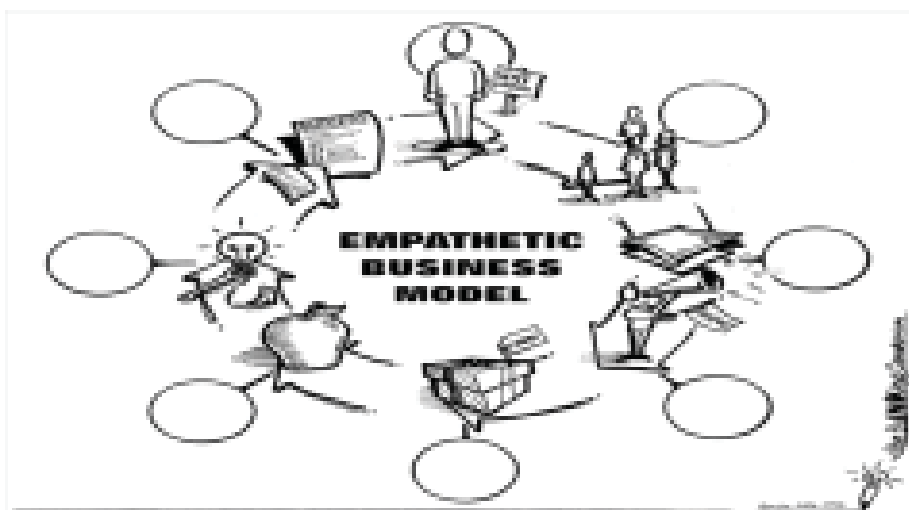


Figure 2 – Empathetic Business Model

Originally developed in 2005 for a changing economy and to support a troubled industry, a similar visual model was created to help companies develop stronger observations about their focus markets. Over the years this empathetic business model has been refined and adjusted to work especially well for start-ups, small businesses and individuals. This type of model was conceived to work with traditional business models such as the [Business Model Canvas](#) which demonstrates cash flow, business relations and supply channels. The Empathetic Business Model, with a business journey map, is used as a prequel business model that helps companies or individuals to identify their strengths, determine possible obstacles and define the relationship between the provider and the consumer by using empathy as a key discovery tool.

If the consumer is changing their buying habits, then the model to provide for those habits needs to change as well. By employing empathy into a business development model, companies gain insights on the life of their offering, how better to serve their customers and increase the value they offer. For companies to be successful in this Collaborative Consumption Economy they will need to shift from merely selling products to a market and begin listening to consumers so they can better serve their market.

Is it possible to avoid or ignore advertisements?

It is impossible to completely avoid advertising so we must learn how to avoid letting it invade our life intrusively. In other words, we want to develop the ability to push the reject button on our mind's mental tuner when it comes to marketing we would be better off not hearing. Much advertising is designed to get us to buy things that we do not in fact have any rational reason to acquire. **The truth is, most of us do not need to buy most of what we hear advertised at all!** Most of our homes are filled with useless, unused things while our bank accounts are sparse. Not good.

Sometimes the easiest way to avoid undesirable advertising is to simply hit the mute button on the TV remote. That is not always possible, perhaps, but we can learn to mentally guard against the dangerous potential of passively listening to all the advertising around us. A simple awareness of the marketing madness around us and the importance of not being unduly influenced by it can help. With a little effort and the right kind of thinking we can develop a mindset that generally turns unwanted advertisement aside. Unless we have a valid reason for looking at some purchase there is no reason to let marketing influence our thinking. This is the first and most important skill to learn when it comes to dealing with harmful marketing. If it doesn't enter our minds it can have no influence.

In other words, whether a print ad insert in our newspaper, a TV ad, or one online, as soon as an ad presents itself our immediate conscious thought should be whether or not that is something we need to hear. If not, we can purposefully choose to block the advertisement content from entering our mind by starting to think about something more important to our own realities. Advertising and consumer marketing influence are not invalid in and of themselves, but they have become unduly strong factors in our financial decisions. The only intelligent thing for us to do is to learn how to deflect them from distorting our financial decisions.

Research Objectives

Due to the incidence of Commercial advertisements in TV growing bigger and bolder, some of the claims made by product advertisements seem to be unrealistic and farfetched. The present paper is an attempt to bring together through a thorough desk search of available data how consumers can deal with the deluge. Some of the key objectives of this research are:

- To study the general impact of these advertisements on Consumers.
- Review how advertisements have dealt with such problems.
- How consumers can raise their awareness
- Legal remedies available to consumers
- A general review of how such awareness is impacting the advertisements.

As already mentioned, no field work was involved because of the enormous amount of published literature on the subject. The authors have taken pains to get their hands on as much literature as possible to arrive at the conclusions and suggestions.

Conclusions and Recommendation

A critical review of current advertisements in several media and particularly through the TV Commercials will give an inkling of several false or at least doubtful claims made by various product advertisements particularly skin care, bacteria protection and oral products. A discerning TV viewer can see through such claims. For want of time, energy and resources and the fast pace of life which leaves little time for such efforts, consumers have become apathetic to such advertisements. Advertisers have seized the opportunity created by such consumer apathy to make dubious claims!

Some of the more conscious Advertisers have tried to deal with this problem by shifting their business model from apathetic to Empathetic orientation. The growing internet culture and social media and facility of easy and instant social interaction have accelerated this change. The relationship between a consumer and service provider has expanded and with social media interactions it has become possible for consumers sometimes to share the services and not buy or own the products (Examples: such as share taxi services, lending libraries and leased facilities). Consumers have also become active and share information through the new the newly developed Apps. For example; 'What is app'. Whatever the business orientation, Consumers have to be alert and guarded against false advertisement claims!

Consumers can rise to the occasion by educating other gullible consumers and friends. Social media platforms can be used to communicate with one another. As already indicated consumer awareness can be increased by helping one another through enlightening others about the availability of various forums to redress their grievances and seek solution to their problems. Consumer activism is on the increase and manufacturers are also listening to genuine consumer complaints and era of consumer satisfaction is about to start. Advertisement Standards Council and other regulatory bodies, national as well as regional levels, can play a significant role to improve consumer satisfaction The authors would like to recommend that Consumers be more responsible and rise to

occasion than mere spectators and help the community, advertisers and product manufacturers by active participation in the process!

Advertising is shaped by consumer responses and Consumer responses have always impacted advertising. Many advertisements, which are offensive or hurting consumer sentiments have been withdrawn and content modified in many cases, thanks to the good sense prevailing among advertisers and manufacturers as also the influence of consumer forums. Content research amongst the advertisement fraternity, has led to dynamic changes in the outlook and advertisement layout and claims. The responsibility of a consumer does not end by just buying and using a product but educating others and giving an honest feedback.

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A STUDY ON FOREIGN DIRECT INVESTMENT (FDI) AND ITS IMPACT ON INDIAN ECONOMIC GROWTH

Abstract

For economic growth financial integration play paramount role, it acts as leverage to the host country in many folds. Irrespective of its erratic behaviour it is considered as a most helpful source of capital in comparison to portfolio investment of multiple characters. Globally all the developed, underdeveloped and undeveloped economies are taking advantage of FDI in order to give pace to their nation growth and development. It is also true that FDI does not provide immediate returns and benefits to any economies, the return largely depends upon the industrial sector in which it is been invested. Thus it is important for nation's economist and strategist to study the FDI requirement and its returns minutely. Considering this aspect as a paramount important for nation's economic growth and development this study has been undertaken by the authors to examine the strategic relationship between FDI and economic growth, and to find the FDI utmost contribution and impact on economic growth of the nation along with time period strategically required by the FDI to produce lasting impact on economic growth and commercial integrity. For the purpose, data on FDI and GDP from 1992-93 to 2014-15 have been taken for study. The collected data has been used as an indicator of economic growth and are analysed. In last recommendation and Concluding remarks are given.

Keywords: FDI, Economic Growth, GDP, Model Indian Economy.

Introduction

Foreign direct investment (FDI) plays an important role in shaping the emerging global economy. It is a non debt financial capital and is widely preferred by all growing economies around the world. It is an investment made by a transnational corporation to increase its international business. When firm become multinational, they undertake FDI. Its decision results from a complex process that is significantly different from that governing the domestic investment decision. It requires more wider and complicated set of strategic, economic and behavioural considerations which usually become motivating factors behind foreign direct investments. It plays a complementary role in capital

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formation by filling the gap between domestic investment and savings. Its inflow raises the level of investment in the host economy which helps in multiplying employment, income and savings and ultimately impact the contemporary investment in the host nation. It generally involves the establishment of new production facilities in foreign countries to generate extra return. It is found that to maximise shareholder's wealth MNC increase their foreign business to become internationalised and on other hand they distribute the unforeseen risk of regional market to global market. It is widely accepted phenomena that investing abroad by firms give them sustainable competitive advantage in the home market in long run. It helps MNCs to reduce their risk substantially by increasing their degree of international business. It generally involves the establishment of new production facilities in foreign countries to generate extra return and is also an important vehicle for the transfer of technology and its expertise with mechanical knowhow. It reduces socio- economic problems of developing economies such as unemployment by generating employment, by reducing deficit balance of payment, by increasing capacity, by increasing foreign exchange reserves and by transferring updated technology.

FDI in Indian context means the investment by non resident person or entity of India, in the capital of Indian entity or company. FDI is not a charity but it is a core profit making investment from other nations and MNCs savings. They are invested by the MNCs and other nation's savers with strategic payback time period. It is true that the benefits from the FDI cannot be achieved immediately, it take some time period to fetch sufficient returns in compressions to estimate. Impact of FDI in economic growth largely depend upon government policies on one side and on other side the sector in which FDI has been directed and utilised. Some sector have long gestation period and they require fund for long period and return will come when company become operational. FDI inflow in stock market response instantly but this kind of inflow is for short period of time and only swell the balance sheet of the nation on paper but do not contribute in nation's economic growth and development. If FDI inflow is for the long period then it contribute in developing integrated and balance growth and generate employment. Thus, time period in FDI hold important position and need effective and efficient consideration on its collective aspects.

This paper is systematically organised in five parts. In first part introduction, second part literature review, third part objective of research methodology, fourth part analysis and interpretation, and in fifth part finding, conclusion are given.

Literature Review

For smooth survival every nation promote their economic activities according to global pace and for the purpose keep on making policies and procedures and keep on making amendments as and when required for the betterment of nation. Research in every field is must to reveal the hidden truth and to make a comparative analysis between past and present to predict future. Many researchers in the field of trade, economics and finance have carried out researches on FDI and produced many facts and pave the way for present researchers to explore more dimensions of FDI investments and futuristic challenges. Many studies of early stages advocated the negative impacts of FDIs on growth of the developing and underdeveloped nations. This study is been taken by the researchers to analyse the time factor involves in achieving the economic advantage and its outcome will set new parameters for others to follow.

Empirical theorist like *Kuliaviene & Solnyskiniene (2014)* in their study tried to determine exclusive impact of FDI on Lithuanian GDP by using lag analysis. During the study they found that average lag was of two years. *Mustafa & Santhirasegaram (2013)* in their study examined the overall impact of FDI in pushing the growth and pace of Sri Lanka economy. For the purpose they used time series annual data for the period of 1978-2012. In addition they also implemented multiple regression models to estimate the impact of FDI on economic growth. By using all these tools and technique they found that actual impact of FDI can be seen after time lag of two plus years, *Adhikary (2011)* in his study tried to find out the relative impact of FDI on host country's exports, the rate of inflation, domestic demand and country's trade openness (export and import ratio). To find out the result he used the distributed delayed model and the causality test. The study found that during the year FDI influenced the volume of export to a great extent but on other side indicators like inflation rate, internal demand and trade openness improvises after three to four year of investment were made, *Kundan and Qingliang (2011)* in their study revealed that positive effects of FDI can be judged after four years of investment. Thus host country will get returns after four years which is average time lag for economic growth and development, *Agarwal, Khan and Mohammad Amir (2011)* in their study found that by increasing FDI by one percent the GDP of China increases by 0.07 percent and Indian GDP increases by 0.02 percent. The study reviled that impact of FDI on China is better than India which is due to political decision making ability and hierarchal hurdles, *Alam (2000)* in his study tried to make a comparison between India and Bangladesh. He found that FDI have appreciating impact on Indian economy and on its growth and in case of Bangladesh it is not satisfactory and comparatively far behind to India, *Bashir (1999)* in his study examined the relationship between FDI and growth empirically in some MENA (Middle East and North African) countries, his study produced the facts that FDI leads to economic growth and also found that effects varies across regions according to time, *Kindlerberger (1969)* and *Hymer (1975)* in their study emphasised various market imperfections, that is imperfections in product, factor and capital markets as the key motivating forces drawing FDIs, *Rondan (1960)* Chenery and Strout in their study argued that as far as developing countries are concerned, foreign capital inflows had a favourable effects on the economic efficiency and growth,

Objective and Methodology

Objective of study

The core objective of the study is primarily to investigate the strategic relationship between FDI and economic growth, and to find the FDI utmost contribution and impact on economic growth of the nation. In addition, for better future of the nation economy and growth will suggest rational approach to increase FDI inflow which can leverage nation's GDP and long term growth.

Methodology

The present study is exclusively based on secondary data and is carried out to analyze the impact of FDI on Nations growth. For the purpose secondary data and reports are used, which are collected from published economical and commercial reports, magazines, RBI annual report, research articles and financial institutions websites. After judicious evaluation of FDI and strategic relationship between FDI and economic growth suggestions and recommendations are made. The outcome of the study depends on the selected period by the researchers which may differ from other analysis.

Analysis and Interpretations

To achieve the objective of the study first researchers have analysed the trend of relationship between FDI and GDP. Data of GDP and FDI used for the purpose are given in table 1.

Table 1. FDI and GDP in India during 2001-01 to 2014-15

S. N.	Years	G		F	
		In Rupees	%	In Rupees	%
1	1992-93	774,545	---	1094	
2	1993-94	891,355	15.08%	2018	84.46%
3	1994-95	1,045,590	17.30%	4312	113.68%
4	1995-96	1,226,725	17.32%	6916	60.39%
5	1996-97	1,419,277	15.70%	9654	39.59%
6	1997-98	1,572,394	10.79%	13548	40.34%
7	1998-99	1,803,378	14.69%	12434	-8.22%
8	1999-2000	2,023,130	12.19%	10311	-17.07%
9	2000-01	2,177,413	7.63%	10,733	4.09%
10	2001-02	2,355,845	8.19%	18,654	73.80%
11	2002-03	2,536,327	7.66%	12,871	-31.00%
12	2003-04	2,841,503	12.03%	10,064	-21.81%
13	2004-05	3,242,209	14.10%	14,653	45.60%
14	2005-06	3,693,369	13.92%	24,584	67.77%
15	2006-07	4,294,706	16.28%	56,390	129.38%
16	2007-08	4,987,090	16.12%	98,642	74.93%
17	2008-09	5,630,063	12.89%	142,829	44.80%

S. N.	Years	G		F	
		In Rupees	%	In Rupees	%
18	2009-10	6,477,827	15.06%	123,120	-13.80%
19	2010-11	7,784,115	20.17%	97,320	-20.96%
20	2011-12	9,009,722	15.74%	165,146	69.69%
21	2012-13	10,113,281	12.25%	121,907	-26.18%
22	2013-14 (P)	11,355,073	12.28%	147,518	21.01%
23	2014-15	125,41,208	10.45%	1,55,489	5.40%

Source: Data Reviled by the researchers from Handbook of Statistics on Indian Economy (2013-14, 15) published by RBI and Calculations are made by Researchers

In the 'table no 1' we found that GDP has continuously growing over the years with variations. Since 1992-93 its growth rate found increasing and it maintained its pace above 10 percent. Later during the period of 2000-01 its pace declined and it was found that this period was having the lowest increase of GDP that of 7.63 percent. The study found that the period of 2000-01 to 2002-03 GDP growth was having increasing trend but its pace was below 10 percent. The highest percent of growth in GDP was recorded during the period of 2010-11 which was 20.17 percent. On the other hand FDI inflow was found with aggressive growth rate. In the year 1992-93 FDI was Rupee 1094 crore but in the year 2014-15 it was found Rupee 1,55,489 crore. Every corresponding year was setting new trend in FDI inflow. Only the year 1998-99, 1999 – 2000, 2002-03, 2003-04, 2009-10, 2010-11, 2012-13 recorded inflow of FDI lower than corresponding previous years. Decline in FDI inflow during the period of 2009-10 and 2010-11 was the impact of American recession, further the year 2012-13 witness many recessions in European economies along with change of government in India, which collectively impacted FDI inflow 26.18 percent lesser than corresponding previous year. The study also found that increase in FDI influence the growth of GDP and they were competitive. Every increase in FDI inflows impact growth of GDP and it accelerates with the corresponding pace which is positive sign of nation's economy. Thus the study revealed that from the year 1992-93 FDI and GDP have increased competitively and also influenced the growth of the nation to a large extent.

Findings

The study found that increase in FDI inflow has contributed in nation's economy growth which can be analyzed by the comparative growth trend in the GDP of nation. The study reveals that FDI flow in India is having increasing trend with positive pace. In addition, the study indicates that FDI inflow has influenced the GDP growth to a great extent. It is also observed that during the period of study the GDP also grown with matching economical pace and has impacted positively on Indian economic growth and generated balance growth and development and explored the potential of manpower across the nation.

Conclusion, Recommendation and Discussions

The outcome of the study "A study on Foreign Direct Investment (FDI) and its Impact on Indian Economic Growth" found that FDI requires average time of three years to justify its contribution in

significant manner. It largely contributes in economic growth and its significant impact can be seen after two year of investment been done minimally. Thus for better economic growth and result it became important for the policy makers to encourage FDI on regular pace which requires overall investment friendly environment along with investment protection and developed infrastructure at par. Political stability, minimum corruption and freedom to invest in any sector hold the key factor. To make India a most attractive and proffered destination for foreign capital, government have to adopt innovative, attractive and globally competitive policies and also have to promote good governance in comparison to international standards. Economists generally considered that an increase of one billion rupees in FDI multiplies GDP by 35 billion rupees.

Apart from advantages reviled, the study also directs certain hidden and unexplored aspects for the betterment of Indian economy. It is a core fact that FDI is not the sole deterrent of GDP but there are many variables which influence and impact the GDP. For the future studies researchers can explore following determining factors. The consequences and level of influence of FDI on GDP should be carried out with other microeconomic variables in order to make analysis as a general equilibrium approach. The literature and outcome of conducted study produced the fact that the time period required by FDI to produce its influence on GDP varies from economy to economy depending upon countries economic policies and prevailing environment. Thus it is encouraging and interesting to examine impact and strategic relationship along with time lags in the overall contribution of FDI in GDP in different countries economies.

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IMPACT OF HINDU CALENDAR AND HINDU FESTIVALS ON INDIAN STOCK MARKET RETURNS: AN EXPLORATORY ANALYSIS

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Abstract

The study conducted with aim to test the impact of Hindu calendar and Hindu festivals on stock market returns. There were very few studies which were under taken related to Indian stock market anomalies like Diwali effects, Lunar cycles effects on stock market returns. The study has broadened the scope by considering Indian stock market anomalies (Hindu Lunar calendar and Hindu Festivals) Impact on the stock market returns. Factors considered were the individual Tithi effect, Hindu monthly effect, Seasonal effect, Diwali effect, Akshaya-Tritiya effect, Dhanteras effect, Eclipse effect & Makarsankranti effect. Ekadasi and Saptami, Dhanteras day, Chaitra, Jyestha, Sravana and Phalgun, Shishira season and An Eclipse day have inverse relationship with the index returns. Navami and Pratipat, Akshaya-Tritiya, Diwali day, Aashaadh and Bhadrapada, Vasanta Ritu and Varsha seasons Makarsankranti day have positive relationship with returns. Jyestha season has significant relationship with index returns and null hypothesis is rejected. In other cases null hypothesis is accepted.

Keywords: Stock market anomalies, Hindu Lunar calendar and Hindu Festivals.

Introduction

An anomaly is "something which deviates from the standard or expected." It is an irregularity which may be difficult to explain using existing theory. A central challenge to the efficient market hypothesis is the existence of stock market anomalies. Some of the common anomalies include size effects, calendar effects, such as the 'January effect', weekend effect.

The week end effect is a phenomenon discovered by *Osborne* (1962) and *cross* (1972) in which the average returns on Monday are significantly lower than other week days. One reason that analysts attribute is to the bad news that companies release on Friday has its impact on the next two days which induces the customers to sell the stock on the ensuing Monday.

Many investors have utilized this advantage to earn better by buying the stocks on Monday at a significantly lower prices. Others attribute the reason to short selling which affects the high stock interest positions. Short selling is a phenomenon wherein the seller promises to buyer to sell shares without owning them. The idea is that the seller expects the price of the stock to fall and after which he

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proceeds to buy the stock at low prices and sells the stock at the agreed price. The margin earned by the seller is the differential between the market price and the agreed price.

Need and Significance of the study

There have been numerous studies on stock market anomalies like size effects, calendar effects, such as the 'January effect', weekend effect its impact on the stock market returns. Researchers in the West, the East and the Indian have studied on this stock market anomalies. There were very few studies which were under taken related to Indian stock market anomalies like Diwali effects, Lunar cycles effects on stock market returns. The study has broadened the scope by considering Indian stock market anomalies (Hindu Lunar calendar and Hindu Festivals) Impact's on the stock market returns. The study helps the investors, speculators, arbitrators and financial institutions for taking decisions like buy hold or divest.

Literature Review

Anomalies do affect market returns and this in turn affects the investor's decisions on stocks. This issue examines the presence of the week - end- effect in stock market of different countries. *David. Ng. ChingYat* (2011) examined the presence of the calendar effects in seven major sectors of the Malaysian Stock Exchange. They focussed on the post crisis period and using Ordinary Least Squares method proved the presence of the effect in these sectors. *Beaumont* (2003) studied the existence of day of week effect of S&P index, Nifty and eighty four individual stocks between the time period 1973 and 1997. The authors concluded that mean return was at its peak on Monday and Wednesday. But the volatility was highest on Friday. *Jafari* (2012) studied the presence of the weekend effect in the Muscat Stock exchange. The time period when the study was made was between December 2005 and November 2011. They concluded that there was no specific evidence of the day of the week effect. But the returns started positively and ended positively.

Agathe (2008) studied the effect of day of the week effect on the stock market of Mauritius between 1998 and 2006. He observes that the return on Friday across all years is greater. This results obtained are not significant because the author has used a dummy regression model that has a lot of qualitative input which could contribute to a lot of bias. *Rahman* (2009) focused on the presence of the day of the week effect on the Dhaka stock exchange and using Dummy Regression model and GARCH (1,1) model. He arrives at the conclusion that Sunday and Monday returns are negative and only on Thursdays the returns are significantly positive across the three major indices of study in Dhaka stock

exchange. *Tandon*(1994)in their land mark paper analysed the day of the week anomaly in eighteen countries and by means of Ordinary Least Squares Method proved that the day of the week effect exists only in nine out of the eighteen countries. *AL-Mutair*(2010) studied the presence of the day of the week effect in the Kuwait stock exchange by using the GARCH model to study the variability in returns. The findings of the study indicates that indicate that the average returns on Saturday was higher than other days and the findings also indicate that good news affect the market to lesser degree than the amount of bad news projected by the firm. *chougule and Khamborkar*(2014) in their study examined the efficiency of stock market in absorbing the Diwali effect on the market by using Autocorrelation test and Ljung-Box statistics. The results of their study concludes that Diwali effect is not statistically significant on the stock market in india. *Shivkumar* (2009) studies the effect of lunar cycles (new moon day and full moon day) in the BSE Sensitive Index of Bombay stock exchange between the time period 1990 and 2007. The author used the student's t-test model and concluded that there is no evidence of significant impact of lunar cycles on the Indian stock markets.

Statement of the Problem

Indian stock market anomalies i.e., Hindu Lunar calendar and Hindu Festivals such as the individual Tithi effect, Hindu monthly effect, Seasonal effect, Diwali effect, Akshaya-Tritiya effect, Dhantheras effect, Eclipse effect & Makarsankranti effect impact on the return of Indian Stock market. Do Hindu Lunar calendar and Hindu Festivals really Impact's on the stock market returns?

Objectives of the study

Impact of Hindu Lunar calendar and Hindu Festivals such as the individual Tithi effect, Hindu monthly effect, Seasonal effect, Diwali effect, Akshaya Tritiya effect, Dhanther as effect, Eclipse effect & Makarsankranti effect , on the return of Indian Stock market .

Hypothesis of the study

There is no significant relationship between Market Returns of BSE Sensex & Hindu Lunar calendar and Hindu Festivals (the individual Tithi effect, Hindu monthly effect, Seasonal effect, Diwali effect, Akshaya-Tritiya effect, Dhantheras effect, Eclipse effect & Makarsankranti effect).

Nature of the study

The study is empirical analysis and explorative study the impact of Hindu Lunar calendar and Hindu Festivals really Impact's on the stock market returns. The study considers purely secondary data.

Source of Data

The study is undertaken with the help of secondary data. This financial information is acquired from *capitaline* databases. The BSE Sensex data collected during the time period between 2001– 2014. Official Website: www.capitaline.com

Statistical tools & variables

The study uses multiple regression technique to find out the relationship between the independent variables and the dependent variable Market Returns of BSE Sensex. 'T' statistics has been used for checking the significance of relationship at 95% confidence level. The t-test is a tool used to analyse

if there is a significant mean difference between the samples. Since the sample considered for this study satisfies these criteria, the t-test has been used for this study. Test co-relationship between variables. The Durbin-Watson statistic helps to check seasonal data in-consistence if any.

Limitations of Study

- This study is based on the secondary market data, journals, and websites of stock markets.
- This study concentrates mainly on market returns of BSE Sensex.
- The study is confined only for the time period between 2001–2014.

Analysis and Findings

The study explored the impact of Hindu lunar Calendar on the return of Indian Stock. This section presents the analysis of the individual Tithi effect, Hindu monthly effect, Seasonal effect, Diwali effect, Akshaya-Tritiya effect, Dhanteras effect, Eclipse effect & Makarsankranti effect on

Individual Tithi effect

$$\begin{aligned} \text{Market Return} = & 0.1551828154 * D1 + 0.198919674 * D2 + 0.05792839178 * D3 + 0.05671358448 * D4 + \\ & (1.183883) \quad (1.747865) \quad (0.485631) \quad (0.537658) \\ & 0.180283749 * D5 + 0.1143972483 * D6 + 0.1700959087 * D7 - 0.0740577938 * D8 + \\ & (1.682400) \quad (1.167183) \quad (1.440472) \quad (-0.742131) \\ & 0.00800376417 * D9 + 0.17086698917 * D10 + 0.04766743876 * D11 - 0.1551521078 * D12 + \\ & (0.076615) \quad (1.823153) \quad (0.418205) \quad (-1.731681) \\ & 0.004227757428 * D13 + 0.01183674272 * D14 + 0.08088626331 * D15 + \\ & (0.037800) \quad (0.105455) \quad (0.866970) \\ & 0.1025395618 * D16 \\ & (0.669658) \end{aligned}$$

$$R\text{-square}=0.003877 \quad \text{Durbin-Watson statistics}=1.870174$$

Where,

D1 = dummy variable where value is 1 in case of Amavasya or "0" otherwise.

D2 = dummy variable where the value is "1" in case of Pratipat and "0" otherwise.

D3 = dummy variable where the value is "1" in case of Dvitiya and "0" otherwise.

D4 = dummy variable where the value is "1" in case of Tritiya and "0" otherwise.

D5 = dummy variable where the value is "1" in case of chaturthi and "0" otherwise.

D6 = dummy variable where the value is "1" in case of Panchami and "0" otherwise.

D7 = dummy variable where the value is "1" in case of shashti and "0" otherwise.

D8 = dummy variable where the value is "1" in case of Saptami and "0" otherwise.

D9 = dummy variable where the value is "1" in case of Ashtami and "0" otherwise.

D10 = dummy variable where the value is "1" in case of Navami and "0" otherwise.

D11 = dummy variable where the value is "1" in case of Dasami and "0" otherwise.

D12 = dummy variable where the value is "1" in case of Ekadasi and "0" otherwise.

D13 = dummy variable where the value is "1" in case of Dvadasi and "0" otherwise.

D14 = dummy variable where the value is "1" in case of Trayodasi and "0" otherwise.

D15 = dummy variable where the value is "1" in case of Chaturdasi and "0" otherwise.

D16 = dummy variable where the value is "1" in case of Purnima and "0" otherwise.

The output of this model suggests the occurrence of Ekadasi and Saptami effect on Index returns.

This is because the returns on these two Tithis have an inverse relationship with the Z-statistic values i.e., there is more stability in the returns on these two Tithis. Among these two Tithis there is greater Ekadasi effect because Z- value (-1.731681) for returns on this Tithi is more negative than Z-value (-0.742131) for return on Saptami day.

Among all the Tithis, index returns are highly volatile on Navami and Pratipat. This is because Z-value for returns on these Tithis is highly positive. The Z-statistic value for returns on Navami is (1.823153) and Pratipat is (1.747865). This implies that there is more volatility in returns on these two Tithis.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Akshaya-Tritiya effect

$$\text{Market Return} = 0.06253205009 * D1 + 0.05847486346 * D2$$

$$(0.586938) \quad (0.083357)$$

$$R\text{-squared} = -0.000046 \quad \text{Durbin-Watson statistic} = 2.218327$$

Where,

D1=dummy variable where the value is "1" in case of Tritiya and "0" otherwise..

D2=dummy variable where the value is "1" in case of Akshaya-Tritiya and "0" otherwise..

The output of this model suggests that index returns are volatile on both Tritiya and Akshaya-Tritiya days/Tithis. This is because the Z-statistics value for returns on Tritiya day (0.586938) and returns on Akshaya-Tritiya day (0.083357) are positively related to the presence of these Tithis. However in terms of returns, there is more uncertainty in returns on normal Tritiya Tithi with respect to return on Akshaya-Tritiya Tithi because Z-statistic value for returns on normal Tritiya Tithi is high compared to Z-statistic value for returns on Akshaya-Tritiya day.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Dhanteras effect

$$\text{Market Return} = 0.01144921153 * D1 - 0.04039681422 * D2$$

$$(0.116095) \quad (-0.068343)$$

$$R\text{-squared} = 0.000001 \quad \text{Durbin-Watson statistic} = 2.039937$$

Where,

D1= dummy variable where the value is "1" in case of Trayodasi and "0" otherwise..

D2= dummy variable where the value is "1" in case of Trayodasi (Dhanteras) and "0" otherwise..

The output of this model suggests that there is Dhanteras effect on index returns. Index return is more certain on Dhanteras Day. This is because the Z-statistics value for return on Dhanteras day (-0.068343) is inversely related to the occurrence of Trayodasi (Dhanteras) day. Index returns on normal Trayodasi are Volatile. This is because the Z-statistic value for return on normal Trayodasi day (0.116095) is positively related to the occurrence of Trayodasi day.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Diwali effect

$$\text{Market Return} = 0.08097523694 * D1 + 0.725161112 * D2$$

$$(0.433872) \quad (1.641020)$$

$$R\text{-squared} = 0.014758 \quad \text{Durbin-Watson statistic} = 2.195692$$

Where,

D1= dummy variable where the value is "1" in case of normal Amavasya Days and "0" otherwise..

D2= dummy variable where the value is "1" in case of Amavasya which falls on Diwali Days
and "0" otherwise..

The output of this model suggests that index returns on normal Amavasya days and Diwali days are highly volatile. This is because the Z-statistics value for return on normal Amavasya days (0.433872) and returns on Diwali days (1.641020) are positively related to the occurrence of these days. However, there is more uncertainty in returns on Diwali days as compared to the returns on normal Amavasya days. This is because the Z-statistic value for returns on Diwali days is more positive than the Z-statistic value for returns on normal Amavasya days.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Hindu Monthly Effect

$$\text{Return} = -0.8772762866 * D1 + 0.09065175184 * D2 - 4.760532189 * D3 + 2.663498976 * D4 -$$

$$(-0.522449) \quad (0.038247) \quad (-3.473615) \quad (1.162321)$$

$$0.5849040662 * D5 + 4.217433501 * D6 + 0.6496696666 * D7 + 1.508152574 * D8 +$$

$$(-0.271674) \quad (2.199963) \quad (0.300949) \quad (0.647495)$$

$$1.976053163 * D9 + 0.07201508082 * D10 + 2.591843815 * D11 - 3.452986932 * D12$$

$$(0.722872) \quad (0.033344) \quad (1.087430) \quad (-1.640434)$$

$$+ 0.7305712914 * D13$$

$$(0.171827)$$

$$R\text{-squared} = 0.105242 \quad \text{Durbin-Watson statistic} = 1.742904$$

Where,

D1 = dummy variable where value is 1 in case of Chaitra or "0" otherwise.

D2 = dummy variable where the value is "1" in case of Vaishakh and "0" otherwise.

D3 = dummy variable where the value is "1" in case of Jyeshtha and "0" otherwise.

D4 = dummy variable where the value is "1" in case of Aashaadh and "0" otherwise.

D5 = dummy variable where the value is "1" in case of Sravana and "0" otherwise.

D6 = dummy variable where the value is "1" in case of Bhadrapad and "0" otherwise.

D7 = dummy variable where the value is "1" in case of Ashwina and "0" otherwise.

D8 = dummy variable where the value is "1" in case of Kaartik and "0" otherwise.

D9 = dummy variable where the value is "1" in case of Margasheersh and "0" otherwise.

D10 = dummy variable where the value is "1" in case of Paush and "0" otherwise.

D11 = dummy variable where the value is "1" in case of Maagh and "0" otherwise.

D12 = dummy variable where the value is "1" in case of Phalgun and "0" otherwise.

D13 = dummy variable where the value is "1" in case of Adhikamasa and "0" otherwise.

The output of this model suggests that there is Chaitra, Jyestha, and Sravana, Phalgun effect on the index returns. This is because Z-statistic values for returns on Chaitra (-0.522449), Jyestha (-3.473615), sravana (-0.271674) and Phalgun (-1.640434) are inversely related to the returns on those months. So, there is more stability in returns in these four months. Among these four months, the Z-statistic value for returns on Jyestha (-3.473615) is more negative. So, there is more Jyestha effect on index returns because returns during the Jyestha season are highly stable.

Index returns on Aashaadh and Bhadrapada are highly volatile. This is because Z-statistic values for returns on Aashaadh (1.162321) and Bhadrapada (2.199963) are highly positive which implies that returns on these two months are more uncertain compared to other months due to the occurrence of these months.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Seasonal effect

$$\begin{aligned} \text{Return} = & 5.223471432 * D1 + 1.300799373 * D2 + 6.376351788 * D3 + 1.804341103 * D4 + \\ & (1.705062) \quad (0.522366) \quad (1.724405) \quad (0.536657) \\ & 3.552567778 * D5 - 1.87346396 * D6 \\ & (0.952235) \quad (-0.499470) \end{aligned}$$

$$R\text{-squared} = 0.065549 \quad \text{Durbin-Watson statistic} = 1.669884$$

D1 = dummy variable where value is 1 in case of Vasanta Rutu (spring season) and "0" otherwise.

D2 = dummy variable where the value is "1" in case of Greeshma (summer season) and "0" otherwise.

D3 = dummy variable where the value is "1" in case of Varsha (monsoon season) and "0" otherwise.

D4 = dummy variable where the value is "1" in case of Sharad (autumn season) and "0" otherwise.

D5 = dummy variable where the value is "1" in case of Hemanta (pre-winter season) and "0" otherwise.

D6 = dummy variable where the value is "1" in case of Shishira (winter season) and "0" otherwise.

The output of this model suggests that there is a Shishira effect on index returns. This is because Z-statistic values for returns on Shishira season (-0.499470) are inversely related to the returns during the Shishira season. So, there is more stability in returns during the Shishira season.

Returns on Vasanta Ritu and Varsha seasons are very volatile. This is because Z-statistic values for Vasanta Ritu (1.705062) and Varshaand (1.724405) are highly positive which implies that returns on these two season are more unstable compared to other seasons due to the presence of these seasons.

The Durbin-Watson statistic suggests that there is no problem of autocorrelation in the study.

Makarsankranti day effect

$$\text{Return} = 0.0006348901162 * D1 + 0.005137429847 * D2$$

(2.300650) (0.851112)

$$R\text{-squared} = 0.000228 \quad \text{Durbin-Watson statistics} = 1.851533$$

Where,

D1 = dummy variable where value is 1 in case of Normal Day or "0" otherwise.

D2 = dummy variable where the value is "1" in case of Makarsankranti Day and "0" otherwise.

The output of this model suggests that returns on Makarsankranti days are less volatile as compared to the returns on the 14th day of other months. This is because the Z-statistics values for returns on Makarsankranti day (0.851112) is less positively related to the occurrence of Makarsankranti days. Return on normal days is highly volatile. This is because the Z-statistics value for returns on normal days (2.300650) is highly positive. There is more instability in returns on the 14th day of every month as compared to Makarsankranti days.

The Durbin-Watson statistic suggests that there is no problem of autocorrelation in the study.

Eclipse day effect

$$\text{Return} = 0.0006583549202 * D1 + -0.002091578941 * D2$$

(2.384593) (-0.404906)

$$R\text{-squared} = 0.000121 \quad \text{Durbin-Watson statistic} = 1.852132$$

Where,

D1 = dummy variable where value is 1 in case of Normal Day or "0" otherwise.

D2 = dummy variable where the value is "1" in case of Eclipse day and "0" otherwise.

The output of this model suggests that there is an Eclipse day effect on index returns. The Z-statistics value for returns on Eclipse days (-0.404906) are inversely related to the returns on eclipse day. Thus the returns on eclipse days are more stable compared to normal days. Returns on normal days are more volatile because Z-statistics values for returns on normal days (2.384593) are positive.

The Durbin- Watson statistic suggests that there is no problem of autocorrelation in the study.

Conclusion

The study conducted with aim to test the impact of Hindu calendar and Hindu festivals on stock market returns. The study found that Ekadasi and Saptami has negative impact on the market returns where as Navami and Pratipat has positive impact on the market returns. Akshaya-Tritiya day has positive impact on Index returns. Dhanteras day has negative impact on index returns. Diwali days has positive impact on index returns. Chaitra, Jyestha, Sravana and Phalgun effect has negative impact on the index returns. Aashaadh and Bhadrapada has positive impact on the index returns. Shishira season has negative and Vasanta Ritu and Varsha seasons has positive impact on returns. Makarsankranti day has positive relationship with returns. An Eclipse day has inverse relationship with index returns. Jyestha season has significant relationship with index returns and null hypothesis reject. Other case null hypothesis is accepted.

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ROLE OF MICROFINANCE IN FINANCIAL INCLUSION FOR ELEVATING THE LIFESTYLE OF BOTTOM OF PYRAMID PEOPLE

Abstract

The purpose of this paper is to examine the role of microfinance in financial inclusion for elevating the lifestyle of bottom of pyramid people living in Uttarakhand. While there are reservations about the efficacy of Microfinance institutions in handling public money, their contribution towards elevating the standard of living of rural masses and raising the life style of rural people is not very significant. In the sample survey of 188 farmers and other families living in rural areas across Uttarakhand state, it was found the MFI has helped a lot in increasing the confidence of people. There is good banking outreach among the rural masses and MFI has strong role to mobilize rural mass through their rural finance scheme. It is suggested that MFIs should be managed with better scrutiny in terms of finance and technology as well as social responsibility and not only expenditure but also investment and entrepreneurship should be encouraged.

Keywords: Financial Inclusion, Microfinance, MFI, Bottom of pyramid people.

Introduction

Since the formation of Uttarakhand state in 2000, the financial Inclusion has been accorded high importance by the government through various financial institutions to aid inclusive growth of the economy. Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society. In the present hyper-connected, technologically advanced era, half the planet's population exist as "Financial nomads" i.e. those who nourish and shelter themselves without using traditional banking services. Times are changing rapidly, but despite global uncertainty, technology has the capacity to reach and equip people in all walks of life. Advances in communications have reconfigured the ease with which we interact with our money and these advances can provide innovative financial services to the unbanked and underserved around the world. The responsibility of meeting the credit needs in the rural areas of India was entrusted primarily with the cooperative banking sector until about the mid 1960s. As the technological developments in the agricultural sector started gathering momentum, it was expected that commercial banks would play an increasing role in the rural credit market through branch expansion and direct lending. One of the major objectives of the nationalization of Indian commercial banks was the improvement of the flow of formal institutional credit into rural households, especially to the poor, thus relieving them of the burden of exorbitant debt. In spite of

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technical advances, there have been formidable challenges in this area such as bringing sections of society that are financially excluded within the ambit of the formal financial system, providing financial literacy and strengthening credit delivery mechanisms. Present study focuses on analyzing the role of microfinance in financial inclusion for elevating the lifestyle of bottom of the pyramid people

Microfinance: Meaning and Definition

According to the International Labor Organization (ILO), Microfinance is also defined as, *"an economic development approach that involves providing financial services through institutions to low income clients"* (Bib). Alternatively, the second definition of the same stated by 'The National Microfinance Taskforce, 1999' states that, *"it is the provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards"* (Bib). An article on 'Microfinance - A small ideal with a big impact' stated that, *"The poor stay poor, not because they are lazy but because they have no access to capital"* (Bib, Feb 27, 2008). Alternatively, the definition of finance is simple as it simply quotes that it is the, *"management of money"* (Bib). Management of money means acquiring and using money. Now microfinance word is created from bringing the finance and money related definitions together to conclude that in simple terms, 'we are financing the micro entrepreneurs'.

Historical Evolution and Growth of Microfinance

The concept of microfinance is said to have evolved in the late 1970s. Although a long history is associated with microfinance the primary involvement or use of microfinance has been stated to start from the beginning of the 20th century. There were numerous credit groups that were operating globally for example the 'chit funds' in India, 'tonties' in West Africa, 'susus' in Ghana, 'paskanaku' in Bolivia and etc. In addition to the mentioned, there were many credit and formal savings institutions that have long been working throughout the world. In the 1990s it is stated that the poor from the rural and urban Europe formed credit institutions. These institutions were recognized as Credit Unions or People's Bank etc. The goal of these institutions was to provide smooth or easy access to finance to the poor people overlooked by the huge financial institutions and banks. It is also stated that during the early 1970s, few experiential programs on microfinance had started in Brazil, Bangladesh and some other countries. The micro credit was based on group lending as mentioned above where the peer group members took the responsibility of paying the loan. Some of the banks and financial

institutions pioneered the microfinance program after 1970. ACCION International is the institution established by a law student from Latin America. The purpose of this institution was to help the poor people residing in the urban and rural communities of the Latin America. In the year 2008, it is marked as one of the most influential and efficient microfinance institutions of the world. Its networking partners consist of the United States of America and Africa. The SEWA bank was established in the year 1973 named as Mahila SEWA cooperative bank with the aim of accessing financial services easily. The meaning of SEWA is, 'The Self Employed Women's Association'. As for the updates on this bank, it is stated that the bank accommodates over 30,000 clients. The Grameen Bank was founded by Dr. Mohammad Yunus in the year 1983 who began experimenting in lending financial services to the poor women population in the village of Jobra, Bangladesh. He has served as a professor of economics at Chittagong University in the 1970s. This bank is unlike the lending cooperatives and the Credit Unions that have been around for years. Since the time the Grameen Bank was established, innovation in microfinance continued and financial services to the poor never stopped. It is stated by the World Bank that estimated number of 160 million people in developing countries are services by microfinance, Grameen Bank in Bangladesh established by Dr. Muhammad Yunus in 1983. This bank is stated to serve approximately more than 400,000 underprivileged populations in Bangladesh. In addition to the stated, this bank has received Nobel Prize in the year 2006 and it has also stimulated the formation of other microfinance institutions like PROSHIKA, BRAC and ASA. The services of microfinance is stated to depend upon the factors such as political and local situations, the cooperation received from cooperative, self housing groups, NGOs and other support system. It is assumed that there are eight types of lending models that fall under the category of microfinance. These models were created by microfinance hub in 2010. We will look at the models that are relevant to the Indian rural community.

Microfinance in the 21st century

It is stated that over the last ten years there has been successful experiences in providing finance to small entrepreneurs. Small entrepreneurs being the poor people where able to demonstrate that they were able to repay their loans and in return increase their income and assets. They were productive and worked in timely manner to meet the needed guidelines and policies of financial services. It has also been demonstrated that Community banks, NGOs and grass root savings and credit groups around the world have proved that these microenterprise loans are profitable for borrowers and vice versa for the lenders, hence proving that microfinance is one of the most effective poverty reducing strategies. NGOs have played a huge role in promoting microfinance by partnering with influential so called actors for microfinance. This included the National Bank for Agricultural and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Friends of Women's World Banking (FWWB), Rashtriya Mahila Kosh (RMK), Council for Advancements of People's Action and Rural Technologies (CAPART), Rashtriya Gramin Vikas Nidhi (RGVN). Additionally the other donor funded programs included International Fund for Agricultural Development (IFAD), United Nations Development Program (UNDP), World Bank and Department for International Development in UK and recently even the commercial banks have been added to the idea pull. Induced by the worldwide focus on microfinance, donor NGOs too have been funding microfinance projects therefore this can be called as a supply push. Microfinance has shown positive results than the other projects. Most

microfinance schemes led by NGO are for the rural women who are given access to small loans to meet their emergency needs. The idea of microfinance is promoted by NGOs with the help of self help groups. Self help groups formed in groups of three or five people generate their own savings. Finally, it is stated that for many NGOs, microfinance is a way to financial sustainability. Especially for the medium to large NGOs that are able to access bulk funds for on-lending. For example from SIDBI, the interest rate spread could be an attractive source of revenue than revenue generated from an uncertain highly increasing and competitive donor funding.

Role in Development of rural India

Most poor people manage to mobilize resources to develop their enterprises and their dwellings slowly over time. Financial services could enable the poor to leverage their initiative, accelerating the process of building incomes, assets and economic security. However, conventional finance institutions seldom lend down-market to serve the needs of low-income families and women-headed households. They are very often denied access to credit for any purpose, making the discussion of the level of interest rate and other terms of finance irrelevant. Therefore the fundamental problem is not so much of unaffordable terms of loan as the lack of access to credit itself.

Commercial lending institutions require that borrowers have a stable source of income out of which principal and interest can be paid back according to the agreed terms. However, the income of many self employed households is not stable, regardless of its size. A large number of small loans are needed to serve the poor, but lenders prefer dealing with large loans in small numbers to minimize administration costs. They also look for collateral with a clear title - which many low-income households do not have.

Over the last ten years, however, successful experiences in providing finance to small entrepreneur and producers demonstrate that poor people, when given access to responsive and timely financial services at market rates, repay their loans and use the proceeds to increase their income and assets. To the extent that microfinance institutions become financially viable, self sustaining, and integral to the communities in which they operate, they have the potential to attract more resources and expand services to clients.

The first anti-poverty program "*Anthyodaya*," aimed at the poorest of the poor, was kicked off in Orissa, the most backward state of India. Encouraged by the success of the scheme, a national programme was launched on a large scale under the name Integrated Rural Development Programme (IRDP) targeting below poverty line families in rural areas. This programme modified with the inclusion of Self Help Group pattern for beneficiaries under the name *Swarn Jayanthi Gram Swa Rozgar Yojana*, which continues to be the biggest employment generation programme for poverty alleviation in rural areas. The vulnerability of poor to passive risks of drought are tackled under Drought Prone Area Program (DPAP) where long term and sustainable asset creation is adapted as strategy for specific disadvantaged regions. IRDP, with massive dose of subsidy coupled with liberal bank finance and without collateral, was a large-scale financially structured initiative with project management units headed by senior bureaucrats in the country. Both programs were multisectoral in nature, as the programmes typically contained components from various sector such as roads, drinking water supply, and education. The administration of these centrally sponsored schemes

could be traced to the system of centralized economic planning in 1952 which invariably resulted in the centre taking a proactive role in formulation of development programmes falling in state list of subjects such as rural development, social, welfare, health, family welfare, area development, etc. The reasons for such an approach were generally scarcity of resources as well as technical expertise with states and also the need for leadership initiative, which could be provided more effectively by the central government.

Literature Review

Verma & Sinha, (2013) studied what various Factors are contributing to the development of Rural India & how the micro finance Institutions can help the people of Rural India, so that they can get the Equal opportunity for the Industrial and Agriculture growth. Study reveals that over 87% of India's poor do not have access to credit from a formal source, and people had to rely on moneylenders who charge them interest rates as high as 120%. Conventional models of microfinance in India are community-based or in-house banking with reserves supported by non-profit microfinance institutions. There are better ways to utilize the amount offered and to make the best use of the support.

Sundaram (2012) had studied the Impact of Self-help Group in Socio-economic development of India. He had concluded that: SHG Program clearly plays a central role in the lives of the poor. Study reveals that standard of living participants have increased and also the food security is much more for the program clients. The study reveals that SHG Program loans are one of the main ways clients overcome food insecurity with sickness, disease, emergencies and crises. The self help groups contribute substantially in pushing the conditions of the female population up and through that chip in poverty eradication as well. Study also reveals that self-help groups have been playing considerable role in training of Swarozgaris, infrastructure development, marketing and technology support, communication level of members, self confidence among sample members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, change in the cumulative saving pattern of SHG members per month, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, sustainable quality and accountability, equity within SHGs, defaults and recoveries, and sustainability - financial value.

Kaur (2015) studied the impact of women's access to finance on their empowerment in Patiala district of Punjab state. The study is 'Empirical' in nature and mainly based on primary data. Study reveals that the SHGs members have been empowered through microfinance activities. However, the position of the members and their intensity of participation in the family and society are increasing significantly

Panigrahi and Satapathy (2014) States that entrepreneurship is the most discussed and encouraged concept all over the world to overcome economic challenges. Women being the vital gender of the overall population have great capacity and potential to be the contributor in the overall economic development of any nation.

Raghurama and Irfana (2013) state that intervention of Self-Help Group Bank Linkage Programme

(SBLP) has brightened lives of the rural poor. The Self Help Group movement has come to mean more than merely the provision of financial services to their group membership, which is composed mainly of poor women. There is a consensus that by joining SHGs, saving regularly and availing loans, women members have been able to reduce their dependence their loan portfolio. However, in recent years these levels of performance are being found to be difficult to sustain.

Mula and Sarker (2013) Investigated through paired t-test, multiple regression and impact index analyses that after joining SHG the members had positive change in the economic variables in the areas of self-income, employment generation, asset building, productive investment, savings which led the socio-economic upliftment of rural women folk and empowered them particularly in the sphere of child education, leadership and entrepreneurship ability, technology adoption, decision making etc. Further their research also suggested that microfinance through SHG seems to be a unique action oriented rural development strategy to tap the gesture for the upliftment in social and economic point of view and with microfinance support, women's agency has sparked their struggle to stimulate their livelihood practices through entrepreneurship development. Lokhande (2013) explored the view of 654 members after joining the SHGs; their confidence level had increased to a great extent. With the help of field survey method the author's concluded that group association and access to financial services certainly brings positive changes among group members leading to their socioeconomic empowerment and also found that poor discriminated and underprivileged women can come out of poverty with the help of microfinance.

Guérin, Kumar and Agier (2013) Explore the diversity and complexity of relationships between women. The concept of empowerment should still be seen as a process of social change for greater equality. Further author found that transformative agency, which had the potential for challenging and destabilizing inequalities, should be distinguished from forms of agency which merely express and reproduce inequalities. Findings had key policy implications. In terms of microfinance, they confirm a number of scholars' existing claims that microfinance alone has little chance of challenging gender hierarchies. The authors concluded that, if we were more aware of women's desires, aspirations and constraints in diverse contexts, we could better figure out what motivates women's cooperation and "sisterhood" in contrast to conflict and competition.

Garikipati (2012) found that women's loans were mainly used to improve households' productive assets and because these are typically owned by men, women's loans ultimately benefit them. Author says that men with wives in the credit program spend significantly more time in self-employment and less time in wage work when compared to others. It is only when the focus shifts to how women use their loans that the impact of microcredit on their time use becomes apparent. Women who use their loans to start or enhance their ownership of productive assets are seen to spend significantly more time in self-employment.

A study conducted by DAC Network (2011) also found that Women's economic empowerment was a prerequisite for sustainable development, pro-poor growth and the achievement of all the MDGs. Achieving women's economic empowerment not a "quick fix". It would take sound public policies, a holistic approach and long-term commitment from all development actors. More equitable access to

assets and services – land, water, technology, innovation and credit, banking and financial services – will strengthen women's rights, increase agricultural productivity, reduce hunger and promote economic growth. Infrastructure programmes should be designed to maximise poor women's and men's access to the benefits of roads, transportation services, telecommunications, energy and water. Further, recommended that innovative approaches and partnerships were needed to scale up women's economic empowerment.

Swain and Wallentin (2007) investigate through survey method of 805 women who were member of a SHG and had access to credit, and a smaller (156) control group of women who did not have access to SHG or credit. They found a significant empowerment improvement from 2000 to 2003 for the SHG group as opposed to the control group. Furthermore the respondents' responses to fictive abuse were asked in order to measure their independent status in the household, as well as political participation both locally and regionally.

Mayoux (2000) found that women empowerment is important for many different reasons. The author state because it can help improve women's financial self-sustainability and their well-being, as well as their societal status relative to that of men. Financial self-sustainability is important in order for women to be independent and to be provided with the necessary basic resources like food, clothing, housing, hygiene and health, which strongly relates to their well-being, although well-being involves aspects that are more related to the community (like social inclusion) as well. Other than above mentioned studies, several studies suggest that if women's empowerment is to be pursued as a serious objective by SHG programme in particular and the larger microfinance community in general, greater emphasis needs to be placed in training, education of women and creating awareness, with increased investment in social intermediation.

Objectives of the study

The main objective of this study is to examine the role of microfinance banks in the development of rural communities in Uttarakhand. Other specific objectives include:

1. To assess the impact of microfinance, bank loans and advances on economic development of rural communities in Uttarakhand.
2. To analyze the effectiveness of microfinance institution in elevating the lifestyle of poor.

Research Methodology

The study is Exploratory & Descriptive in nature and both, primary & secondary types of data are used to explore the subject. The primary data is collected from the respondents using structured questionnaire. A multistage convenient sampling technique is used for this. A list of names was prepared by taking the help from the various NGOs, cooperative societies and village Panchayats of Dehradun, Haridwar, Tehri Garhwal and Pauri district. Data was collected personally from those respondents who had availed microfinance facilities on convenience of the researcher. A total 188 responses were received and taken for the study.

Analysis & Interpretation

Table 1 indicates the demographic characteristic of respondents

Table 1: Demographic Characteristics

	Categories	Count	Percentage
Age	upto 20Years	43	14.1
	21 to 25 Years	175	57.2
	25to 35 years	36	11.8
	35 to 50 years	28	9.2
	above 50 years	24	7.8
Gender	Male	107	56.9
	Female	81	43.1
Marital Status	Married	105	55.9
	Un-married	53	28.2
	Divorced/separated	8	4.3
	Widowed	22	11.7
Education Level	Primary	36	19.1
	SSC	29	15.4
	Intermediate	39	20.7
	Graduate	73	38.8
	other	11	5.9
Occupation	Farmer	7	3.7
	labour	6	3.2
	Business	24	12.8
	Services	26	13.8
	Student	30	16.0
	Housewives	95	50.5
Family Income	Up to 20,000	169	89.9
	20,000-50,000	15	8.0
	1,00,000-1,50,000	4	2.1

Demographic variables such as age gender, marital status education level and occupation are having direct bearing on people's lifestyle and their standard of living. The data obtained through survey for analysis is dominated by middle age group, males, married and well educated people. Also, the sample is the composition of mixed professional categories most of them are earning up to Rs 20,000 per month.

Table 2: Banking Outreach

	Frequency	Percent	Valid Percent	Cumulative Percent
Saving Account	138	73.4	73.4	73.4
Fixed Deposit Account	31	16.5	16.5	89.9
Recurring Deposit Account	19	10.1	10.1	100.0
Total	188	100.0	100.0	

In the present environment, finance has become an integral part of an economy. Basically there are two way relationships between financial system development and economic growth. A well developed financial system drives economic growth, where as the growing economy's demand leads to advancing the financial sector. Banking system/institutions and its access to farmers has a vital role in facilitating the development of financial system and its inclusion. The data in Table-2 indicates that almost three fourth (73.4%) respondents are having saving accounts with bank where as 16.5 % respondents having fixed deposit account. Remaining 10.1% respondents are having recessing deposit account with bank. This indicates better access to the bank.

Table 3: Amount of Loan taken from Financial Institution

	Frequency	Percent	Valid Percent	Cumulative Percent
Up to 50,000	26	13.8	13.8	13.8
50,000-75,000	38	20.2	20.2	34.0
75,000-100,000	31	16.5	16.5	50.5
100,000-150,000	43	22.9	22.9	73.4
150,000-2,00,000	23	12.2	12.2	85.6
2,00,000 & Above	27	14.4	14.4	100.0
Total	188	100.0	100.0	

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society. The implementation of technology in the banking has given access to rural population in availing facilities of the bank and meeting their cash requirement. The technology has the potential to address the issues of outreach and credit delivery in rural and remote areas in a viable manner. Today banks are offering loan to rural people and farmers to tackle their poverty and raise their lifestyle. The information presented in the above table indicates that sample is dominated by the respondents who have taken loan from banks ranging from Rs. 100,000-150,000. This is indicated by 22.9% respondents in the sample. Other 13.8%, 20.2%, 16.5%, 12.2% and 14.4 % respondents respectively indicated that they have taken loan from banks up to Rs.50,000, Rs.50,000-75,000, Rs.75,000-100,000, Rs.150,000-2,00,000 and Rs.2,00,000 & above. This indicates that banking has helped them in meeting their requirement.

Table 4: Purpose of Taking Loan

	Responses	Percent of CasesN	Percent
Construction of house	92	9.7%	48.9%
Repair of house	79	8.3%	42.0%
Agricultural land development	137	14.4%	72.9%
Irrigation development	58	6.1%	30.9%
Seed purchase	92	9.7%	48.9%
Manure and pesticide purchase	85	8.9%	45.2%
Cattle shed development	9	0.9%	4.8%

	Responses	Percent of CasesN	Percent
Labour payment	38	4.0%	20.2%
Family health care	40	4.2%	21.3%
Children education	72	7.6%	38.3%
Festival expenses	21	2.2%	11.2%
Insurance premium	11	1.2%	5.9%
Interest payment	84	8.8%	44.7%
Transportation	68	7.2%	36.2%
Others	64	6.7%	34.0%
Total	950	100.0%	505.3%

Micro-finance is aimed at farmers and people from the poorest households. They tend to own marginal land or no land and many of them use their micro-loans to start or expand non-farm activities too and from which they will supplement their livelihood and raise their lifestyle. Microfinance aims to complement the various resources and enables to diversify the underprivileged livelihoods. An attempt was directed to know the purpose of taking loan from financial institutions. The multiple response of loaning pattern was processed through SPSS software and is presented in the table 4. The information pertaining to the purpose of taking loan from financial institutions reveals that majority of them have taken loan from financial institution for agricultural land development as it was indicated by 14.4% respondents in the sample. Another 9.7%, 8.3%, 6.1%, 9.7%, 8.9%, 0.9%, 4.0%, 4.2%, 7.6%, 2.2%, 1.2%, 8.8%, 7.2% and 6.7% respondents respectively indicated that they have taken loan for construction of house, repair of house, irrigation development, seed purchase, manure and pesticide purchase, cattle shed development, labour payment, family health care, children education, festival expenses, insurance premium, interest payment, transportation and other purposes like gifting. The loaning pattern indicates that majority of them have taken loan for raising their lifestyle.

Table 5: Perceived Utility of Microfinance Scheme (N =188)

Statement	Mean	SD
Microfinance has helped me significantly in improving my way of living.	4.2819	.57608
It is very convenient to raise fund from the microfinance institutions	3.7553	.72667
Repayment of loan taken from microfinance institutions is very easy.	3.6330	.88262
There is a flexibility in terms of loan amount & tenure	3.5904	.85738
I have made a significant growth due to microfinance institutions support	4.2128	.79936
The financial status has improved because of microfinance institutions	3.4415	.82849

Statement	Mean	SD
Microfinance institutions has helped me in generating income	2.9468	.91765
Because of microfinance institutions, my family has been enabled for education	3.2021	.94874
Because of microfinance institutions, me & my family got healthcare facilities.	3.0053	.99462
Because of microfinance institutions, my family have better quality food.	2.7553	1.03092
Because of microfinance institutions, me & my family can access consumer durables & vehicles.	2.2074	1.19022
Valid n (listwise)		

In order to outline the contributions of microfinance and the benefits derived from the microfinance in improving the agricultural output, raising the standard of living and changing lifestyle; various outcome parameters of microfinance and its impact were constructed and respondents were asked to rate the various outcomes of microfinance on a scale of 1 to 5. The descriptive statistics for all the variables under investigation are calculated with the help of SPSS software. From the mean values in table 5, it can be seen that the outcome variable "Microfinance has helped me significantly in improving my way of living" is having the highest mean value 4.2819 and thus the most important outcome of microfinance showing that the microfinance has helped significantly in improving the living of people. It was followed by the variable like "I have made a significant growth due to microfinance institutions support" which has scored mean of 4.2128. However, the standard deviation (1.19022) of the variable is higher. "Because of microfinance institutions, me & my family can access consumer durables & vehicles" Indicates that respondents' view on this area is heterogeneous.

Table 6: Microfinance and its psychological impact

	Responses		Percent of Cases
	N	Percent	
Better confidence	70	27.3%	37.2%
Higher family income	34	13.3%	18.1%
Betterment of house	21	8.2%	11.2%
Purchased assets	3	1.2%	1.6%
Better Nutrition	13	5.1%	6.9%
Education of Children	21	8.2%	11.2%
Health & Hygiene	38	14.8%	20.2%
Enhancement in status & Empowerment	56	21.9%	29.8%
Total	256	100.0%	136.2%

Microfinance schemes have been dramatically increased in last decades to reduce poverty among underprivileged and upgrade their standard of life. The psychological evidence and various empirical studies suggest that poor live in hope. The rural and poor's liquidity depends upon the natural factors and any deviation disturbs his debt discipline and repayment. Given the liquidity constraints that many of the poor face, many are unable to save enough on a regular basis to meet their needs. For this reason, having relatively affordable access to credit can allow many clients and their families access to a range of items that will enhance their quality of life, from new consumer goods to the ability to pay for children's school and college fees. With this in mind, an attempt has been made to know the microfinance and its psychological impact on people of this social segment. The multiple responses were taken and processed with the help of SPSS software. The data presented in table 6 shows that respondents got better confidence due to availing microfinance facilities as it was indicated by 27.3% respondents in the sample. The other 13.3%, 8.2%, 1.2%, 5.1%, 8.2%, 14.8%, 21.9% respondents indicated higher family income, betterment of house, purchased assets, better nutrition, education of children, health & hygiene, enhancement in status & empowerment.

Conclusion

The Micro Finance Institutions are an integral part of financial inclusion and is an effective institutional instrument for providing last connectivity. As the competition in the sector is very high and these put the MFI across the country in stress. Though it has to move in pace with market and economy but it has a deep social responsibility as well. And hence it needs special care and protection from the government so that it can fulfill its social obligations. It is suggested that as people seem to accept that microfinance has helped them leading better lives, it is necessary for the government encourage not only spending but also to consider development of facilities and competency to make the microfinance play its role sufficiently. Not only expenditure but also investment and entrepreneurship should be encouraged. The competition among financial service providers must bring healthy changes in the society by increasing financial literacy and credit counseling to which will help people spending not only on land and agriculture development but also for the 360 degree development. The core objective of financial inclusion will be real and successful only when the rural and economical underprivileged have unhindered access to the financial services like Savings, Credit, Micro insurance and remittance facilities.

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ANALYZING THE IMPACT OF PERSONALITY TRAIT (OPENNESS TO EXPERIENCE) ON MOTIVES OF ADOPTING ONLINE BANKING IN UDAIPUR

Abstract

This study focuses on analyzing the impact of personality trait (openness to experience) on motives of adopting online banking in Udaipur. The response of 237 banking users were collected and analyze to derive results to check the relationship between personality trait and motives of adopting online banking. This study was carried on two steps followed simultaneously; users were asked to fill Big Five Personality form to ascertain their individual Big Five Inventory and were asked to rank the motives of adopting online banking. After analyzing the collected data it was found that out 214 online banking users 148 i.e. 69% of users were having high score on openness to experience. Further more out of different motives dominantly usefulness and perceived control were found to be influencing factor to motive users to adopt online banking.

Keywords: Online Banking, Motive of Online Banking, Personality Traits, Openness to Experience.

Introduction

A growing phenomenon of online banking services is accelerated by the use of the internet as a channel. The adoption of online banking might however not be easy for the consumers because it involves the changing of behavioral patterns. To use internet for banking services, consumers not only need to understand the technology, they also need to understand banking services. Consumer understanding is formed by personal factors, include: age and life circle stage, occupation, economic situation, lifestyle, personality and self-concept (Armstrong and Kotler, 2003; Wu, 2003).

Previous studies have shown, four main influential factors for acceptance of online shopping: consumer characteristics, personal perceived values, website design and product. Consumer characteristics involve personality traits, knowledge of the internet, social environment, self-efficacy, beliefs, ability, and demographic profile.

Personality is "the enduring emotional, interpersonal, experiential, attitudinal and motivational style that explains individual's behavior in different situations". Big Five traits (openness to experience, conscientiousness, extraversion, agreeableness and neuroticism) is a well-established and unifying framework to measure and understand personality traits.

Internet services are integrated into many people's lives and change individual behaviour profoundly. In response, commercial entities have developed and introduced a wide variety of

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Internet services to capture the attention of Internet users. Past studies have looked at how user's personality influences Internet services usage. The purpose of this study is to investigate the extent to which the use of online banking is related to individual personality differences.

Review of Literature

Eriksson, Kerem and Nilsson (2005) studied the technology acceptance of Internet banking in Estonia. The findings suggest that uses of Internet bank increases so far as customers perceive it as useful. The perceived usefulness was influential factor which determines the use of internet banking. They also suggested that models of technology acceptance should be re-formulated to focus more on the key role of the perceived usefulness of the service embedded in the technology.

Canadian Bank Report (2003) Canadians currently enjoy virtually unlimited electronic access to many aspects of their financial affairs, with significant autonomy for consumers. While knowledgeable consumers certainly benefit from the convenience, further research could examine the effect of self-serve access on less technologically sophisticated users. Specifically, research could address whether greater access to online information and complex financial transactions puts consumers at risk by encouraging self-service when they lack the experience or skill required to judge risk and provide for their own security measures.

Similarly, technology and the Internet enable service providers to enter Canadian markets without having to invest in physical bank branches. Further research could assess the financial options available to consumers who do not want to, or cannot use some of the technological innovations now offered, including access to financial services, variable pricing, quality of service and levels of choice.

Nitsure Rupa Rege (2006) in her book "E-Banking: Challenges and Opportunities", explained E-Banking as the potential to transfer the banking business as it significantly lowers the transaction and delivery costs. This book discussed about the problems faced by developing countries, (which have a low penetration of information and telecommunication technology), in realizing the advantages of E-banking initiatives for examples : the different operational environments for public and private sector banks, problems of security, authentication, management and regulation; also inadequate financing of small and medium scale enterprises (SME) were highlighted.

Vishwanathan Bharathan (2008) has undertaken a study on "Internet Banking- Some of the Contemporary Issues". According to him, technology has made a tremendous impact in banking. 'Anywhere, Anytime banking' have become a reality. Also, it has thrown new challenges in the

banking sector and new issues started cropping up which is going to pose certain problems in the near future. Author attempted to address the security and authentication issues in an internet banking and reiterates the point that online banking becomes less secure if users are careless, gullible or computer illiterate.

Kumar and Saini (2009) studied the adoption of electronic banking technologies by Indian consumers. It has been observed in the findings that contextual and demographic variables influence the adoption of new technology in banking sector. Urban consumers are more confident than their rural counterparts in accepting the new technology. Further younger consumers reveal more openness to change and more familiar with the technology. Male consumers use technology more than the female and well educated consumers use technology more easily than those with lower educational status. Income has also been identified as an influence factor in the adoption of electronic technologies. Consumers from high income group use it more than the low income group.

Keisidou and Sarigiannidis (2011) attempts to examine consumers' attitude when making online purchases in the context of different product types. A theoretical framework is proposed based on the determinants of consumer behaviour and user acceptance of online shopping, as well as online product classification. The factors that were selected to be tested are Personal Innovativeness of Information Technology (PIIT), Self-efficacy, Perceived security, Privacy, Product involvement and how they affect consumer attitude towards online shopping. Correlation analysis, at first, to determine the relationships among the variables and regression analysis afterwards to verify the extent of the variable interaction were used to test the hypotheses. Based on the aforementioned analyses, results were drawn and compared to the results found by Lian and Lin (2008) in a similar study. It has been found that PIIT, perceived security and product involvement have an effect on the attitude towards online shopping, yet the results vary among the different product types.

Wee-Kheng Tan and Cheng-Yi Yang (2012) investigated the relationship between personality traits and usage level of Internet services through the multiple regression method. Using 23 Internet services, this study provided a holistic picture of how personality traits affect usage level of Internet services and showed that these traits affect usage level differently. The characteristics of Internet services are a key reason for such an outcome. Usage level of Internet services which are popular, have been in existence for many years, necessary tools for accessing online, and passive leisure tools are likely to be free from the influence of personality traits. Hence, basic Internet applications such as email and search engine are least affected by personality traits of users. While personality may be an enduring feature of individuals, its impact on usage of Internet services may not always be consistent over time. Theoretical and marketing implications are discussed.

Tipa Sriyabhand and Surej P John (2014) investigated the relationship between personality traits and their Information Technology (IT) adoption. The study used the Five Factor Model (FFM) to assess the personality of individual users who adopt social networking technologies using their mobile devices. This research is conducted among 320 social networking users in Thailand. Based on the theoretical background of Technology Acceptance Model (TAM) and FFM, a conceptual model is developed and empirically tested. The study found that extraversion, agreeableness are positively and significantly influenced social networking behavior. The results also reveal that neuroticism and conscientiousness are negatively associated with social networking behavior. The results of the

study will help the marketers to identify target segments and implement communication tools more effectively over social networking sites.

Elahe Vadoodi (2014) analyses the effect of internet on the personality traits of the youth. It attempts to find an answer to the questions that: what is the function of internet in forming our behavior? Are they able to make changes in personality traits of youth in Iran? To answer these questions five hypotheses were developed which, using standard tests of neo personality traits, compare the emotional instability, openness, extraversion, agreeableness, conscientiousness, between the youth who use internet and those who don't use. This research is of descriptive type, and its study design is an ex-post facto (causal-comparative). The population includes all students of the Science and Research University. The size of the sample, which was selected using a relative stratified sampling method proportional to the population size, is 300 people according to Cochran formula. To collect data, one questionnaire was used: standard questionnaire of personality traits; also to analyze the data in two scopes of data, descriptive and inferential analyses with emphasis on the assumptions of statistical model T, two independent groups have attempted to analyze the data, the main results of which are as follows: All hypotheses used in this research other than openness were confirmed and also the relationship between the dependent variable of the research (emotional instability, extraversion, agreeableness and conscientiousness) and independent variable (internet) has been affirmed. The relationship of variables in openness was not significant and it has been confirmed that the two groups had the same openness.

Ali Karbasi , Babak Jamshidi navid and Seied Reza Hashemi (2014) explains that today, banks and service companies, though, are looking for Customer's Loyalty, But to indulge them They must plan based on their customer's aims, it is not possible to recognize their demands Without knowing their personalities .Close relationships with customers require a thorough understanding of their personality traits because with knowing the characteristics and personality traits it is possible to personalize services for each group of people. The aim of this study is to identify the personality traits and to study the relationship and impact of each one on satisfaction and finally on loyalty .the research was a descriptive-survey research.the data of this study is obtained from a neo standard questionnaires among three hundred and fifty private banks of Kermanshah. The reliability of the questionnaire has been confirmed through Cronbach's alpha technique and has been obtained using path analysis of the model. results of this research indicated that among five attributes, only neuroticism has a negative relationship with satisfaction and other personality traits have a significant positive relationship with satisfaction. Compatibility characteristics, extraversion and empiricism respectively, had the greatest influence on satisfaction.

Mohaddeseh Kamyab and Narges Delafrooz (2016) evaluated the effect of factors such as character traits, norms and perceptions of customers on the use of internet banking. Methods/Statistical analysis: This research is an analysis-application one in which the customers of Bank Saderat of Guilan Province located in north of Iran was selected as population and sample consisted of 384 clients as statistic sample. The data collection tools are also standard questionnaire that collected and were analyzed through two software SPSS and PLS. Findings: The results showed a positive and significant impact "generosity, usefulness, ease of use, security and environmental interest in the use of internet banking". The mediation role of the security in relationship between "usefulness-use

of internet banking" and "Easiness - use of internet banking" and the role of usefulness mediation in conjunction with "Ease of Use - Internet banking Usage" and "Ease of Use - Security" were approved. Application/Improvements: As the Iran's banking method is different from the world's banks, this research result can be useful for them to achieve their strategic goals on the verge of fundamental changes.

Objective of Study

- To analyze the various motives of adopting online banking.
- To analyze the impact of personality trait (Openness to Experience) on motive of adopting online banking.

Personality Traits (Independent Variables)

Openness to Experience

Motives of Adopting Online Banking (Dependent Variables)

Perceived Usefulness

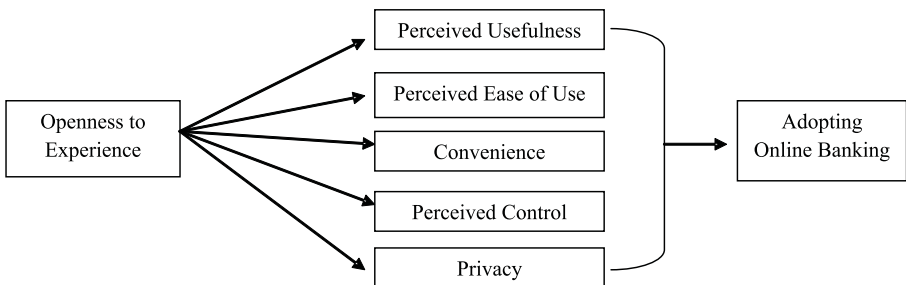
Perceived Ease of use

Convenience

Perceived Control / Authority

Privacy / Trust

Proposed Model



Openness to Experience (Independent Variable)

Openness to experience refers to the extent to which a person is imaginative, independent, and has a preference for variety. A person who is high in openness to experience would be a creative thinker who is independent and does not like routines. They are intellectually curious, open to emotion, sensitive to beauty and willing to try new things. When compared to other people, they are more creative and more aware of their feelings. They are also more likely to hold unconventional beliefs.

Perceived Usefulness

The importance of perceived usefulness has been widely recognized in the field of electronic banking. Usefulness is the tangible motive for adopting technology to complete the specified task. According to the TAM, perceived usefulness is the degree to which a person believes that using a particular system would enhance his or her job performance. Davis (1989) defined perceived usefulness as the individual's perception that using the new technology will enhance or improve her/his performance.

Tan and Teo (2000) suggested that the perceived usefulness is an important factor in determining adaptation of innovations. Hence, greater the perceived usefulness of using electronic banking services, the more likely that electronic banking will be adopted.

H0a1: Perceived usefulness to adopt online banking is not influenced by Openness to Experience personality trait.

Perceived Ease of Use

Rogers (1962) affirmed perceived ease of use is the term that represents the degree to which an innovation is perceived not to be difficult to understand, learn or operate. He further stated that perceived ease of use is the degree to which consumers perceive a new product or service as better than its substitutes (Rogers, 1983). Chen and Barnes (2007) have empirically found that perceived ease of use significantly affect customer adaptation. Therefore following hypothesis is formulated to check the effect of Openness to Experience personality trait:

H0a2: Perceived Ease of use to adopt online banking is not influenced by Openness to Experience personality trait.

Convenience

Convenience has been identified as important factor to adopt new technology. (Pew, 2003) has show that conveniences is important factor for internet banking because of 24hours access and time saving. Accessibility, which related to convenience also found an important factor (Ramsay and Smith, 1999). Therefore, researcher has formulated the following hypothesis:

H0a3: Convenience to adopt online banking is not influenced by Openness to Experience personality trait.

Perceived Control

Perceived behavioral control refers to the factors that may impede the performance of the behavior (Bandura 1977). Perceived behavioral control referes to one's perception of whether a behaviour is under his control and whether he has access to resources and opportunities required to facilitate a behavior (Ajzen, 1991). Therefore researcher proposes following hypothesis:

H0a4: Perceived Control to adopt online banking is not influenced by Openness to Experience personality trait.

Privacy

The importance of security and privacy for the acceptance of online banking has been noted in many banking studies. Maurici (1998), Cranor et al. (1999), Hernandez and Mazzon (2007), Westin, had identified that privacy issues have proven important barriers to the use of online services. Hereby researcher proposes following hypothesis:

H0a5: Privacy to adopt online banking is not influenced by Openness to Experience personality trait.

Research Methodology

The 326 online banking customers were survey to collect data. The Big Five traits of the participants were measured by the 50-item Big Five Inventory (BFI) instrument. Participants were asked to use a five-point Likert-type scale (from strongly disagree "1" to strongly agree "5") to describe their personality. BFI is scored by adding the answers to a series of eight to ten appropriate questions and taking the average. Participants were also asked to use five-point Ranking Scale to provide their view on what motivates them to use online banking from highest "1" to lowest "5".

Analysis & Findings

After collecting the responses from 326 respondents data was tabulated and reliability test was measured. The 237 responses were found to be suitable to further analyze and interpret results. Out of total respondents 237 respondents scored high on Openness to Experience Personality traits, from which 37.55% are using offline banking services and 62.44% of users are preferring online channel to meet their banking needs as shown in Table 1.

Table 1: Personality Traits and Online Banking Users

Participants	Offline Banking	Online Banking	Total
Openness to Experience	89	148	237
Other Personality Traits	23	66	89

Online banking provides various benefits to its customers. Previous studies indicate that to adopt online banking Perceived Usefulness, Perceived Ease of Use, Convenience, Perceived Control and Privacy plays vital role in adoption process.

Perceived Usefulness

All most 37.16 % of respondents ranked usefulness to be most preferred motivating factor to adopt online banking. After analyzing the path coefficient variables (table 3) of openness to experience (personality trait) influencing the perceived usefulness to adopt online banking, $\beta=0.47 > 0.05$ level of significance and t-value to be 2.37. Which ultimately reject the null hypothesis, and determine that individuals who score high on openness to experience gives relatively high importance to perceived usefulness rather than other motives.

Perceived Ease of Use

As shown in table 2, 15.54% of respondents ranked perceived ease of use to be motivating factor to

adopt online banking. After analyzing the path coefficient variables, i.e $\beta=0.04 < 0.05$ level of significance and t-value of 1.74 accepts the hypothesis and indicates that there is no relation between openness to experience and perceived ease of use, which may influence the consumer to adopt online banking.

Convenience

Out of 148 online banking users with personality trait of openness to experience, 16.89% of users has given their consent for convenience to be motivating factor to adopt online banking in Udaipur. After analyzing the coefficients, null hypothesis was accepted as $\beta=0.02 < 0.05$ level of significance with $t=1.05$. Therefore it can said that people with openness to experience (personality trait), are not influence by convenience (motive) to adopt online banking in Udaipur.

Perceived Control

It seems to be motivating factor that was considered by 22.97% of online banking users, which dominantly influence to adopt online banking. According to results derived this factor also stood second most preferred motivating factor. The results also reject the null hypothesis, with $\beta=0.16 > 0.05$, and $t=2.74$. Online users are tending to accept the technology that they could easily operate and control. The samples of users were motivated to accept the technology that they perceived could be controlled.

Table 2: Motives of Online Banking Users

Motives of Participants	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Perceived Usefulness	55	37.16	37.16	37.16
Perceived Ease of Use	23	15.54	15.54	52.70
Convenience	25	16.89	16.89	69.59
Perceived Control	34	22.97	22.97	92.57
Privacy	11	7.43	7.43	100.00
Total	148	100	100	

Table 3: Coefficients

Hypothesis	Standardized	T	Significance	Status of Hypothesis
Openness'Perceived Usefulness' Adopting Online Banking	0.47	2.37	Sig<0.05	Rejected
Openness'Perceived Ease of Use 'Adopting Online Banking	0.04	1.74	Sig<0.05	Accepted
Openness'Convenience'Adopting Online Banking	0.02	1.05	Sig<0.05	Accepted
Openness 'Perceived Control ' Adopting Online Banking	0.16	2.74	Sig<0.05	Rejected
Openness 'Privacy ' Adopting Online Banking	0.03	1.84	Sig<0.05	Accepted

Privacy

In earlier studies privacy was explored extensively by researchers, as it remain most influential factor to adopt online shopping. But due expansion of service providers and extensive use of online shopping, web portal are secure and safe to use. Service providers are giving utmost attention to maintain privacy of its consumers. This was derived from data collected, as only 7.43% of respondents found, online banking to be unsafe. After analyzing the coefficients with $\beta=0.03<0.05$, and $t=1.84$ which means that privacy of consumers is not a influential factor to adopt online banking in Udaipur now a days.

Conclusion

A particular individual, however, may have a high overall openness score and be interested in learning and exploring new cultures. There is a strong connection between liberal ethics and openness to experience such as support for policies endorsing racial tolerance. Openness is associated with tolerance of ambiguity (which means when something is not clear), a capacity to absorb information, being much focused and the ability to be aware of more feelings, thoughts and impulses simultaneously. The conclusions derived out of this study that individuals are comfortable in analyzing the ambiguous situation then too their deeper experiences are so intense that they are able to differentiate what motivates them. As confirmed by this study individual with high score on openness to experience are tend rely on usefulness and perceived control of online banking rather than on other motives. It was also observed that among 214 online banking user 148 i.e. 69% were having high score on openness to experience (personality trait). Further individuals with high score on openness to experience personality trait considers usefulness and perceived control to motivating factors to adopt online banking. Researcher proposes to conduct this study at various locations to generalize the conclusion.

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ROLE OF MACHIAVELLIANISM IN CORPORATE ENVIRONMENT – AN EXPLORATION

Abstract

The degree of Success or failure of corporates mostly depend on the management and the management acts based only on the feedback from corporate executives. The efficiency of a corporate executive is defined by two major parameters viz. the leadership quality and the decision making styles. Personality plays a major role in determining the decision style especially during conflict situations. An important dimensions of personality that is closely linked with interpersonal and organizational behaviour is Machiavellianism (Mach). Machiavellianism is a personality trait characterized by interpersonal manipulation and associated with specific patterns of emotional and social cognition skills. An individual high in Machiavellianism is pragmatic, maintains emotional distance, and believes end can justify means. Machiavelli's strategies for political leaders can easily be adopted and used in business management. Several principles of leadership that Machiavelli has emphasized can be adopted and can be used in modern business management. These principles that business leaders must follow are loyalty, trust, fairness, ability and behaviour. In view of the possible influence of Machiavellianism on corporate executives in leadership and decision making styles, there is a growing need to study this aspect. There exists a link between the personality attributes of Machiavellianism, self-esteem, risk-taking propensity along with leadership and workplace empowerment. Machiavellian leader is likely to have on the contextual performance of employees, which includes employee's challenging organizational citizenship behaviour (OCB) and counterproductive work behaviour (CWB).

KEY WORDS: Machiavellianism, leadership, decision making, personality, empowerment, personality, selfesteem.

1. Introduction

A manager's life is filled with a constant series of decisions. It permeates through all managerial functions such as planning, organization, direction and control. The knowledge of individual differences in behavior such as decision making is important to understand managerial performance (Pfeffer, 1982). How the individual copes with the stress in a given situation makes the difference in decision making styles and this coping is likely to differ based on one's age/ maturity, experience, level of decision making and other factors.

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People on the front line are more empowered. With greater empowerment has come the need for a style of leadership that guides and supports workers to make the right decisions. Every professional is likely to find oneself in a leadership role with people over whom there is no management authority. Being able to lead without the power of position is now a common leadership challenge. With employers no longer able to offer a job for life, employees have become more responsible for their long-term interests. They have views and goals that are more likely to diverge from those of the organization and as a manager/ leader it is essential to win their loyalty and commitment. Increasingly leadership has become a form of influence. It is about being able to align people behind a common objective. It is about influencing people to work co-operatively, collaboratively and with mutual trust.

The study of Amalor and Suresh (1955) found relationships of extraversion psychoticism and neuroticism with decision making styles and points in the direction to explore further for the relationships between personality dimensions and decision making styles, particularly as there seem to be very few studies relating personality with decision making styles. A considerable amount of research has been directed towards relating high and low - Mach personalities to certain behavioral outcomes (Vleeming, 1979). Machiavellianism is a concept that has been accorded a growing level of interest, especially in the field of personality studies (Rauthmann, 2012). To date, only a small number of studies have investigated the correlation between Machiavellianism and decision making styles of executives, and it is possible that this factor could explain the difference between leaders and managers. This has implications for the selection of right kind of executives for the jobs and provision of support for decision makers in both public and private sectors.

Ethics research has shown that some personality traits such as Machiavellianism affect ethical decision making (Christie and Geis, 1970), a branch of research is emerging within marketing that investigates the effects of personality traits on ethical decision making (Hunt and Chonko, 1984). It seems natural to assume that Machiavellian individuals can easily read the minds of others and understand social situations (Davies and Stone, 2003; Czibor and Bereczkei, 2012) which they can successfully manipulate in the service of their own intrinsic motivations (Fehr et al., 1992; Jones and Paulhus, 2009). Consequently, a number of questions have been raised concerning Machiavellian abilities and their determinants.

It has also been suggested that Machiavellian individuals have better "mind-reading skills" or Theory of mind (ToM) (Davies and Stone, 2003). In addition, Machiavellian individuals have frequently been characterized in terms of their detachment and lack of emotional involvement with others (Wrightsmann, 1991). Their emotional disconnection seems to be similar to that observed in two emotional deficits: alexithymia and anhedonia. Furthermore, some studies have suggested that Machiavellians are excellent mind readers (Sutton, 2001; Davies and Stone, 2003; Esperger and Bereczkei, 2012).

A research was conducted (Magaisaby, Abdul Adell M. (2008)) to acquire better understanding of how final year accounting students in UUM (115 students) respond to issues pertaining to realism in philosophy, business ethical dilemmas. Earlier research suggested that accounting students present lower levels of ethical reasoning compared to other business and non-business majors. The first hypothesis investigated the relationship between ethical reasoning and ethical decision making. The second Hypothesis investigated the relationship between Machiavellian behavior and ethical decision making. Results indicate that ethical reasoning is significantly correlated with students' ethical ratings on the business on ethical decision making, which means is negatively related to ethical decision making. However, Machiavellian behavior is significantly correlated with students' ethical ratings, which means positively related to ethical decision making.

Janis and Mann's believe that moderate stress is actually helpful for the decision maker -too little stress, and the person won't pay attention to the decision or any information because they either react with unconflicted adherence or unconflicted change. Too much stress, though, and they will cope via defensive avoidance or hypervigilance. Furthermore, the uncertainty about possible consequences of a decision may intensify conflict (Hogarth, 1975).

Machiavellian behaviour is a common stereotype of business behaviour (McLean and Jones, 1992). Machiavellian behaviour is expected to be an additional construct that impacts ethical reasoning processes or helps explain differences in ethical reasoning. Prior research examining business students' Machiavellian behaviour has found partial support for the argument that business students are more Machiavellian-like than non-business students. Specifically, accounting and finance students had the lowest scores on the Mach IV scale compared to other business disciplines (McLean and Jones, 1992). There exists an established relationship between moral behaviour and ethical decision making behaviour (Hegarty and Sims, 1978, 1979; Trevino et al., 1985).

When manager has to fill an important position in company, he has to set new employee to the lowest level of trust, power and liability. The power of employees is so strong that they can destroy even the biggest company. Machiavelli believed that it is better to dissipate the power rather than centralize. Leader has then more power over employee's energy, enthusiasm and intelligence.

Leaders described as high Machs are very political, analytical and strategic in their thinking (Judge et al., 2009). They are able to navigate power dynamics in complex business organizations and seek for opportunities to abuse power, all without a sense of guilt or shame (Judge et al., 2009; Deluga, 2001).

Machiavellian leaders use their power to control, influence and persuade their employees to completing tasks for the leader's personal benefit.

We find that more High Machiavellian individuals are chosen as leaders since they are very effective in manipulating others and tend to be very skillful in finding a satisfying environment that fits their values and beliefs (Gemmil and Heisler). However, Hambirk and Bradon (1988) argued that Machiavellian oriented CEO's will apply a hierarchical and centralized organizational structure that will grant them power. Lau and Shaffer (1999) based their study on social learning theories and stated that personality traits such as self mentoring, self esteem, locus of control, Machiavellianism, and their correlations are determinants of career success. They found that Machiavellian orientation is a predictor of job performance, and subjective and objective career success. Machiavellianism urges leaders to devote all of their energy to the accomplishment of something really great, of something memorable, not just the pursuit of power or profit. A true 'Machiavellian' entrepreneur or executive would be an innovator capable of creating new and better ways of producing and distributing products and services.

Discussion and Conclusion

Decision is a course of action or inaction chosen to meet the requirements of a situation, popularly termed the problem. Decision making is said to be an intellectual activity because it requires selection from among alternatives. Decisions, although always taken at a moment of time, are designed with future consequences primarily in mind. So the future must be seen at least in generality, if the decision is to be properly oriented in terms of goals. The impact of organizational decisions can be long-term and far-reaching, or it may be short-lived and practically unnoticed. The efficiency and effectiveness with which an organization makes decisions may make the difference between success and failure. The most appropriate decision-making structure will depend on the nature of the organization and its goals. For example, a military organization is most likely to function hierarchically because it must operate in high-stress situations that require immediate decisions.

Researchers focusing on decision-making process have generally described decision-making as the process of selecting one specific option amongst a list of potential alternatives (Miller & Byrnes, 2001) and they have noted that decision-making process is under the influence of intuition, attachment, family, peer pressure, memory, prejudice, information coding, feeling, motivation, stress, psychoactive substances, personality traits and problem-solving (Byrnes, 1998; Klaczynski, Byrnes, & Jacobs, 2001).

Specialists on organizational decision making describe the optimizing strategy as having the goal of selecting the course of action with the highest pay off. Such a strategy requires estimating the comparative value of every viable alternative in terms of expected benefits and costs. But as Hubert Simon has pointed out, human beings rarely adopt this decision-making approach; people simply do not have "the wits to maximize". Part of the problem is that

determining all the potentially favourable and unfavourable consequences of all the feasible courses of action would require the decision maker to process so much information that impossible demands would be made on his resources and mental capabilities. Moreover, so many relevant variables may have to be taken into account that they cannot all be kept in mind at the same time. Handicapped by the shortcomings of the human mind, the decision maker's attention, asserts Simon, "shifts from one value to another with consequent shifts in preference". Furthermore, decision makers are often under severe pressure of time, which precludes careful search and appraisal. Executives in large companies seldom have time to engage in long-range planning because they are constantly occupied with current crises requiring emergency "firefighting". The executives are likely to be so busy solving immediate problems that they cannot effectively apply their solutions on a long run recurrent basis. The nature of decision making depends on a number of variables, including the organizational context of the decision (public vs. private sector), the quality of information available and the willingness of decision makers to utilize such support.

Leadership is important for every organization. Leaders function as role models, have the ability to change the organizations, and could create a certain work climate for employees. Many studies have focused on different leadership styles, such as transactional, transformational and ethical leadership, where positive personality traits of leaders are highlighted and related to leadership effectiveness (Judge et al., 2002).

There are two major themes on leadership. First is how to influence people with techniques of influence and persuasion, and the second to explore how to empower them to share leadership and take personal responsibility. Some people seem able to influence people to behave in ways that go beyond mere compliance with the rules and routines of the organization. Stephen Covey (1999) argues that the secret of influencing is to 'think win/ win'. John Kotter of the Harvard Business School is one of a number of experts who believe that organizations are over managed and under led, at least partially because people do not appreciate the differences between management and leadership. Alistair McAlpine has said in his book that business is about organizing people so that they behave in a motivated and orderly fashion. Running a business is about leadership.

Successful manipulation seems generally to mean getting someone to do something they would not have done otherwise, without the use of force. In the simplest case the manipulator derives direct benefit at the other's expense. Some manipulation is socially acceptable. Machiavelli's perspective remains important and relevant for two main reasons. Human nature has not changed. Hence, his insights about politics are still valid. Business is an important part of our social structures norm. In general, human evolutionary psychology and evolutionary game theory provide useful frameworks for thinking about behavioral strategies, such as Machiavellianism, and identify a large number of specific hypotheses that have not yet been tested by personality and social psychologists, provide useful frameworks for thinking about behavioral strategies, such as Machiavellianism, and identify a large number of specific hypotheses that have not yet been tested by personality and social

psychologists.

Manipulative strategies of social conduct (Machiavellianism) have been studied by both psychologists and evolutionary biologists. Interestingly, field studies in the areas of medicine and psychiatry indicates that surgeons score lowest on the scale, whereas, psychiatrists score highest. Christie and Geis (1970, p.312) state: "High Machs manipulate more, win more, are persuaded less, persuade others more, and otherwise differ significantly from Low Machs in situations in which subjects interact with others, when the situation provides latitude for improvisation and the subject must initiate responses as he can or will, and in situations in which affective involvement with details irrelevant to winning distracts Low Machs."

There exists a link between the personality attributes of Machiavellianism, self-esteem, risk-taking propensity along with leadership and workplace empowerment. Machiavellian leader is likely to have on the contextual performance of employees, which includes employee's challenging organizational citizenship behaviour (OCB) and counterproductive work behaviour (CWB).

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INTERRELATEDNESS BETWEEN COMMUNICATION NORMS, ORGANIZATIONAL CULTURE AND PERFORMANCE

Abstract

The objective of this article is to demonstrate the relation between the roles of communication in the organizational culture and its performance. It is reasoned out that a communication norm has a deep impact on the organizational culture and on organizational process, employees and its performance. This also describes the different dimensions of the culture which have impact on organizational performance. Research shows that if employees are committed and having the same norms and value as per organizations have, can increase the performance towards achieving the overall organizational goal. When the organizational culture is well managed, effective communication is enhance and when effective communication is applied, the organization's goals and objectives become achievable. On this premise, this study looks at the organizational culture (which may be internally or externally induced) which accounts for the uniqueness of each organization. The culture, in turn, defines the operations in the organization. In addition, the organizational goals and objectives act as the propeller of the culture-moving the whole organization towards a definite direction. The study also discusses the role of managers as cosmopolites in organizations who often interact with the external environment. They come in introducing new ideas to enrich the organizational culture or to prune the existing ones for better productive values and beliefs. Hence, this study is also concerned with how to manage organizational culture for effective organizational communication.

Introduction

In the modern business world, communication is imperative for the successful execution of day to day operations. Understanding cultural differences and overcoming language barriers are some of the considerations people should have when dealing with business with people of various cultures. Often business deals are lost because the parties involved did not take the time to learn about their each others' cultures prior to interacting Globalization is associated with productive, commercial, organizational, creative logics, widespread communication, rigid standardization, and standardization of different culture, production of economic and cultural monopolies. There are different strategic position from national customization to international standardization with hybrid approaches between both of them is globalization. An organization consists of synergistic, interrelated and inter-dependent parts. Soola (2000) noted that organizations are usually created by and for people who share certain characteristics, aspirations and goals in common. The structure

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of an organization is deliberate and constructed where and when an individual or group has objective that cannot be pursued, attained or sustained without the input of other individuals or groups (Ritzer, 2004). The concept of culture generally refers to knowledge, attitudes, values, and related behavior pattern shared with others. The concept of culture is useful to us and other educators because research has shown that understanding cultural influences on education is important and that addressing cultural influences can improve student's educational experiences.

According to Beckhard (1969), an effective organization is one in which the total organization, the significant subparts and individuals, manage their research against goals and plans for the achievement of these goals. The organization and its parts see themselves as interacting with each other and a larger environment. The organization is an open system. And there is a shared value and management strategy to support it, of trying to help each person (or unit) in the organization to maintain his (or its) integrity and uniqueness in an interdependent environment. In groups of people who work together, organizational culture is an invisible but powerful force that influences the behavior of the members of that group. Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

The reality of our world is that we don't have the necessary knowledge for understanding the micro cultures from which many of our fellow citizens come. This facts lead to the understanding that we need to the possibility that people with whom we are interacting may not entirely share all our cultural assumptions. This understanding is sometimes referred to as "cultural competency" or "cultural sensitivity". Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture. Members of organizations make judgments on the value their organization places on these characteristics, and then adjust their behavior to match this perceived set of values. Let's examine each of these seven characteristics.

The seven characteristics of organizational culture are:

1. **Innovation** (Risk Orientation) - Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs.

Companies with cultures that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.

2. **Attention to Detail** (Precision Orientation) - This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects their employees to perform their work with precision. A culture that places a low value on this characteristic does not.
3. **Emphasis on Outcome** (Achievement Orientation) - Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.
4. **Emphasis on People** (Fairness Orientation) - Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.
5. **Teamwork** (Collaboration Orientation) - Companies that organize work activities around teams instead of individuals place a high value on this characteristic of organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.
6. **Aggressiveness** (competitive orientation)- this characteristics of organization culture dictates whether group members are expected to assertive or easy going when dealing with companies they compete within the market place. Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all cost.
7. **Stability** (Rule Orientation) – A company whose culture places a high value on stability are rule oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non- changing market conditions.

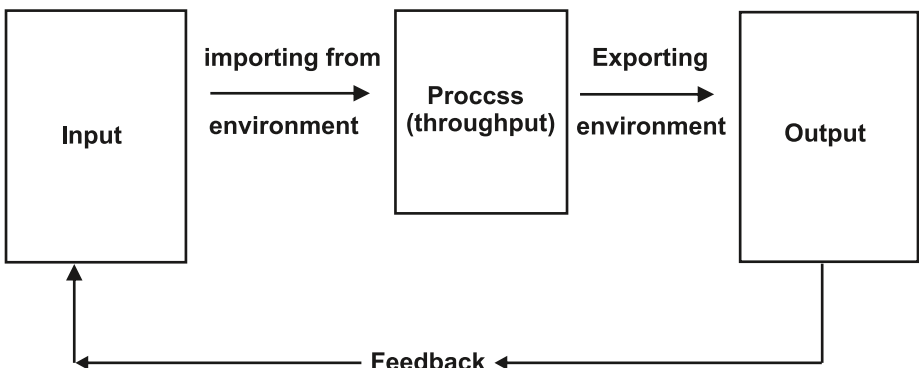


Figure 1: Organization as an Open-System

Communication: No action is meaningful without it being communicated to the stakeholders within and outside the organization. Therefore, the proper communication process should be adopted. This is with the view of ensuring an effective communication, which of course is goal-directed and would enhance the organization's productivity.

The communication process has to be taken into consideration. All the elements of the communication process (source-which is the managers message the actions above; channel-memo, letters, bulletin board, etc.; receiver-employees; feedback-reactions from employees to the managers) has to be in tune with the actions above to achieve positive change in the organization.

Evaluation: Evaluation means assessing the actions adopted and the communication outcomes. The result of the evaluation might give rise to modification in any of these strategies applied. To this end, there has to be continuous monitoring and evaluation process built into the organization's communication system. Some important questions that should be considered are:

- Have the objectives of the exercise been achieved?
- Have we been able to bring about the desired change?
- Where did we fail?
- What strategy amendments should be introduced and how do we go about it?

Effective communication: Kolawole and Akinyele (2002) see communication as the flow of material, information, perception and understanding between various parts or members of an organization. Communication here involves all the methods, means and media of communication (communication technology); all the channels, networks and systems of communication (organizational structures) and all the person-to-person exchange (interpersonal communication). It includes all aspects of information flow vertical, horizontal, diagonal or semi-vertical and various communication skills: writing, reading, speaking and listening.

Effective communication requires not merely the transmission of information but the sharing of a message and the meaning of the message. Effective communication fosters understanding of one another and brings people closer together (Maurus, 1996).

One goes into communication transaction for a purpose or expecting certain actions to occur. The success of such a communication transaction can, therefore, be measured with regards to whether the object of the communication has been achieved or not. In the same vein, effective communication is expected to bring about goals or objectives achievement in an organization.

De Witt (2004) stated that effective communication is a lot more than just giving people regular updates. People are naturally resistant to change and you have got to sell them the benefits of it. To communicate the changes, do what any good marketing manager would do: define segments and then develop key messages for each segment. The aim is to address their areas of concern. Ask for feedback, as this will help you to make the necessary adjustment for improvement.

The Manager and Effective communication

Communication is very important to an organization not only to transmit information between individuals but also to ensure efficiency in all subunits in an organization. The job of the manager is to

communicate effectively to persuade or motivate the researchers to bring about the desired change in the organization. Through strategically planned communication, both within and outside the organization, he seeks to achieve the organizational goals and objectives.

A manager is a gatekeeper or change agent who filters messages as they come over channel, controls which messages are passed along the channels and determines the most effective method of presenting them. According to Berkhard (1969), the manager plays the following roles:

- Managers are continually working on the problems of how to develop a flexible organization which can move with changing requirements, which can be proactive (influencing the environment) rather than reactive.
- Managers are seeking ways to establish a research climate in which increasing complex decision can be made by people with the information regardless of their location in the organization.
- Managers are looking for ways in which new and complex technologies can be managed and in which people who have an ever higher sense of freedom and autonomy can encouraged to want to stay and work in the organization.

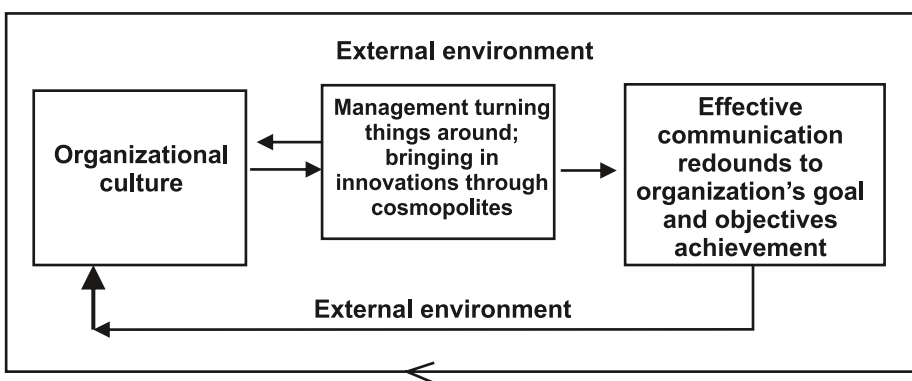


Figure 2: Conceptual Framework

What is an Organizational Performance?

Performance is a broader indicator that can include productivity, quality, consistency, and so forth. On the other hand, performance measures can include results, behaviors (criterion-based) and relative (normative) measures, education and training concepts and instruments, including management development and leadership training for building necessary skills and attitudes of performance management (Richard, 2002). Undoubtedly the organization's performance is a function of the potential return to the inculcation of strong culture into the organization's systems enabling it to execute its routines.

Effect of Organizational Culture on Organizational Performance

Organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving (Kotter, 2012). If an organizational

culture becomes incongruent with the changing expectations of internal and/or external stakeholders, the organization's effectiveness can decline as has occurred with some organizations (Ernst, 2001). Communication norms, organizational culture and performance clearly are related (Kopelman, Brief, & Guzzo, 1990), although the evidence regarding the exact nature of this relationship is mixed. Studies show that the relationship between many cultural attributes and high performance has not been consistent over time (Denison, 1990; Sorenson, 2002). We can summarize the effects of organizational culture on employee behavior and performance based on four key ideas (Bulach, Lunenburg, & Potter, 2012; Hellriegel & Slocum, 2011). First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. This insight provides guidance about expected future behaviors. Second, organizational culture can foster commitment to the organization's philosophy and values. This commitment generates shared feelings of working toward common goals. That is, organizations can achieve effectiveness only when employees share values. Third, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors and away from undesired behaviors. This can also be accomplished by recruiting, selecting, and retaining employees whose values best fit the values of the organization. Finally, certain types of organizational cultures may be related directly to greater effectiveness and productivity than others.

Now it is cleared from the above mentioned facts that the concept of diversity has a great value on the organization and culture play an important role in globalization. To compete in the world of globalization managers must have the value of diversity and their talents will be a great value for the success and survival of organization.

Every organization wants to expand globally, transition play a very important role in organization. Hof stede (1997) says that "it is true that the cultures shifts itself, but the important thing in shifting togetherness, the differences between both the cultures remain them intact" (p.77) every organization needs to improve their work structure, cultural diversity play an important role in the organization, technology is changing day by day, organization can need better resources from the outside. Handy (1995) said that the certain type of culture. Sensitivity and understanding play very important role in cultural diversity. Cultural diversity also plays an important role in decision making, accountability, responsiveness which directly gives impact on the growth of the organization. Every manager wants to use all these skills that can help the value system, and try to influence the business with the help of these cultural movements.

Social, technological and economic change play very important role to get knowledge and expertise organization need to use these activities in their day to day business ;like promoting cross cultural activities. Hof stede (1983) said that the nations had achieved the speedy economic and technological growth now shifting regularly in this way. In sum, it seems to be the case that increased affluence is a cause of increasing individualism, rather than individualism causing affluence. It will enhance the business as well as the knowledge of the resources because they will learn more and more about different cultures across the world. As an expert manager can face a so many uncertainties in the organization as different cultural have different value system. To understand these values system is not an easy task. For example, if a manager does not know anything about the technical question, he will find a different way of not answering the question rather than ignorance.

Symons (2003) said trust is the most critical factor in managing virtual team. Because in e-ethical leadership manager has to manage virtual team. Which is slight different from other team management, but in today's business environment to work in international work environment is getting essential to manage team virtually. Duarte and Tennant Snyder (2000) says that three things must be there in managing virtual teams; these are performance, integrity, relationship. Communications plays an important role in leadership. With the help of proper values and structured management it will be easy for the leaders to manage teams. Virtual project teams are increasing day by day, so ethical management of virtual team is being essential for new e- business ethics.

This concept can be effectively applied in the cross cultural teams. For of all the manger should do one thing which is to create positive work environment, which play a very important role in cross cultural teams. Motivation also plays an important role in managing cross cultural teams. Try to be focused on the team. Communication also plays an important role in cross cultural teams. If a manger keeps all these things in mind than he can manage their teams very effectively. So it is clear that ethics play an important role in managing cross cultural teams.

There is a difference between relative ethics and absolute ethics. Ethics is very important in our life to judge what is right and what is wrong. Basically the relative ethics is subjective in nature, which sometimes depends on a person's cultural views and varies from person to person. Ethics may vary with a person's personal interpretation and also influenced by their cultural interpretation, while in the other hand absolute ethics always remain constant, and never influenced by individuals experience. Relative ethics wants to explore the reason behind the subject. Relative ethics has a proper assumption by which it can be extrapolated. Relative ethics needs proof where absolute ethics believe in hypothesis.

What the employee benefit program offers without effective communication employees will not be aware of that, and therefore they will be unable to utilize it. For the management and employees who are involved in the benefit program, participants can fully access all aspects of the program, it is also critical that communication is maintained.

When designing all aspects of their program team should focus on communication. What activities are going on within the employee benefit program, generate awareness and increase the employee's knowledge so that there should be constant flow of information. Employees must have the access to information from posters, newsletter, voicemail, email, flyers and also on bulletin boards. For that group of employee's the information should be given out in this most appropriate manner. In addition, on any applicable current trends, team should focus on updating employees. There should also be information give out that details the potential benefits. For employees to remain interested and participating for the program to remain consistent this has to be done on a regular basis.

In the beginning of society, people were not aware about the ethics. They have no idea about what is right and what is wrong. Let us take an example, a person says that he like music and the other person say's that he don't like it. This shows that they have different opinion but nothing would be 'wrong'. Every individual have different opinions in this world also they have different opinion about things around us. That is why we have relative ethics. What is right and what is wrong depends upon the social norms and values. Culture also gives good impact on relative ethics. Ethics have changed a lot over the last few decades. If the absolute ethic is absence in our life, there will be no divine.

The concept of culture generally refers to knowledge, attitude, values, and related behavior pattern shared with others. The concept of culture is useful to us and other educators because research has shown that understanding cultural influences on education is important and that addressing cultural influences can improve student's educational experiences.

These critics indicate that one must pay attention to how we define and use the term "culture" and that when examining cultural influences one should:

- Attend to variability within cultures;
- View culture as a continual process of creating meaning rather than as a static body of knowledge.
- Be aware that individuals participate in multiple cultures and that they work out aspects of their cultural identities within specific contexts:
- Look for challenges and resistance to cultural norms as well as conformity to them: and
- Examine commonalities across cultures as well as differences among them.

1. Build trust in person and grow that trust with clear expectations. In order for people to work effectively virtually, there has to be trust. Trust doesn't happen magically. It is built when you bring your team together for training or team building, and then continues to grow with clear expectations consistently set by leaders and met by the team. It's important to bring people together at least once a year. During in-person meetings, I often get a handle on something that wasn't obvious before, and then when we are virtual again, I have invaluable insight that wouldn't have been possible without the time we spent together.

2. Manage results, not activity. In the physical office environment, "busy work" often gets mistaken for real work. In the virtual environment, when you can't see what people are doing, the key is to manage results. Set expectations and monitor the results, not the daily activities. This is empowering for people who are motivated and who take the initiative, and on the other hand it is a virtual microscope, which reveals people who don't know how to get things done. You can usually spot a poor hire in a couple of months and save yourself and the individual a lot of time and heartache.

3. Schedule regular communication. It's important that there is a regular time for reporting both progress and potential pitfalls to the team. This keeps people on track and gives everyone the discipline of a team check-in. It's amazing how much can be accomplished in a 30-minute conference call when you set expectations beforehand and tell everyone what you need to accomplish in that time frame.

4. Create communication that saves time -- not the kind that kills it. Have you created an e-mail culture that wastes time with endless "daisy-chain" conversations that take several hours to read? Does your team spend hours trying to solve an issue with an e-mail conversation that could have been solved with a 30-minute conference call? E-mail and instant messaging are critical tools in our work environments, but it's important to create a new culture of effectiveness around them. Ask yourself: How can I make my team's e-mail communication more productive? For example, we use IM for anything that can easily be answered with a simple yes or no. It is also our virtual water cooler where we talk about vacations and what's happening.

5. Create standards that build a cohesive culture. What are your standards of quality? How do you define excellence? What do you expect from the people on your team? Making sure everyone knows the answers to those three questions is especially important when people are scattered geographically. Virtually, you need to create cohesion with excellence and a sense of pride in what your company stands for. People want a reason to belong, and a strong culture gives them a sense of belonging and also the confidence of knowing what the rules of the road are for them and the company.

6. Establish rules of responsiveness. When people are working remotely, it's important that you define what your rules of responsiveness are for your culture. How quickly are people expected to return an e-mail, an IM or a phone call? What is your protocol when people are out of the office or on vacation? If you're in a customer service environment, it's important to have clear expectations regarding how to respond to all customer inquiries. No one likes to be kept waiting, and knowing what to expect immediately lowers the blood pressures on both sides of the customer/company relationship.

Once you have your communication keys in place, you need to model the behavior you want to cultivate. Set some boundaries for yourself, and let your team know when you're not available. If you're on a family vacation, give people plenty of notice, and let them know the time period when you are not available. Empower people when you are unavailable. You'll be surprised at the solutions that magically appear when you are unplugged from your Blackberry. Revel in it.

Conclusion

Every organization has a culture and this culture can be managed for effective communication. Surely, an organization cannot exist without communication and it has also been advanced that an organization is as good as its communication system. Therefore, having utilized the necessary strategy for the planning of a better organization's culture management, it is expected that effective communication will be evolved. An effective communication invariably means goal-directed communication which should ensure the realization of the organizational goals and objectives. Every culture has a degree of integration and a degree of internal conflict and variation. If we think about it, we can see how the concept of culture can, if carefully used, even apply to groups within a larger culture and even groups smaller than an entire culture. We come to bear our cultures by learning how to behave (and how not to behave) in a variety of situations. It has been observed that the behaviors of others and from that information we extract the knowledge necessary for anticipating situations that have not yet happened. In this sense we do not so much possess culture as we do possess the knowledge necessary. Ethnocentrism refers to something we all regularly do, frequently without consciously realizing it: Judging or "understanding" the behaviors of one culture by our own, different culture standards. It is often the case that someone's behavior may seem trivial to us, but of great importance to the other person. For example, many Sikh men and women do not cut their hair and wear a turban. Too many of us, this seems hardly very important, but for the Sikhs engaging in that behavior it is central to their religious identity. So the general anthropological notion is that ethnocentrism is something to be avoided.

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JUDICIAL INTERVENTION AND LEGAL ASPECT OF DOUBLE IMPRISONMENT

Abstract

Right to Dignity is one of the most recognized and the foundation of Human Right. The Indian Constitution while mentioning the term dignity in its Preamble provides for its structure in its detailed provisions of Fundamental Rights and Directive Principles of State Policy. Present research paper aims to analyse the judicial intervention and legal aspect of double imprisonment. On the basis of critical case study, and prevailing conditions in the jail, it is suggested that there should be no double imprisonment for the prisoners. It is suggested that the basic facilities and amenities must be ensured to the prisoners irrespective of gender to avoid double imprisonment.

Keywords: *Double Imprisonment, Fundamental Rights, Directive Principles of State Policy.*

Introduction

Confining women and men in prisons, asylums and workhouses was thought to be the best way of dealing with many of the problems that beset society including social unrest and crime. A prison is meant to be a world that would lead to be a physical discipline and moral transformation. From the very beginning women's in prison were treated differently from men in the developed countries but this phenomena was started a quite late in the underdeveloped and developing countries like India, considered more morally depraved and corrupt and in need of special, closer forms of control and confinement of a women in prison. They became a parish class, separate and distinct from the ideal, chaste and morally correct women of the Victorian era and this continues even today.

All institutions for women have difficult problems because they must accept offenders ranging in age from teen-age girls to senile women, who present an ideal range of sentences and offenses, personality traits, backgrounds, mentalities and training and treatment needs.

Right to Dignity is one of the most recognized and the foundation of Human Right. The Indian Constitution while mentioning the term dignity in its Preamble provides for its structure in its detailed provisions of Fundamental Rights and Directive Principles of State Policy. Dignity is a complex term and cannot ensure only by providing legal Constitutional rights and by making welfare policies, the implementation of these rights are equally important. Researcher in this paper was trying to focus on the gray areas relating to the women's in prison where they are facing double punishment for the same crime, one which is given by court, another which happen to them in a way of forced prostitution, immoral activities, lack of facilities and others.

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An insight into a prison

It is well known that sound constitutional, independent and impartial and effective Judicial system to safeguard the rights of a people in custody i.e women. There is a Directive Principle of State policy where State have to ensure that people residing in a concerned state will not have any problems such like that every state in India are having its own Jail manual in which every process in clearly mention, worthy to mention here the recommendations made by the National Expert Committee on Women Prisoners which was appointed by the Ministry of Human Resource development in 1987 to examine the conditions of women prisoners under the chairmanship of Justice V.R.Krishna Iyer in which they have referred to some specific problems such as procedure of handling a women offenders in detention or custody, rehabilitation of women offenders, fair, humane and effective handling of women offenders at various stages of criminal justice process etc.

After the detailed study the committee have recommended for the separate prison for women prisoners, upgraded facilities for the child of women prisoners, grievances box, medical diagnostic and care facility must be available to inmates routinely and by a female doctor, diet clothing and basic living facilities like bath, toilet, personal and environmental hygiene are due to every prisoner, some specialized attention through wider use of parole furlough, commutation and suspension of sentences etc., the indiscriminate custodialization of women needs to be discouraged through careful sentencing and much greater reliance on non-custodial options than is currently visible, another aspect to which the committee recommended is that the prison superintendent should be encouraged with discretionary authority to admit any child of a prisoner mother under the age limit permissible to prison even if the regular magisterial order is not there.

Judicial intervention and Legal aspect

India is presumed to be a developing and Law abiding Nation whereas on the other side we regularly we witnessed the gray shades in our system by various ways, Mother of all Laws Constitution of India have provided a shield by providing a Prison as a State subject under List II of Seventh Schedule of Constitution of India in which State acts as a guardian to take care of the Prisoners and Prison, Indian Prison Act 1894 is a guideline that how Jail management and Administration work, although every

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State also having its separate Prison for the smooth functioning, The National Human Right Commission was established as per the provisions of Human Rights Act passed by Government of India in 1993 was there as a watchdog on every violation of Human Rights in India with its supportive organ as State Human Rights Commission in every State. An outcry still there because of the macabre conditions of women in society which leads to a constitution of National Commission for Women. There are several International United Nations Conventions, Guidelines, regulations related to Prisoners out of which India have injected in one or the other aspect of Indian Law such as

- Basic principles for the treatment of prisoners, 1990 (Adopted and proclaimed by General Assembly resolution 45/111 of 14 December 1990)
- Body of principles for the protection of all persons under any form of detention or imprisonment, 1988 (Adopted by General Assembly resolution 43/173 of 9 December 1988)
- Code of conduct for law enforcement officials, 1979 (Adopted by General Assembly resolution 34/169 of 17 December 1979)
- Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment, 1984 (Entered into force on 26 June 1987)
- Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment 1984 Entered into force on 26 June 1987.
- European Prison Rules, 1987
- International Covenants on Civil and Political Rights, 1966
- Principles of medical ethics relevant to the role of health personnel, particularly physicians, in the protection of prisoners and detainees against torture and other cruel, inhuman or degrading treatment or punishment, 1982 (Adopted by General Assembly resolution 37/194 of 18 December 1982 Standard minimum rules for the treatment of prisoners, 1957 and 1977 (Adopted by the First United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held at Geneva in 1955, and approved by the Economic and Social Council by its resolutions 663 c (XXIV) of 31 July 1957 and 2076 (LXII) of 13 May 1977)
- Universal Declaration of Human Rights, 1948
- CAT - Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment
- CAT-OP - Optional Protocol of the Convention against Torture
- CEDAW - Convention on the Elimination of All Forms of Discrimination against Women
- Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT), 2006.

Aforementioned Principles, Guideline, Conventions are mentioned in the following ways such as

- National safeguards against torture reflects in Article 14³,

³*Constitution of India, 1949*

- Article 15⁴ which clearly states the role of a State in treating an individual in an equal manner besides on the ground of religion, race, caste, sex, and place of birth, whereas a discretionary power is also vested in state is that it can frame special provisions for Women and Children is also upon a state ,
- Article 19⁵, talks of granting freedom of speech and expression, which is also available to female prisoner
- Article 20⁶ which specifically related to prisoners i.e. Protection in respect of conviction for offences. (1) No person shall be convicted of any offence except for violation of a law in force at the time of the commission of the Act charged as an offence, nor be subjected to a penalty greater than that which might have been inflicted under the law in force at the time of the commission of the offence. (2) No person shall be prosecuted and punished for the same offence more than once. (3) No person accused of any offence shall be compelled to be a witness against himself.
- Article 21⁷ is an ocean which is having all kinds of rights or Bunch, bundle of rights in itself and considered to be a most powerful Article of Constitution of India which is also a mirror image of Universal Declaration of Human Rights 1948 i.e. Protection of life and personal liberty.—No person shall be deprived of his life or personal liberty except according to procedure established by law.
- Article 22⁸ is also a protector of Human rights in various ways and it speaks about Protection against arrest and detention in certain cases. (1) No person who is arrested shall be detained in custody without being informed, as soon as may not be, of the grounds for such arrest nor shall he is denied the right to consult, and to be defended by, a legal practitioner of his choice. (2) Every person who is arrested and detained in custody shall be produced before the nearest magistrate within a period of twenty-four hours of such arrest excluding the time necessary for the journey from the place of arrest to the court of the magistrate and no such person shall be detained in custody beyond the said period without the authority of a magistrate. (3) Nothing in clauses (1) and (2) shall apply (a) to any person who for the time being is an enemy alien; or (b) to any person who is arrested or detained under any law providing for preventive detention. (4) No law providing for preventive detention shall authorize the detention of a person for a longer period than three months unless— (a) an Advisory Board consisting of persons who are, or have been, or are qualified to be appointed as, Judges of a High Court has reported before the expiration of the said period of three months that there is in its opinion sufficient cause for such detention: Provided that nothing in this sub-clause shall authorize the detention of any person beyond the maximum period prescribed by any law made by Parliament under sub-clause (b) of clause (7); or (b) such person is detained in accordance with the provisions of any law made by

⁴*Constitution of India, 1949*

⁵*Constitution of India, 1949*

⁶*Constitution of India, 1949*

⁷*Constitution of India, 1949*

⁸*Constitution of India, 1949*

Parliament under sub-clauses (a) and (b) of clause (7). (5) When any person is detained in pursuance of an order made under any law providing for preventive detention, the authority making the order shall, as soon as may be, communicate to such person the grounds on which the order has been made and shall afford him the earliest opportunity of making a representation against the order. (6) Nothing in clause (5) shall require the authority making any such order as is referred to in that clause to disclose facts which such authority considers to be against the public interest to disclose. (7) Parliament may by law prescribe (a) the circumstances under which, and the class or classes of cases in which, a person may be detained for a period longer than three months under any law providing for preventive detention without obtaining the opinion of an Advisory Board in accordance with the provisions of sub clause (a) of clause (4); (b) the maximum period for which any person may in any class or classes of cases be detained under any law providing for preventive detention; and (c) the procedure to be followed by an Advisory Board in an inquiry under sub-clause (a) of clause (4).

- Article 32 & 226⁹ of Constitution of India, gives a power to a common man against the arbitrary action of the administration, governmental authorities and others/.
- whereas on the procedural aspects the reflection was made in section 49, 50, 51, 53, 54, 55, 56, 167, 300, 303 & 304 of Criminal Procedure code 1973
- Bar fitter is prohibited by the principles of UDHR 1948 through Article 5 & 10.
- Section 56 of the Prisons Act 1934 incorporated the same sense of Article 5 & 10 of UDHR 1948.
- Section 14 of Indian Prison Act 1984 talks about lady medical officer especially for female prisoner, accommodation for all necessary pre-natal, post-natal care and treatments etc.

Judiciary having seen the sanctity and importance of matters pertaining to women prisoners' intervened several times such as in the cases listed below:

- ***Sunil Batra v. Delhi Administration 1978 SC 1678*** case the apex court (Supreme Court) have interpreted Article 19 & 21 of the Constitution of India and held that the under trial prisoner and convicted prisoner shall be kept separated so that it will be more easier to administer them, also female prisoner will be attended by only female police constables and it is the right of women in custody to be given their own latrines, bathrooms and women jailers, so as to minimize the cases of harassment, ever teasing, abusing and other inhuman treatments.
- ***Sunil Batra v. Delhi Administration AIR 1980 SC 1579*** the Supreme Court emphasized on to keep men and women in separate Jails.
- ***Maneka Gandhi v. Union of India AIR 178 SC 597*** case the Supreme Court held that under Article 21 of the Constitution of India the procedure which does not ensure a reasonably speedy trial cannot be regarded as a "fair and reasonable procedure". The procedure in a case of women prisoner is that it shall be attended by only Lady policeman
- ***Babu Singh v. State of Uttar Pradesh 1978 2 SCR 777*** case the Supreme Court held that information should be given to the accused at the time of arrest and the same will be communicated with a reasonable means to his/her family members.

⁹Constitution of India, 1949

- *Sheela Barse v. State of Maharashtra AIR 1993 Cr LJ 643 SC 378* case, the Supreme Court hammered and issued the guidelines with regard to ensuring safety of women prisoners in police custody and ordered that they should be well accommodated in the terms of Life and dignity, specifically separated from male detainee. The same was also having a special mention in section 7 of The Indian Prison Act 1894.
- *State of Maharashtra v. P.Pandurang, AIR 1996 SC 424* case, the Supreme Court emphasized that there shall be minimum education of all prisoners mostly women and all the facilities should be provided to them.
- *Prem Shankar Shukla v. Delhi Administration, AIR 1980 SC 1535* case the Supreme Court opined that bar fetters provisions should be applied only in extreme cases.

The Gray shades of Prison

Despite of several safeguards and protection available and also intervention by the Judiciary there are several problems which leads to double punishment to the prisoners and specially to women prisoners, this is evident from several instances in past and present,

- **The overcrowding of prisons** is one of the major problem which is evident from several incidents reported in the cases like a research work conducted in Gujrat, Uttarakhand, Uttar Pradesh, Odisha etc. at the same time Judiciary itself pointed out the same thing in various cases.¹⁰
- **Transfer of prisoners from one Jail to another**, several times it is noticed that a prisoner is shifter from one prison to another in *Kalyan Chandra Sarkar v. Rajesh Ranjan AIR 2005 SC 972: 2005 (3) SCC 284* The Supreme court observe that in case of transfer on prisoner from one place to another he is entitled to visit his family as provided for under the Jail Manual of such Jail outside the State.
- **Insubstantial food and inadequate clothing**, grave infringements done several times related to unhealthy food and worst clothing provided to prisoners, though many things not on record, but there are violations of Prison rules in this regard. Though there is a system of complaint box is introduced in Tihar Jail but at the same time this is also to keep on check that the complaint should reach to proper addressee in a reasonable time and it should be sort out in a fair manner.¹¹
- **Medical treatment of prisoners specially women prisoners** who are facing some serious issues of female doctors, attendant, staff in Jail, worth mention here in a research survey conducted by an author in a Jail of Roorkee, Uttarakhand, in May 2016 it was found that there is no Female Doctors for women prisoners on the other hand depending upon the facts and circumstances of each case, Government may ultimately stand responsible and accountable and in a given case not ruling out even the liability to compensate.¹²

¹⁰*State of Gujrat v Hon'ble High Court of Gujrat, AIR 1998 SC 3164:1998 (7) SCC 392*

¹¹*Ram Murthy v. State of Karnataka, AIR 1997 SC 1748*

¹²*Noorunisa Begum v District Collector, Khammam, 2001 Cri LJ 3857: 2001 (5) Andh LD 41 (AP)*

- **Torture and Inhuman Treatment,**
- **Assault on women with intent to outrage her modesty,** one of a serious concern which needs to address especially there are so many incidents where administration failed to safeguard the dignity of a women prisoner in prison, law protectors itself are the violators.¹³
- **Custodial Death,** in a report published by Crime in India- 2014, there are 61 deaths in a police custody out of which 27 deaths were due to suicides committed by detained persons followed by 16 deaths due to illness, 10 death during hospitalization, 9 due to injuries sustained during the police custody recorded in the year 2014 and majority of deaths reported in Uttar Pradesh, Maharashtra, Tamil Nadu and Gujrat which show a negative image of a nation. Though there are guidelines issued by Supreme Court in *Charles Sobraj v. Superintendent, Central Jail, Tihar, New Delhi, AIR 1978 SC 1514.*
- **Fair and effective mechanism** as per National Crime Record Bureau there are 47,774 complaints received against Police personnel during 2014 out of which very few sent to resolve in an effective manner, it seems that there is less transparency in and fairness which resolving the complains
- **Mother and Child Unit,** lack of mother and child unit were found in a research survey conducted by an author in various jails of Uttarakhand in May 2016

Conclusion and Suggestions

Conditions of prisoners in general and Women in specific in India is far from Satisfactory, despite of legal shield, Judicial intervention, efforts of Governmental and Non- Governmental agencies still an administration is failed to provide a fair living standards to the prisoners and specially the female prisoners experience the hardship of bearing handicaps such as deprivation of liberty, goods and services and relationship. Furthermore the social, physical and psychological deprivations have a severe impact on the self-image of the female inmates, in the incident reported in 2015 in Bangalore regarding the forced prostitution in which National Commission for women had taken suo-moto cognizance and constituted an inquiry where the committee had made certain recommendations like assisting the poor/needy inmates financially for the bail amount, lack of basic amenities for the women staff of the prison, periodic meetings of jail staff with senior officials of the jail authority should be organized on monthly basis, such kind of recommendations should be implemented as soon as possible across the country, lack of mother and child unit is a serious concern which is a need of an hour, in a recent incident reported in the leading newspapers where National Commission for women have conducted a sudden inspection of Dehradun district Jail of Uttarakhand where they found 80 male inmates were being kept there where the normal is 20. In case of the female wards, 30 female inmates are being kept while the ward should ideally have 20. on the other side problem related to lack female staff specially female medical attendant in women prison needs to be addressed at an alarming rate, living conditions, problem of overcrowding of Jails are not new but

¹³National Crime Record Bureau, report 2014 table 16.2

still the problem persists thus its high time to change our approach and start working through a different direction or better to say by taking more humanitarian approach. Hence there should be no double imprisonment for the prisoners

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PROGRESSIVE STRATEGY: A CASE STUDY OF INDIAN BANKING SECTOR

Abstract

The stone age of banking, when banks still had monstrous ledgers being moved from table to table, and the only way for most people to withdraw money was to wait in the queue before the teller with a slip provoked the formative origin of payment banks. Banking in India initiated in the 18th century. The oldest bank in India is the State Bank of India, a government-owned bank in 1806. SBI is the largest commercial bank in the country. With the nationalization of the RBI a new revolution in the banking industry took place and now the introduction of payment banks is again a new step towards bringing unbanked masses under the ambit of formal banking. Under this system RBI anticipates small finance banks to serve local people and local businesses for the first five years. For the purpose RBI has received 113 applications from aspirants to set up niche banks. Applicants range from Reliance Industries which runs the world's biggest refineries to Aditya Birla Nuvo and Bharati Airtel which has telecom operations in two continents and the future group also has applied for a payments bank license. As for small finance banks, there have been at least 4 applications from SKS Microfinance, DHFL, IIFL and UAE Exchange, many Microfinance Companies have also applied for a small banking license. Against these backdrops, the present paper has been carried out to the progressive strategy of Indian banking sector in the present era.

Keywords: Bank, Microfinance and savings

Introduction

The banking system in India has been a pillar of stability and a dominant provider for growth for the economy. India has five categories of banks and another two new categories of banks i.e. payment and small banks have emerged. The revolution of banks which began in 1969 with a view to increase the national savings rate. Thus, the post-liberalization had stalled in terms of outreach. Further, Jan-Dhan, Small Banks, Payment Banks, Mudra Bank, New Private Banks are few efforts to enhance financial inclusion. As per the article published in the Economic Times on 2 December 2014, India has 145 scheduled commercial banks for 1.2 billion people including 19 nationalized banks, 34 foreign banks, 22 private sector banks, 6 SBI and associate banks and 56 regional rural banks.

Further, India has 12 ATMs per 1,00,000 people, against 140 in the US, 35 in China, 127 in Japan, 120 in Germany, 109 in France, 125 in UK and 182 in Russia. Similarly, India has 11 branches per 1,00,000

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people against 35 in the US, 8 in China, 34 in Japan, 14 in Germany, 39 in France, 24 in the UK, 47 in Brazil and 38 in Russia. A decade of economic and financial sector reforms has strengthened the fundamentals of the Indian economy and transformed the operating environment for banks and financial institutions in the country. The table-01 describes the biggest public sector banks in India. Further, the banking liberalization plan was studied by three major banking reform committees; the committee on financial system of 1991, the committee on banking sector reforms of 1998 and the standing committee on International financial standards codes of 1999. The recommendation of these committees formed the basis of the reforms initiated in the 1990s and early 2000s. Prior to the reform, the entry of foreign banks into the Indian market was restricted and hardly any new private domestic banks had entered the market from the 1970 to the early 1990s. With the new reforms, foreign banks have been allowed to expand operations. Foreign banks have an important and progressive position in Indian banking system. Standard Chartered Bank, the oldest foreign bank that comes to India 150 years ago is now operating with 95 branches. It is followed by HSBC, which entered in 1867, with 50 branches. Later on, BNP Paribas, Citi bank, ABN AMRO Bank, Deutsche Bank, DBS Bank made their presence in India.

Table 1: The Largest Public Sector Banks in India

Bank	Market Capitalisation (Cr)	Govt. Stake (%)
State Bank of India	1,85,977.63	59.15
Bank of Baroda	39,154.54	57.53
Punjab National Bank	26,408.89	59.86
Canara Bank	14,363.69	64.48
Union Bank of India	10,811.42	60.47
Corporation Bank	3,589.67	63.33
Dena Bank	2,384.89	59.75
Vijaya Bank	1,759.16	74.06
United Bank of India	1,613.12	82.00
Punjab & Sind Bank	1,525.57	79.62

(Source: Business Standard, Vol. IX, No.132, 27th August 2015, P.1)

THE NEW PROGRESSIVE STRATEGY OF INDIAN BANKING SECTOR

BANDHAN BANK AND PAYMENT BANK

Bandhan Bank, the first private bank to become operational in India in 2001 with the focus on small and micro enterprises, micro loan borrowers and keep out of large corporate lending. Bandhan Bank which started off with 501 branches and 2022 customer services centers, the company has 67 lakh microfinance borrowers and their accounts have been transferred to the new entity, creating a Rs 10,240 crore strong loan portfolio to start with. Bandhan Bank got a license along with IDFC, which will launch banking cooperation on October 1. Competition will be intense in banking with RBI offering 11 in principle licenses to set up payment banks. It has 50 ATMs across 24 states. It plans to have 632 branches and 250 ATMs in 27 states by the end of fiscal year 2016. The bank said over 71 percent of the branches will be in rural areas, including at least 35 percent in unbanked rural pockets. In state-wise, West Bengal has the maximum number of branches (220) followed by Bihar (67) and Assam (60). The bank has two divisions (i) Micro banking and (ii) General banking. The bank will offer a wide variety of retail financial solutions including a variety of savings and loan products.

The issue of payment bank licenses to as many as 11 entities will change the face of the remittance business in the country. Further, the entry of payments banks will intensify competitive pressures in the very segment in which Bandhan bank has its roots. The 11 applications for payments bank licenses were chosen from among 41 applications. An External Advisory Committee (EAC) headed by RBI board member Nachiket Mor, scrutinized all applications and sent its recommendations. RBI has granted payments bank licenses to 11 companies such as Aditya Birla Nuvo, Airtel M-Commerce, Cholamandalam Distribution, Department of Posts, FinoPayTec, National Securities Depository Limited, Reliance Industries, Dillip Shanghvi, IDFC, Uninor, Vijay Shekhar Sharma, Tech Mahindra and Vodafone Mpesa. Payment banks can (a) accept demand deposits from individuals, small business and other entities, (b) It can set up branches, ATMs, issue debit cards, offer internet banking (c) hold a balance of up to Rs 1 lakh per individual (d) accept remittances to be sent to multiple banks or receive remittances from them (e) distribute mutual fund products, insurance products and pension products; undertake utility bill payments. The payment banks were not (a) accept NRI deposits (b) not issue credit cards (c) not set up subsidiaries to undertake non-banking financial services activities (d) and not offer other financial/non-financial services of promoters along with payments bank services.

Challenges of Payment Bank

1. The new bank will make little money, but can be expected to aggressively chase market share with a hope to become full-fledged banks.
2. Another big lacuna is the absence of functional bankruptcy code, for resolution of bad debts and redeployment of assets locked up in failed projects.
3. The capital infusion promised should not end up as provisioning against bad loans. These should be resolved.
4. Payment banks may incentivize customers for using electronic transfers as they would not want to invest too much money in expanding branch or ATM networks.

5. With the payment banks, it is easy without going through the hassle of adding people authenticating it through passwords and so on. Once payment banks become operational, it is easy to transfer money directly from your account to that of the merchant using the mobile phone.
6. With payment banks, the vast segment of customers who have no access to such products will be able to get the advantage of the digital channels and digital technology for regular banking services.
7. Payment Banks getting in principle approval from the RBI. They will be allowed to do limited banking services for instance, can accept deposits, offer payments and remittance services, issue debit cards and act as agents for commercial banks.
8. The rural consumers will want access to basic banking services; the urban consumer will want more convenience and innovation as far as payment platforms are concerned. M-Pesa is reborn as a payment bank all these 98000 outlets will function like bank branches where consumers can deposit money in to accounts; receive cash against digital money received on their phones and get access to other products like loans and insurance. M-Pesa will charge 1-1.5 percent for money transfer and other similar services by Vodafone.
9. It requires huge infrastructure costs which have to be loaded on to the payment banks.

Advantages of Payment Bank

1. The RBI guidelines are encouraging and optimistic towards achieving goals of Digital India and Financial Inclusion will possible.
2. This is an opportunity to win a customer's trust with his money which might help this mode to become an alternative to mainstream banking.
3. This procedure also helps the banking customers who are using wallets for the first times are becoming tech savvy.
4. This method also to provide users with more options such as using more methods of money transfer by the service provider.
5. Subsequently, Joint Ventures between the banks and the payment companies might also emerge helping big banks to explore the business opportunities.
6. The convenience economy is reaching the doorstep of every Indian household, made possible by the introduction of the aggregator model like providing prompt-cash-on-delivery services (COD).
7. When a Non-Banking Finance Companies (NBFC) Micro Finance Investments (MFI) converts into a small bank, it will be able to meet the whole range of financial needs of its clients.
8. Small bank licenses are aimed at furthering financial inclusion. Small bank licenses will equip MFIs to meet multiple financial needs of customers where outreach will increase with small banks and over a period of time, the role of money lenders will reduce. It has reduced in areas where penetration of MFIs is high.
9. Mobilization of small savings would give small finance banks access to low cost funds.

Small Bank

The RBI has granted in-principle license for small finance banks to 10 entities. The name of the applicants that have been granted the license include Au Financiers, Capital Local Area Bank, DishaMicrofin, Equitas Holdings, ESAF Microfinance and Investments, Janalakshmi Financial Services, RGVN (North East) Microfinance, Suryoday Microfinance, Ujjivan Financial Services and Utkarsh Microfinance. The in-principle approved granted by RBI will be valid for a period of 18 months. Small Finance banks will be similar to the existing commercial lenders. The small banks will undertake basic banking activities of accepting deposits and lending to unserved and under-served sections. Small banks also allowed distributing mutual fund products, insurance products and pension products. These banks can lend only for financial inclusion including small business units, small and marginal farmers, micro and small industries and unorganized sector entities.

Challenges of small Bank

1. Small finance banks have begun the process of hiring, having turned to private and foreign entities for securing of talent.
2. The pre-paid payment issuer, Paytm, has a user base of over 120 million customers. The largest userbase in the mobile wallet category today. It has also tied up with over 20,000 merchants that accept payments via mobile wallets. Paytm, run by One97 communications Ltd, in which Chinese e-commerce giant Alibaba has a stake, believes it has got here on the strength of its easy use app and of course smart communications.
3. Small finance banks whose prime responsibility will be to provide savings instruments to the financially underserved and extend credit failing to small farmers and small business can become successful. Small finance banks were focusing three parameters (i) Risk Management (ii) Cost Management and (iii) Quality of Customer Services through adoption of technology. Further small banks will be able to serve the underserved within the ambit of stable regulatory framework.

MUDRA BANK

Micro Units Development Reliance Agency (MUDRA) bank was to help millions of small businessmen with start-up fund Rs 10,000 crore to be administered by the Small Industries Development Bank of India. MUDRA Bank is currently set up a subsidiary of the Small Industries Development Bank of India (SIDBI) which itself was hived off from the Industrial Development Bank of India (IDBI) to deal with its small business portfolio. MUDRA Bank provides liquidity and can help shape lending policies and risk management practices. Further, challenge is about the strength of the delivery network. There are multiple organizations of different kinds with overlapping goals like Public Sector Banks (PSBs) which have to fulfill the priority sector quota of lending to small business men, the farm sector and low-income earners. There are regional rural banks, National Small Industries Corporation and refiners like National Bank for Agricultural and Rural Development which are also supposed to lend to small businesses. Bandhan Bank will be broadly divided into verticals: - Micro Banking and General Banking. Bandhan financial services would be the non-operative financial holding company of Bandhan bank. It will begin operations with the opening of nearly 630 branches in 27 states, with nearly 104 branches in West Bengal.

Challenges of Mudra Bank

1. While public sector banks are expectedly enthusiastic supporters of mudra. Further, the biggest MFIs such as Spandana, Share Microfinance, Asmitha, Shri Kshetra Dharmasthala and Bharatiya Samruddhi Finance have not been signed up with Mudra Bank. Mudra providing the branding and marketing with the help of the government. Table-02 Present status of some leading Microfinance Institutions.
2. Mudra Bank's disbursement come from the State Bank of India and its five associates (10.32 Percent), 21 other Public Sector Banks (50 percent), 16 Private Sector Banks (23.91), 56 Regional Rural Banks (15.15 percent) and two foreign banks.

Table 2: Present status of some leading Microfinance Institutions

Year 2015	Disha Microfinance	Equitas	ESAF Microfinance	Jana lakshmi	RGVN (North East MF)	Suryoday	Ujjivan	Utkarsh
Gross Loan Portfolio (cr)	201	2,144	1,016	3774	229	581	3,274	728
Branches	99	361	224	233	104	145	423	240
Clients (million)	0.2	2.3	0.6	2.3	0.2	0.5	2.2	0.6

(Source: Motilal Oswal, Business Standard, 24th September 2015)

Regulatory Requirements of Banks

Basis	Universal Banks	Payments Banks	Small Finance Banks
Capital Requirement	Rs 500 crore	Rs 1000 crore	Rs 1000 crore
Scope of Acting	Accept Deposits and Lending the Priority Sector.	Accept Max. Rs. 1 lakh per Customer to Distribute Insurance and MF Products.	Accept Deposits and Lending to Unserved and Underserved Sectors.
Name of Banks & Head Quarter	IDFC (Mumbai) Bandhan (Kolkata)	Mumbai Aditya Birla Nano Fino pay Tech. Reliance Industries Dillip Shantilal Shanghavi National Securities Depository Tech Mahindra Vodafone M-pesa	Mumbai Au Financiers Suryoday Microfinance Jalandhar Capital Local Area Bank Ahmedabad Disha Microfinance
		New Delhi Airtel M-Commerce Dept. of Posts Vijay Shekhar Sharma	Chennai Equitas Holdings Kochi ESAF Microfinance & Investments.

Basis	Universal Banks	Payments Banks	Small Finance Banks
		Chennai	Bengaluru
		Cholamandalam	Ujjivan Financial Services
			Janalakshmi Financial Services
		Distribution	Varanasi Utkarsh
			Microfinance
			Guwahati RGVN
			(North East Microfinance)

(Source: Business Standard, 18th September 2015, Bhubaneswar edition, p.6)

Private sector lender IndusInd Bank has completed the acquisition of the diamond and jewellery financing business and related deposit portfolio of Royal Bank of Scotland (RBS). The banking sector is suffering from a contraction in credit dem and expansion in Non-Performing Assets (NPAs). The termed "Indradhanush" the strategy includes stream lining of appointments setting up of a Bank's Board Bureau (BBB) to scout for heads of PSBs, recapitalization measures, facilitating easing of NPAs etc to help achieve the objective of reviving economic growth through improved credit. Foreign banks performed better than PSBs on the profitability front. Public Sector Banks are facing a huge talent crunch; this is because of a freeze in recruitment during 1980-1990, as a significant portion of their workforce is to retire by 2020. The RBI has termed the present decade a "retirement decade". RBI recently published guidelines for payment bank licenses and has doors open for application till January 16, 2015. Electronic payment companies like Paytm, Mobikwik, Itzcash and Oxigen are queuing up to explore the newly introduced niche banking space that will ease digital money transfer and help e-commerce firms expand into smaller cities and towns. The e-commerce companies see it as an opportunity to penetrate and expand their customer base as it will increase the number of card holders in the smaller towns. This will enable them to transact online with ease and provide access to sites making it a win situation for both business and consumer front.

Table 3: Status of MFI Snapshot in India

	2014	2015	% Change
Branches	9484	10214	8
Employees	63,325	74896	18
Clients	2.27	2.79	23
Gross Loan Portfolios	19,650	28,810	47
Loan Disbursed	7780	12530	61

(Source: MFIN)

Conclusion

The Central bank (RBI) received 72 applications for setting up small finance banks that would provide credit to small business units, poor farmers and the unorganized sector. Further, close to 20 micro-finance companies from well known ones like SKS Microfinance and Ujjivan Financial Services little known Asomi Finance of Guwahati, SaijaFinance of Patna and Sahara Utsarga Welfare Society of Kolkata have applied for a small finance bank license. Moreover, RBI pegged the minimum paid-up equity capital for small banks at Rs 100 crore and the promoters minimum initial contribution shall be 40%. The promoters of successful applicants would need to bring down share holding to 26% within 12 years from the date of beginning of the bank.

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STRENGTHENING HORTI- SUPPLY CHAIN BY ADOPTING INNOVATIVE BUSINESS MODEL

A CASE STUDY OF HIMALAYAN
FRESH PRODUCE LTD., UTTARAKHAND

Abstract

Ineffective marketing and supply practice of agricultural produces has always been a big problem before policy makers and stakeholders in India. Lengthy supply chain makes business less profitable and unattractive from investment point of view. Thus it becomes inevitable to bring new business formats which might change the traditional way of buying & selling with the view to increase producer's share in consumer rupee and decrease price spread simultaneously. The case study is focusing on business Model of Himalayan Fresh Produce (Consortium partners Fresh Food Technology (FFT), Agriculture & Organic Farming Group (AOFG) and Shri Jagdamba Samiti (SJS) under the financial assistance of SHGW, A Private Dutch foundation) developed and established on April 2007 at Syuri- Nogoan and Dhari-Kafnol village of Uttarkashi on pilot basis. This is a hub and spoke social business model which has collection centers, grading units and CA store. This business model is engaged in apple and other temperate fruits. Unit invites growers to be member for supplying apple and sharing profit. Apple is procured from Harsil, Taknor, Tyuni, Parola & Naugaon and sold in cities viz. Delhi, Varanasi, Kanpur, Lucknow etc. It is experienced that through traditional patterns, producer share in consumer rupee was confined to only 50-60 paisa while with Himalayan, share has been increased from 80-90 paisa for apple. It does not eliminates only well organized intermediaries controlling the entire process but also engages small farmer by offering opportunity to be equal business partners with the private sector parties and a social investor. During the apple season of 2013-14 more than 1000 participating farmers got prices of Rs 40 to Rs 55 per kg from the collection points. Besides, a shareholding of Rs 1 per kg was given to the 1000 participating farmers and other benefits like immediate cash payments, training support, saving of time and risk in selling apples to the middlemen. This resulted in creating more employment, income, technical skill and local capacity for the apple growing small farmers in backward areas.

Keywords: Horti-Supply Chain, Producer's share in consumer rupee, price spread, hub and Spoke social business model.

Uttarakhand: As apple producing state

Uttarakhand is known as the horti-state especially for fruits crops and grows different fruits viz. Temperate, tropical, sub-tropical etc. Apple is one of the most important temperate fruit crops of state. Different varieties of apple viz. Red delicious, Golden Delicious, Red Gold, Rymer, Hara

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Pachola etc are grown in state and exported to entire nation and foreign countries with the total quantity of 122653 MT. However this volume is very small at National level because J&K (65%) leads India in production followed by Himachal Pradesh (30%), Uttarakhand (5%) and remaining for other states (NHB). Table 1 clearly elicits area and production of five major fruit crops including apple in state.

Table 1: Five Major Fruit Crops in Uttarakhand

<i>S.No.</i>	<i>Name of Fruit</i>	<i>Area (ha)</i>	<i>Production</i>
1	Mango	39839	147795
2	Citrus	27951	138457
3	Apple	33733	122653
4	Pear	15081	108120
5	Peach	9022	49682

Source: www.ukpsc.in

Above table reveals that state is producing healthy volume of apples but many of the studies and scholars have shown that there are lots of the problems on marketing side while turning towards traditional ways. Thus the present case study compares traditional supply chains of fresh apple and associated problems, marketing costs and margins with that of modern supply chain viz. innovative business model of Himalayan Fresh Produce which was established on pilot basis on April, 2007 but continuously benefiting farmer community in Uttarakhand.

Features of Traditional Supply Chains of Apple in Uttarakhand

Traditional supply chain in state for apple is generally too long and fragmented where intermediaries collect a sizeable share from the price of the produce paid by consumers. Existed inadequate infrastructural leads high losses and reduces producers' share in consumers' rupee (Singh 2010). There are various problems which are being faced by apple producers/ stakeholders in traditional supply chains:

- Lack of awareness, knowledge and transparency in system
- Lack of tracking and traceability
- Losses during transportation being over packed boxes and storage

- Lack of appropriate technologies, capital and knowledge among partners
- Lesser control of product safety and quality across the supply chain
- Large investments and risks are shared among partners in the chain
- Poor shelf life of produce
- Lack of storage and other post harvest facilities
- Higher market costs and lower profit Margins

Azadpur Delhi, Dehradun and Haldwani market yards were considered because near about all marketable surplus of apples of Uttarakhand are reached at these mandis. The net price (percentage of wholesalers price) received by producers was the highest 69.5 percent at Azadpur followed by Dehradun 57.3 percent and 55 percent at Haldwani mandi (Kalra, 2006). It has also been observed that in most of the channels, the numbers of intermediaries are many and charges of different intermediaries are not in accordance to the Market Acts adversely affects the producers and the consumers' interest. As per Act, commission agent must work only on defined percent of commission and no fee should be given by producers but practices are quite different. Apart from this, producers have to face different rates of selling price per box (22-28kg.) at different mandis (Hussain 2013).

Table 2: Average Price at considered Market yards

<i>Location</i>	<i>Avg. Price per box in Rs. (A/B Grade)</i>
Azadpur, Delhi	950
Dehradun	900
Haldwani	750

Source: Census survey (Ag.)2012

Study has revealed that because 20-30 percent of final value of produce goes to the intermediaries and farmer left with the rest amount in which he can only get the input cost (Hussain, 2013).

Entry of Himalayan Fresh Produce: A remedy to ill system

Himalayan Fresh Produce was introduced in Uttarakhand with an aim to establish the economically viable enterprises of supply chain with focused approach of producing, storing, collecting and distribution. Its Consortium partners are Fresh Food Technology (FFT), Agriculture & Organic Farming Group (AOFG) and Shri Jagdamba Samiti (SJS) under the financial assistance of SHGW, A Private Dutch foundation) developed and established on April 2007 at Syuri- Nogoan and Dhari-Kafnol village of Uttarkashi (Garhwal division) on pilot basis. This business model is engaged in apple and other temperate fruits. Unit invites growers to be member for supplying apple and sharing profit. Apples are procured directly from primary producers from the Yamuna and Tons valley of Uttarakhand. This agro-business, model creates sufficient value addition to the farmers' produces in order to become healthy, self-sustaining joint companies of participating farmers. The other value addition process of cold chain development i.e. purchase of refrigerated trucks for transportation of apples started in September 2011.

In Control Atmosphere Storage, apples can be easily stored for nearly six–nine months with a capacity of 1,000 tonnes. The local logistics and organising small farmers collective were provided by **Samiti** which is based purely on a social business model where the shares of all the company would eventually be transferred to farmers. Joint venture started at 10: 90 share holding patterns with farmer's collectives and SHGW foundation. The storage company has the principle of profit utilisation to repay the investment capital, capitalise the company and pay additional premium to the participating farmers through collection point trusts. This is a hub and spoke social business model which has 4 collection centres, 5 grading units and a CA store. This model engages small and marginal farmers in the apple value addition business chain. This resulted in creating more employment, income, technical skill and local capacity for the apple growing farmers of Tyuni, Purola, Naugaon, Harshil and Taknor of state.

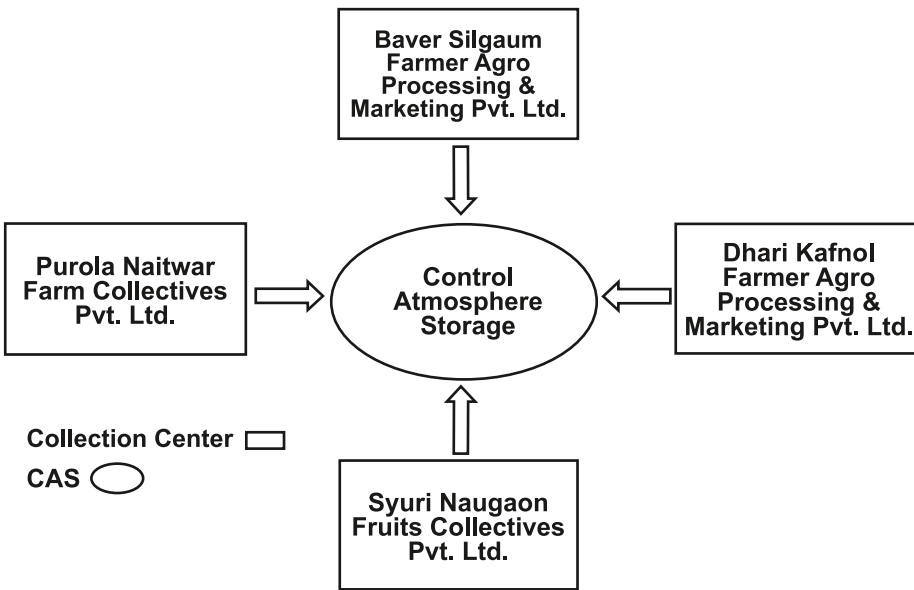


Figure 1: Hub and Spoke Model of Himalayan Fresh Produce

It is the first complete cold chain of apples set up by all the associated joint ventures of farmers and social investors where apples picked, collected, pre-cooled, transported on refrigerated trucks and stored in control atmosphere according to the European standard. The procedure leads to keep the apple so fresh and juicy when they reached to market. Apple is collected at collection centres carefully.

Table 3: Collection centre wise details of Apple quantity procured from 2009 to 2011

S.No.	Collection centre	2009		2010		2011	
		QuantityMT	Producers price Rs./kg	QuantityMT	Producers priceRs./kg	QuantityMT	Producers price Rs./kg
1	Baver silgaun.	185.60	23.24	220.80	17.00	1.25	128.70
2	Dhari Kafnol	56.90	30.00	176.24	20.58	7.32	47.32
3	Syuri Naugaon	120.00	25.54	94.00	30.00	21.00	54.56
4	Purola Naitwar	68.00	30.00	143	16.19	2.00	51.08
Average		107.62	27.19	158.51	20.94	7.89	70.41

Sources: Report, Himalayan Fresh Produce

Table 3 clearly reveals that Himalayan Fresh Produce pays different prices to producers depending upon quality and required standards. Table shows that maximum avg. Price per kg was around Rs. 62 in 2011 while minimum Rs. 20 in 2010. The apples are sold to various companies such as Mother Dairy or other whole seller market in the market at the rate of Rs 90–110 a kg.

Principle of Model: This business model states that producers are the shareholders of the company not just the beneficiaries but also represent their interest in the board of companies with understanding of real market negotiations of agri- business which will improve their quality and scale of production to sustain their market share and enough livelihood opportunities. Thus growers do not get not only the maximum price but also the share of profit made by company through selling. It motivates the growers to join collectively through which they can process and sell their produce jointly at better price.

Social and Economic Benefits of Model: Table 4 shows the impact of new (Himalayan Fresh Produce) supply chain over apple marketing system in the state of Uttarakhand (UKD). Table further depicts that through traditional patterns, producer share in consumer rupee was confined to only 50–60 paisa while with Himalayan; share has been increased from 80–90 paisa for apple with minimum operating cost. It does not eliminates only well organized intermediaries controlling the entire process but also engages small farmer by offering opportunity to be equal business partners with the private sector parties and a social investor. Besides, a shareholding of Rs 1 per kg was given to the more than 2000 participating growers. The gross earning of Rs 20–Rs 30 a kg has been utilised to pay additional premium prices to farmers – Rs 5 a kg. Following significant improvement are being experienced through Himalayan Fresh produce

- Surplus produce of marginal and small producers brought into food chain
- Improved quality of produce
- Timely payment and better price realization by producers and minimum risk
- Export promotions
- Remarkable reduction in post harvest losses made during transportation and storages
- Employment generation
- Socio-economic development of State
- Technical knowledge spread through training to producers and other stakeholders
- Women employment by make them engage in processing of c grade produce

Table 4: Impact on Marketing Costs and Margins in Uttarakhand (2011)

(Producer's Share in Wholesale Price in Himalayan Fresh Produce's Chain and Traditional Marketing)

Particulars	HFP Chain (in Rs.)	Traditional Chain(in Rs.)
1. Net Price received by orchardist	70.41	45
2. Expenses incurred by orchardist on:		
a. Packaging, grading, & assembling	3	15
b. Packing material	Nil	12
c. Carriage up to road-head	2	10
d. Freight up to Market	Nil	10
e. Loading unloading charges, State Tax, Octroi, Postal charge etc., commission of Commission Agents & Market Fee	Nil	8
3. Sub Total	5	55
4. Wholesale Price at Delhi	100	100

Important Measures Required to Redesign Supply Chain for Improving Competitiveness

Himalayan Fresh Produce Ltd. has designed the supply chain to improve competitiveness and highlights the role of different players in the supply chain to bridge the gap existing in the traditional agri- supply chains in state. Some of the measures required to re-design the supply chain for improving the competitiveness of apple are as follows:

- Integrate supply chain for apple and other fruits market, processing and export
- Sorting, grading and packaging to be done closer to production areas
- Setting up of a network of 'Collection Centers' / 'Value Added Centers' with basic post harvest facilities
- Establish common cold chain facilities for marketing perishable products
- Minimization of wastages

Conclusion

Organized retailing of fruits and vegetables has given new dimensions to supply chain management. Such innovative business models focus at bi-directional information flow among all players of chain, reduction of post harvest losses, strengthening market infrastructure to bring a win-win situation for both producers and consumers. Present study suggests that public private collaboration helps understand functioning of domestic and global market and their implications. The private players can provide both backward and forward integration to the producers as well as in building the capacities of all the players. Study further revealed that post harvest losses can be minimized if quality aspects are properly managed and would result in higher returns to the producers and the consumers will get

better returns. Horticulture at national and international level would meet the long felt need of planners and private sector for better management, and safeguarding against supply shocks and price risk. Thus such type of model might be copied for business of apple and other fruits/ vegetables at those areas where supply chain is fragmented and returns are lower.

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