# JOURNAL OF MANAGEMENT AND ADMINISTRATION TOMORROW

# Table of Content　　　　　　Page No

# SBPIM JOMAT

SBPIM JOMAT is a bi-annual journal brought out by the S.B.Patil Institute of Management, Pune, JOMAT aims to take on the practices, concepts, and ideas in the field of management and administration, with a prominence to provide managerial and administration insight, which tomorrow become a part of business functions.

SBPIM JOMAT invites manuscripts from management practitioners, researchers and academician in any managerial and administrative function of the business. Our emphasis is on papers that focus on emerging economies and business throughout the world. These papers improves the thought process and the novel analysis provides guidance to the managers and contribute to make a better tomorrow.

A full length manuscript (up to 5,000 words) on all the functions, policy framing, decision making form the journal. At present we are focusing on the research papers, articles and cases.

SBPIM JOMAT is a peer reviewed journal and follow a 'double blind' review process. All the articles, papers are initially screened by editorial committee and those appropriate articles, papers, etc. are sent to the reviewer.

**DISCLAIMER:**

The view express in the articles are of the individual authors. Neither SBPIM JOMAT, nor S.B.Patil Institute of Management accepts any responsibility for errors, or views expressed in the articles. All copyrights must berespected and all the efforts are made to acknowledge the source material, but SBPIM JOMAT does not accept any responsibility for any errors. The readers are requested to communicate such error to the editor to avoid discrepancies in future.

**COPYRIGHT:**

The author (s) must transfer the authority and copyright to the publisher if the manuscript accepted for publication and certify that all the material used directly or indirectly must met the copyright requirement.

No part of the material published in SBPIM JOMAT should be reproduced, photocopied or stored in a retrieval system or transmitted in any form or by any means and used for commercial purpose without the prior permission of the editor. For reprint and permission to use material please send the request to editor SBPIM JOMAT or call (+91) 020 27656900 or e-mail infojomat@gmail.com

EDITOR - IN- CHIEF

Hansraj D. Thorat

# 2G SPECTRUM AUCTION IN INDIA

**Swapnil Sohani**

## ABSTRACT

*The natural resource became a private resource for a few people. Government officials, bureaucrats, lobbyists, and corporate involved in illegally for frequency allocation licenses. The licenses were sold on the basis of first come first serve basis who complied with conditions, and they issued at 2001 rates (Rs.1,685 crore) ignoring the market value of the spectrum in 2008. The shortfall between the money collected and the money which the law mandated to be collected is estimated to be Rs.1,76,645 crore ( the exact loss is disputed) as valued by the CAG of India based on 3G and BWA spectrum auction prices in 2010 .*

*New 2G spectrum auction was conducted on 14 November 2012 as per orders of Supreme Court for all 122 licenses. The 2G auctions started on 12 November & ended on 14 November with nearly half the spectrum seeing no bids and the government winning revenues of only Rs. 9,407.64 crore, instead of the Rs. 40,000 crore revenue targets. It is worth noting that they had recommended a reserve price of Rs 18,000 crore later reduced to Rs 14,000 crore, after intervention of the Empowered Group of Ministers (EGoM). The 23 per cent reduction was not enough. The final reserve price recommended by was, however, over 8 per cent higher than the 3G price, reflecting mechanical indexation to arrive at the reserve price.*

*KEYWORDS: Auction, 2 G Spectrum, Telecom Regulatory Authority of India*

## INTRODUCTION:

The second-generation wireless telephone technology is popularly known as 2G.Second generation (2G) digital cellular systems were first developed at the end of the 1980s. These systems digitized not only the control link but also the voice signal. The new system provided better quality and higher capacity at lower cost to consumers. 2G technologies comprise Integrated Digital Enhanced Network (IDEN) or Global System for Mobile communications (GSM), which has been successfully functioning globally. The 2G systems are found to be much more efficient on the spectrum and permit far greater mobile phone access levels. Mobile operators use radio spectrum to provide their services. It has traditionally been shared by a number of industries, including broadcasting, mobile communications and the military.

As the mobile telephony arrives at different countries, the need for more air spaces is felt and the respective governments start auctioning the spectrum. Usually the practice of ascending auction is followed where the highest payer gets the license. The pattern of auction in this particular scenario is a common value auction where for true evaluation of the uncertain prospect, the participating agents depend on their own as well as the others' signals.

Today, The Indian telecom industry has highest number of cellular service provider & is second largest telecom subscriber base in the world.

## OBJECTIVE:

To discuss "2 G Spectrum Auction" based upon the views of regulators, industry consortiums & industry experts.

## METHODOLOGY:

The paper is based entirely on secondary research study. The literature used are the consultation papers, discussions, interviews & views published by various regulators, industry consortiums , industry experts in journals & newspapers.

## SNAPSHOT OF INDIAN TELECOM INDUSTRY:

- In 1851, telegraph line was opened for traffic particularly for the official work of the East India Company. It was later extended to public use.
- Post Independence, government of India took over the control of telecom sector and it was under Post and Telegraph Department.
- In 1989, the Telecommunication Commission and the

© SBPIM

Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune, 411044.

Mobile No. 9822099017 E-mail Id: prof.swapnilsohani@gmail.com

Telecom Regulatory Authority of India (TRAI) were established. Telecom Commission was entrusted the responsibility to formulate policy, budget of the Department of Telecommunication for later approval by the government

- The year 1994 was a great year for telecommunications industry in India. The National Telecom Policy 1994 was announced, it deregulated, liberalized, and involved private sector participation.

- In 1994, telecom embarked on an amazing journey-initially 8 Cellular Mobile Telephone Service (CMTS) operators were granted in Delhi, Mumbai, Kolkata, and Chennai.

- In 1995, 14 CMTS licenses were awarded in 18 state circles, 6 basic telephone services were awarded in 6 state circles, and paging licenses were awarded in 27 cities and 18 state circles.

- In 1999, National Telecom Policy was reformed. It emphasized on offering country-wide services including rural, hilly, and tribal areas. It also categorized 8 services in the telecom sector such as cellular mobile service providers, fixed service providers, cable service providers, radio paging service providers, public mobile radio trunking service providers, national long distance operators, international long distance operators, other service providers, global mobile personal communication by satellite (GMPCS), and VSAT based service providers.

- Recommendation made by  in August 2007 for grant of Unified Access Service License with 2G spectrum in 800, 900 and 1800 MHz.

- In 2008, 122 2G licenses were issued across 22 circles in the country.

- In 2010, 3G spectrum licenses were issued. The 3G spectrum auction in India commenced on April 9, 2010, and it was issued in September 2010. From 22 telecom circles, the government raised Rs.50,968.37 crore.

- In 2011, operators began rolling out 3G services.

- In February 2012, Supreme Court canceled all 122 telecom licenses allotted under the 2G spectrum after January 10, 2008.

## HOW THE 2G STORY UNFOLDED?

- Jan 2008: Telecom minister A Raja issues 122 new licenses to 9 companies at 1,651 crore for pan-India license

- Sept-Oct 2010: Swan Telecom, Unites offload 60% and 45% stake, respectively, to foreign players, at $2 billion each

- Nov 2010: Raja forced to resign, as a CAG report alleges a loss of 1.76 lakh crore to the exchequer; 2G report tabled in Parliament

- Feb 2011:Raja, his former private secretary R K Chandolia and former DoT secretary Siddhartha Behura arrested and sent to Tihar jail

- Feb-May 2011: Several telecom executives arrested and jailed

- Oct 2011: A CBI special court's order on framing of charges against 17 accused, including Swan Telecom, Unitech Wireless, Reliance Telecom etc.

- Nov 2011: Commencement of trial for accused

- Feb 2: 2012 Supreme Court cancels 122 licenses

## ORDER OF SUPREME COURT:

The Hon'ble Supreme Court of India in its Judgment dated 2nd February 2012 in the writ petitions has directed  to make fresh recommendations for grant of license and allocation of spectrum in 2G band in 22 Service Areas by auction, as was done for allocation of spectrum in 3G band, keeping in view the decision taken by the Central Government in 2011.

**Telecom Spectrum Auction's recommendations after the order:**

- 5 MHz of 1,800 MHz band-This auction would be to establish the market value of spectrum. This could be done in the current year 2012-13 as early as possible.

- Allocation of additional 1.25 MHz spectrum to the holders of 4.4 MHz in 1,800 MHz bands, subject to the legal opinion.

- Auction of spectrum in the 800 MHz band-This should also be done in the current financial year.

- Auction of spectrum in the 900 MHz band-This auction should be conducted in the first half of 2013-14 preferably in the first quarter so that there is adequate time for deployment as and when 900 MHz spectrum is available by November, 2014.

- Balance spectrum in 1,800 MHz band-This should be done in the first half of 2013-14.

- Auction of spectrum in 2,100 MHz band-This should also be carried out in the second half of 2013-14.

- Auction of available spectrum in 700 MHz band-This

should be carried out in the first half of financial year 2014-15.

- Auction of additional spectrum in 2,300 MHz band-This should be carried out in the second half of financial year 2014-15.

## OUTCOMES OF 2G AUCTION PROCESS:

- Government has held 413 MHz and it had only put up 35 per cent of the total spectrum.

- Government cashed in just Rs 9,407.64 crore instead of Rs 28,000 crore revenue target from the sale of 2G spectrum in GSM band. Overall, the government had budgeted Rs. 40,000 crore as revenue from spectrum sale this fiscal.

- In the two-day re-auction process on November 12th and 14th, only one-third of the spectrum blocks attracted bids.

- Out of the five bidders - Airtel, Vodafone, Videocon, Idea and Telewings. Vodafone bagged licenses in 14 circles including Jammu and Kashmir, Assam, Himachal Pradesh, Uttar Pradesh (East), Uttar Pradesh (West), Madhya Pradesh, Gujarat, Haryana, Bihar, Kerala, Orissa, North East, Punjab and Kerala. Videocon [Bihar, Gujarat, Haryana, UP (east and west), MP] and Idea (Assam, Kolkata, the north-east, West Bengal, J&K, Odisha, Tamil Nadu) won spectrum in seven circles, Telewings received license in six circles namely Gujarat, Bihar, Maharashtra, UP (east and west), Andhra Pradesh circles and surprisingly Airtel was successful in only Assam circle.

- There were no bidders for the four major telecom circles namely Delhi, Mumbai, Karnataka and Rajasthan. Out of the total 144 blocks, 101 blocks received bids.

- The five winners of 2G auction have to pay 33% of the bid amount upfront. And the rest is to be paid in ten equal instalments from 2015 to 2024.

- No operator applied for pan-India 2G airwaves in 1800 MHz frequency band.

- The net gain to the exchequer is gloomy. As per the media reports, since only 33% of the bid amount has to be paid up front, only Rs. 3,190 crore would be due in the current fiscal. However Idea, Videocon and Telenor's cancelled license fee was adjusted against the earnest money deposited for the auction. Idea Rs.1,000 crore, and Videocon and Telenor (earlier Uninor) Rs. 1,658 crore each which totals to Rs. 4,300 crore.

Therefore, it is unlikely that any payment would be made to the exchequer in FY 2013, unless some companies pay upfront to save upon the 9% interest.

- Government plans to re-auction unsold spectrum, after the allocation of spectrum by the March 2013.

- As Tata Teleservices and Videocon withdrew from CDMA auction.

## OBEJECTIVES OF AUCTION PROCESS:

Economic theory asserts that in a well-designed auction, resources get assigned efficiently to the parties that value them the most, obviating the need to ex ante fix the "market" price. That is the job of the auction and not the administrator. It is worth noting that the Telecom Regulatory Authority of India had recommended a reserve price of Rs 18,000 crore for 5 MHz pan-India 2G spectrum.

The objectives of most spectrum auctions are three-fold.

- The primary objective is efficiency - are the resource should be allocated to those who value it the most, is technologically most efficient and can create maximum utility out of it.

- A Secondary objective is stimulating competition, encouraging entry and participation to induce effective demand and supply interaction in the market for generating market determined prices of the resource as well as provide maximum benefits to consumers from competitive market structure (to create competition for market).

- Another important goal is to generate revenue by allocating spectrum to private entities creates private property rights. Therefore, auction should also generate some revenue for public purse to finance public expenditure and act as a good alternative to taxes.

- As an output, an auction produces two things:
  - An allocation indicating who wins the object and
  - Prices at which the object is auctioned.

The fulfillment of the objectives is conditioned on the auction design and policies employed for that auction.

Paul Klemperer, an authority on auction design from Nuffield College, has famously stated an auction's design is not "one size fits all". It must be tailored both to its environment and to the designer's objectives. In India's case, the twin objectives should be to ensure transparency

and integrity of the process. To focus chiefly on extracting maximum rent from bidders sends the wrong signals and may result in stunting growth.

The current 2G auction that ended by November 14, 2012 seemingly achieved the transparency objective, but fell way short of the government target of Rs 30,000 crore by a massive i.e. 69 per cent.

## VIEWS FROM INDIAN TELECOM INDUSTRY:

For the incumbents, there was a lot riding on this auction. The Department of Telecommunications (DoT) had decided that the charge for renewal of expiring licenses and the payment of one-time fee for excess spectrum would be based on the price discovered in this auction. The higher the bid, the higher would be the associated payments to be made by the incumbents, translating into several thousand crores. For example, in Delhi and Mumbai, where a large chunk of the excess spectrum resides and where license renewal is round the corner in 2014, at a reserve price of approximately Rs 550 crore per MHz, a holding of 10 MHz of spectrum translates to a fee of Rs 7,590 crore per operator. It is not surprising that the dominant strategy for the incumbents was to not bid.

Ashok Sud, secretary general, AUSPI said, "The reserve base price set by the government was too high. The government should take the entire ownership rather than blaming for it. As the government had full mandate to revisit the recommendations made by operators like Telenor and Videocon had no option but to come and participate in the bidding and save their business and support their investment. So, in a way, they were forced to put in their money," he added.

"All along the COAI has maintained that the reserve price was guaranteed to have a detrimental impact on the auction. The COAI had stated that the high reserve price would ensure that there would be limited players coming into the market to bid, and had also indicated that there would be extremely muted bidding with several circles having no bidders at all. The root of the problem lies in the procedure adopted by the government in executing the auctions. Moreover majority of the bidders are actually operators who have lost their licenses and are compelled to participate in the auctions despite the high prices and the limited availability, simply in order to sustain their customers, businesses and to protect their years of investments. Finally, the limiting of spectrum available for auction which, contrary to the Supreme Court's ruling,

added to the sense of uncertainty and fear of irrational bidding for many potential bidders," a COAI statement said.

An official statement from Vodafone said, "Vodafone firmly believes that the entire spectrum that is currently unused (800 MHz, 900 MHz and 1,800 MHz) should be put on auction at the same time with a much lower reserve price. The spectrum auction should be held simultaneously for all the service areas."

The former TRAI Chairman Mr.Nripendra Misra said –" One needs to identify the positives of the auction results before putting any qualitative tag on them. In 2001, the government had auctioned licenses for telecom services. One of the conditions was that the licensee would be given 4.4 MHz start-up spectrum for operations. On fulfillment of certain conditions, the licensee was eligible for higher slabs of spectrum. The total bid price then received was Rs 1658.57 core for 22 circles — read as states. It ranged from Rs 1 crore in West Bengal to Rs 233 crore for Tamil Nadu and Chennai. During the 2012 auction, the reserve price was fixed for 5 MHz spectrum. Thus, the auction in 2012 was for 2G spectrum in the 1800 MHz band with a license to follow in case it was required by the winning bidders. For the sake of comparison, the price of spectrum at the 2001 price for 5 MHz is approximately Rs 1,884 crore, estimated on the basis of the auction price of licenses which promised allocation of 4.4 MHz. Thus, the comparable figures are Rs 1,884 crore based on the 2001 auction, and the reserve price of Rs 14,000 crore fixed for the 2012 auction. There were no bids for Mumbai, Delhi, Karnataka and Rajasthan in the recent auction. It should be evident from the discovered prices that there have been significant increases in bids in spite of regulatory uncertainties and disturbing features in the telecom business. The overall increase over the 2001 bid amount is 368 per cent."

## CONCLUSION:

Clubbing multiple policy objectives, such as renewal of licenses, payment for excess spectrum and re-framing of spectrum, on the outcome of a single auction, created strong incentives among incumbents to game the system. It is reasonable to conclude that the high reserve price helped produce a coordinated equilibrium, where not bidding was better than bidding in certain service areas for the incumbent operators. If the reserve price had been fixed lower, not bidding by incumbents would have introduced the risk of losing spectrum to the new entrants.

The key incumbents have reported growing debt to equity, decline in minutes of usage and significant fall in average

revenue per user. The telecom companies are jittery in terms of the financial burden if the Department of Telecommunications' policy is enforced on reframing, one-time payment beyond 6.4 MHz and payment for spectrum usage at the time of license renewal. There is a strong case that these issues are best settled in consultation with the stakeholders. We also need to review the reserve price and the total number of slots available for auction.

Alternatively, the auction could start with the old reserve price and be reduced in steps until all available spectrum in the circle has been sold or the minimum reserve price discussed above is breached. This is referred to as the Dutch auction, in which the auctioneer begins with a high asking price that is lowered until some participant are willing to accept the auctioneer's price. The winning participant pays the last announced price. Although the Dutch-type auction is attractive in theory, with an inbuilt disincentive to cooperate, the ascending bid, the open auction conducted in India has also been the popular approach for spectrum assignment across the world. In addition, there is the familiarity factor, which tilts the scales in its favour. At the same time, however, we must be willing to reduce the reserve price and let the market discover the price, instead of imposing an unrealistic one from above.

It achieved two objectives critical to emerging market economies such as India: it ensured transparency in the process of allocation of scarce spectrum, and also tried for revenue maximization.

## REFERENCES:

1.  Puja Kankrania (2012), Auction Design and Its Impact on Competition-With Reference to the Spectrum Auctions in the Indian Telecommunication Sector, Internship Report May 2012 Competition Commission of India, page-4.

2.  Rajat Kathuria (2012), How To Design An Auction, Indian Express, Wednesday November 21 2012.

3.  www.business standard.com /content/ general_pdf /020312_0. pdf

4.  www.business standard.com /results/news /bnripendra-misrab-an-auction-that-did-not-flop /493520/

5.  www.trai.gov.in

6.  www.voicendata.ciol.com/content/top_stories/ 112042401.asp

7.  www.voicendata.ciol.com/content/news1/ 112111504.asp

# A STUDY OF WORK LIFE BALANCE OF FEMALE TEACHING PROFESSIONALS IN PUNE

Surabhi B. Bhuskute

## ABSTRACT

*Researchers and experts have focused on difficulty that working women face in balancing office work and household work to achieve some degree of "work-life balance" in today's organizations. This research focuses on the problem of work-life balance and how it affects women employed as teaching professionals. It is an attempt to identify whether it is as easy as it is assumed for women to balance between work and life in the so-called conventionally suitable profession called "teaching". It also enumerates some solutions to arrive at a more equitable work-life balance.*

**KEY WORDS:** Stress, Teaching Professionals, Work-Life Balance.

## INTRODUCTION:

We can feel a woman's divinity in the form of a mother, warmth of a sister, dedication of a wife, innocence of a daughter. This woman has broken out of the confinement of the four walls of a house and conventional domestic duties of the house which she has been playing since time immemorial. Women often misunderstood, ignored and categorized as the "weaker sex" have negated the old adage to emerge as super-women, super-moms, successful managers and multi-taskers, storming all bastions of life.

However, ambition in a woman is still considered perverse and even superfluous. At the same time, marriage, childbirth and being a caregiver to the elderly are looked upon as the biggest hindrances to climb a career ladder. With a society living on stereotypes and given the numerous roles a woman has to play in a single lifetime, It's not surprising that a working woman gets stressed out juggling her priorities when it comes to managing a career and family. Thus, striking a balance between work and family has been an ongoing challenge for all working women.

A study conducted among 230 faculty members in engineering colleges in Coimbatore city shows that participation in family in dual career families is still a woman dominated activity in terms of the amount of time spent on household activities such as childcare activities, taking children to school, household chores and family demand.. (J. Reeves Wesley, P.R. Muthuswamy & Suja Darling Vilakshan, 2009)

It seems that this challenge is increasing over time due to high female labour force participation rates, increasing numbers of single parent families, the predominance of the dual-earner family and other emerging trends.

## TEACHING PROFESSION: A CAKE-WALK OR A ROPE WALK?

Considering the traditionally accepted role of a "caretaker" or a "mother figure" and naturally gifted with talents of empathy and patience, women are considered to be suitable for teaching. Coupled with the convenient timings, minimal power and politics and respectable position, academics seems to be the perfect career option for women. But, is the picture really as rosy as it seems?

Teaching is a profession that one could spend virtually hours upon hours working at every day, all day long – 365 days a year and still never be truly finished off. Teachers soon realize that there is always something that needs to be done: Students need enrichment, others need remedial assistance, answer sheets have to be checked, students have to be prepared for various competitions and so on and so forth….Add to this the 'last minute changes in routine',

© SBPIM

Lecturer, Department of Management Studies, Marathwada Mitra Mandal's College of Engineering, Pune- 411052

Mobile No. 9011074725 E-mail Id: surabhi.bhuskute@gmail.com

"difficult-to deal" with the youth of today, inadequate resources, and loads of non-academic "frill" responsibilities given to teaching faculties, and you have the recipe for a very tiring and demanding life.

In the words of Doug, McAvoy, General Secretary of National Union of Teachers, 'Excessive teacher workload has stolen teacher's time and sapped creativity'. Strong sentiments maybe, but a view no doubt shared by many of today's teaching professionals.

## LITERATURE REVIEW

The way individuals balance their work and non-work lives is an area of academic enquiry that has received increasing scrutiny over the past two decades. Theoretical orientations and the operationalization of their related constructs in empirical research have evolved and developed in response to, or at least in parallel with, the progressively higher profile of work-life balance issues and concerns in the media, the rhetoric of political and business leaders, and organizational policy and human resource priorities. (Artemis Chang, Paula McDonald and Pauline Burton, 2010)

Family-friendliness of employers in India have been reflected in various welfare provisions which has been a matter of concern for employers since industrialization. With time, the scope and coverage of such initiatives have broadened and have become more individual growth and family well-being oriented. However, these policies and practices are more prominent in new economy organisations such as software and services organisations. (R. Baral & S. Bhargava, 2011)

A composite and sector wise regression analysis demonstrated that organizational commitment, job autonomy and perceived work overload are strong contributors to a sense of balance for an employee. Indian professional is looking for supportive work places that help them manage their multiple roles. This would have a spillover effect on the commitment and low attrition rate and at the same time enhance an individual's Work-Life Balance. (Deepak Chawla & Neena Sondhi, 2011).

In The Hindu dated June 24, 2007, M. Dinesh Varma has quoted the findings of a four-month long research project, conducted in 9 cities with 1140 respondents. The researchers noted that many modern-day women employees experienced a sense of guilt at leaving a child to pursue their career. This was a strong de- motivator for quitting a full-time job. Over 73% of the respondents stated that managing a career and home was the primary reason for their stress and poor health.

Another longitudinal, multisource, multi method study examining the role of employees' work-family integration in the spillover of daily job satisfaction and daily marital satisfaction and affective states experienced by employees at home revealed that employees with highly integrated work and family roles exhibited stronger intraindividual spillover effects on positive and negative affect at home. (Remus Ilies, Kelly Schwind Wilson David T. Wagner, 2009)

A big section of research focuses on the implications of work-life imbalance or measuring the detrimental impact of work life imbalance on various aspects such as job satisfaction, burnout (Y. P. S. Kanwar, A. K. Singh & A. D. Kodwani, 2009), Organizational commitment (T. G. Vijaya; R. Hemamalini, 2012), health issues (Smita R. Chavan & Balkrushna Potdar, 2011) etc. However, very few studies have focuses on the work life balance issues in the teaching profession.

This study is an attempt to bridge this gap and focus and measure those aspects of work-life balance for women that are typical to the teaching profession.

## OBJECTIVE:

Much of the research on Work-life balance has focused on IT, ITES or BPO industries that are considered to be "stressful". However, research work is relatively limited for teaching jobs especially in India. The study seeks to find the perception of female faculty members working in management institutes in Pune with respect to work Life balance. It throws light on the aspects of work life balance that are typical to teaching profession.

## RESEARCH METHODOLOGY:

After considering the nature of the issue to be studied, a systematic approach was adopted. Keeping in mind the research objective, a statistical survey method of research was identified as a suitable method of sampling, data collection and interpretation.

Primary data was collected with the help of a questionnaire which was distributed to full-time and part-time lecturers, professors and visiting faculties in various management colleges in Pune. The questionnaire consisted of close-ended questions to analyze various aspects of work-life balance of female teaching professionals.

The sample consisted of 100 respondents, all women

employed as faculty in various management colleges in Pune. The sampling technique used was purposive quota sampling. Also, secondary data was used as per the scope of the study.

**Table 1: Grouping of Respondents**

| Basis | Groups | Percentage of Total |
|---|---|---|
| Age | 20-30 years | 32 |
| | 30-40 years | 46 |
| | 40-50 years | 22 |
| | Above 50 years | 0 |
| | | |
| Monthly Salary | Upto Rs. 10,000 | 6 |
| | Rs. 10,000-20,000 | 32 |
| | Rs. 20,000-30,000 | 24 |
| | Rs. 30,000-40,000 | 32 |
| | Above Rs. 50,0006 | 6 |
| | | |
| Family Status | Unmarried | 6 |
| | Married without any child | 28 |
| | Married with 1 child | 34 |
| | Married with 2 or more children | 32 |

## MAJOR FINDINGS:

**Chart 1: Importance of Work life Balance**
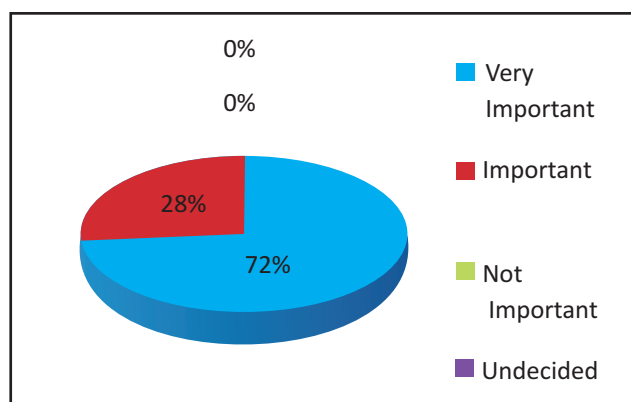


72% respondents felt that it is very important and 28% respondents felt that it is important to achieve work-life

balance. There were no respondents who were undecided or who felt that it is not important to balance between work and life. This clearly indicates that there is definitely high amount of importance attached to work-life balance by women from the teaching field. This is a very good sign since considering work-life balance important is the first step towards achieving it.

**Chart 2: Ability to Achieve Work-Life Balance**
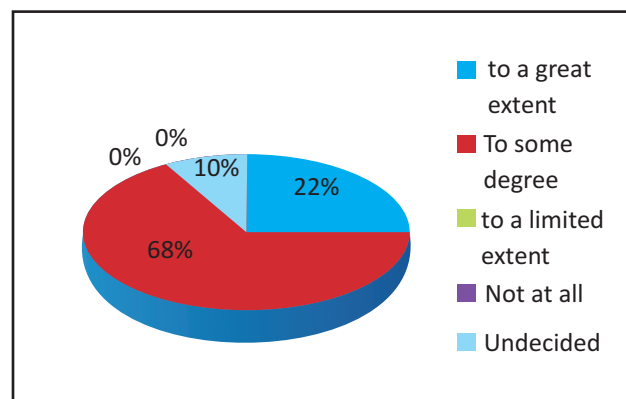


22% of the respondents said that they were able to achieve work life balance to a great extent, 68% of the respondents said that they were able to achieve work life balance to some degree, whereas 10% respondents were undecided. Thus, there were some respondents who were not sure whether they are able to achieve work life balance or not.

## Chart 3: Causes of Work-Life Imbalance
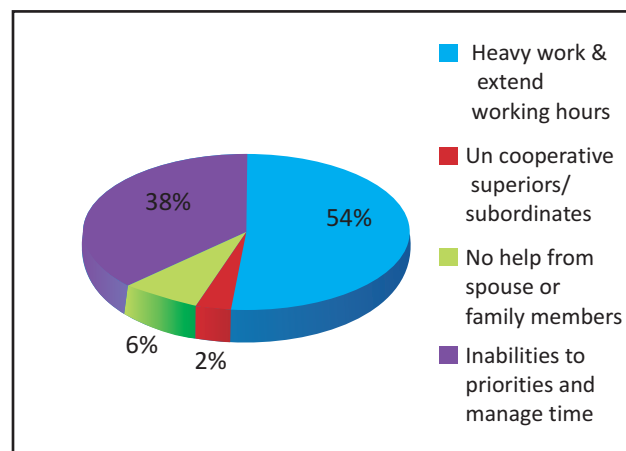


When asked about what they think are the possible causes of work life imbalance, a whopping 54% respondents accounted heavy workload & extended working hours to be responsible for work life imbalance. This is in contrast

with the general conception that teaching profession is suitable for women since the workload and working hours are suitable and convenient.

38% respondents said that inability to prioritize and manage time is the cause for work life imbalance, 2% respondents felt that uncooperative superiors and subordinates is the reason whereas only 6% said that according to them, no help from spouse or family members is the reason for not being able to balance between work and life.  This shows that there is fair amount of support provided by spouse and family members to working women.

### Chart 4: Inability to achieve work life balance and the frequency of stress experienced
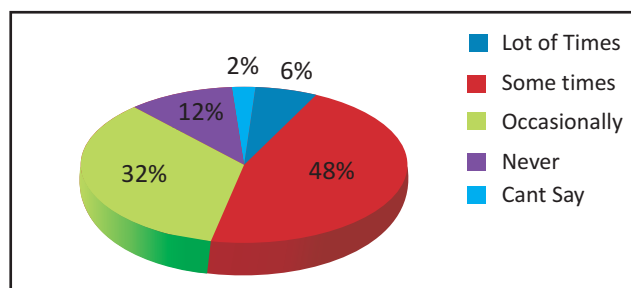


48% of the respondents said that they face stress sometimes due to their inability to balance between work and  life, 32% said they are stressed occasionally and about 6% said they feel stressed lot of times. Thus about 86% of the respondents agreed that they feel stressed at not being able to achieve work life balance either lot of times, sometimes or at least occasionally. Only 12% respondents said that they are not stressed and 2 % chose not to comment.

### Chart 5: How to achieve work-Life Balance
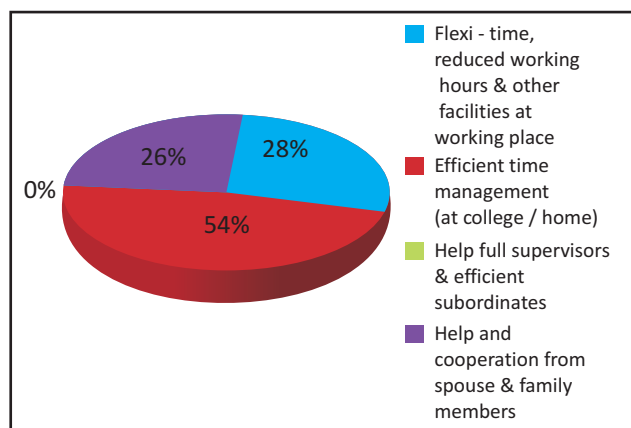


According to 46% of the respondents, efficient time management (at college/home) is the key to achieving work life balance. While 28% of the respondents said that flexi-time, reduced working hours & other facilities at the workplace can help to achieve work life balance, 26% of the respondents said that help & cooperation from spouse & family members is required.

### OTHER IMPORTANT OBSERVATIONS:

1. About 60% of the respondents feel that women in the both academic field and corporate are equally stressed, reasons may be different.

2. Close to 90% of the respondents feel that they are able to achieve work-life balance to a great extent or at least to some degree but are found to experience may be of the indicators/symptoms of work-life imbalance. For example, around 34% of the respondents that they always or often felt that they do not get enough time to spend with their family, 68% of the respondents felt that they do not get enough time for relaxation & hobbies often or always. This clearly indicates that women do not seem to notice many of the symptoms which indicate work-life imbalance and hence do not put deliberate efforts to achieve the balance.

3. Most of the visiting/part-time faculties admitted that they opted for a part-time/visiting job so that they could balance between their work & life.

4. The effect of age on work life balance was also noticed. 10% of the respondents falling into the age group 20-30 yrs said they were able to achieve work life balance to a great extent whereas 27% and 29% of the respondents falling into the age groups 31-40 years and 41-50 years respectively responded that they were able to achieve work life balance to a great extent.

### SUGGESTIONS:

1. The management of college can implement certain family-friendly measures such as extended maternity leave, child care facilities, special leave for certain unforeseen emergencies, rationalization of work load and working hours, pick and drop facilities for women employees etc.

2. The spouse, children and family members should have realistic expectations from the woman employee. They should help in routine household chores. For this,

training programs can be arranged to create awareness among the family members.

3. Most importantly, a woman has to understand that she is not a "super-woman" and could not be perfect in the role of an employee, daughter, sister, wife, mother and daughter-in-law all at once or every time. She should be realistic about her strengths and weaknesses and adopt a balanced and objective outlook towards work and life by managing her time and prioritizing wherever required.

## CONCLUSION:

There can be no debate on the fact that work life balance is essential and important for a stress free and fulfilling life, especially for a woman. Juggling between the burden, obligations and responsibilities of work and multiple family roles, balancing becomes an uphill and an ongoing task for teaching professionals, as much as, if not more than any other working woman. The research can be summed up with a quote by Christina Winsey: "Life's demands may not slow up any time soon, and learning life balance is an ongoing art. If you think one day you will get it all done, and then you can relax, you are bound to be disappointed."

## REFERENCES:

1. Baral1 R. & Bhargava S., 2011, HR Interventions for Work-Life Balance: Evidences from Organizations In India, International Journal Of Business, Management And Social Sciences Vol. 2, No. 1

2. Bhattacharya Soumya & Mehra Puja, (October 2010), Corporate Aparatheid, Business Today.

3. Chang Artemis, McDonald Artemis And Burton Pauline, 2010, Methodological Choices In Work-Life Balance Research 1987 To 2006: A Critical Review, The International Journal Of Human Resource Management.

4. Chawla Deepak & Sondhi Neena, (2011), Assessing Work-Life Balance among Indian Women Professionals, The Indian Journal Of Industrial Relations, Vol 47, No. 2

5. Keith Davis, Organizational Behaviour, Tata McGraw Hill Publishing Company Limited, 11th Edition, pp 375-376

6. Divya D, Suganthi L & Samuel Anand .A, (2010), Work Life Balance of IT Women Professionals belonging to the age Group 20-35 In India, Advances In Management., Vol. 3, No. 1

7. Employees' Family Lives: The Facilitating Role of Work-Family Integration, Academy Of Management Journal, Vol. 52, No. 1.

8. Gunavath, J S, Work-Life Balance Interventions Prevalent In the Indian Industry, South Asian Journal of Management, Volume 18, No. 2

9. Ilies Remus, Schwind Kelly Wilson, Wagner David T., (2009), The Spillover Of Daily Job Satisfaction Onto Employees' Family Lives: The Facilitating Role Of Work-Family Integration, Academy of Management Journal, Vol. 52, No. 1

10. Kanwar Y. P. S, Singh A K & Kodwani A. D., (2009), Work–Life Balance And Burnout As Predictors of Job Satisfaction In The IT-ITES Industry, Vision—The Journal Of Business Perspective , Vol. 13, No. 2

11. Karkoulian,Silva & Halawi Leila, (2007), Women And Work/Life Conflict At Higher Educational Institutions, International Journal of Business Research, Volume VII, No. 3

12. Kochar Bani, (2010), The Indian Corporate Woman, HRM Review

13. Kreiner Glen E , Hollensbe Elaine C & Sheep Mathew L, (2009), Balancing Borders And Bridges: Negotiating the Work-Home Interface via Boundary Work Tactics, Academy Of Management Journal,, Vol. 52, No. 4.

14. Kumari Thriveni K, (2011), Impact Of Stress On Work-Life-Balance Of Women Employees With Reference To BPO and Education Sectors In Bangalore, International Journal Of Research In Commerce, It & Management, Volume 1, No. 7.

15. Rajadhyaksha  Ujvala & Smita Swati, (2004), Tracing A Timeline For Work And Family Research In India, Economic and Political Weekly

16. Santhi T.S. & Sundar K., (2012), A study on the work life balance of women employees in information technology industry, Zenith International Journal of Business Economics & Management Research, Vol.2, No. 1.

17. Rao, V.S.P, Human Resource management, 2nd Edition, Excel Nooks, p 652

18. Sao Rucchi, (2012), Work Life Balance of Married Working Women, Indian Streams Research Journal, Volume 2.

19. Shankar Tara & Bhatnagar Jyotsna, (2010), Work Life Balance, Employee Engagement, Emotional Consonance/Dissonance & Turnover Intention, The Indian Journal Of Industrial Relations, Vol. 46, No.1.

20. Singh Amita, (2010), A Study on The Perception Of Work-Life Balance Policies among Software Professionals, The IUP Journal of Management Research, Vol. Ix, No. 2

21. Venkatramani Nirmala & Maran.K., Linkage between Work-life balance and stress levels: A study of women employees in Chennai, Anvesha, Vol.2 No.1

22. Vijaya T.G. & Hemamalini R, (2012), Impact Of Work Life Balance On Organizational Commitment Among Bank Employees, Asian Journal of Research in Social Sciences, Volume 2, Issue 2

23. Wesley Reeves J., Muthuswamy P.R. & Darling Suja, (2009), Gender Difference in Family Participation and Family Demand in Dual Career Families in India – An Empirical Study, Vilakshan, XIMB Journal of Management.

# A STUDY ON CONSUMER BRAND LOYALTY WITH SPECIAL REFERENCE TO TOOTH PASTE BRANDS AT PUNE

**Santosh Shinde**[1]
**Amod Markale**[2]

## INTRODUCTION:

### BRAND

The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of others.

A strong brand is invaluable as the battle for customers intensifies day by day. It's important to spend time investing in researching, defining, and building your brand. After your entire brand is the source of a promise to your consumer.

The oldest generic Brand, which is in continuous use in India, since Vedic period, 9000-10000 years ago is known as 'Chyawanprash'. It is widely used and is a herbal paste of 45 herbs made for revered Rishi named Chyawan. The word "brand" is derived from the Old Norse brand meaning "to burn." It refers to the practice of producers burning their mark (or brand) onto their products. The Italians were among the first to use brands, in the form of watermarks on paper in the 1200s.

Although connected with the history of trademarks and including earlier examples which could be deemed "protobrands" (such as the marketing puns of the "Vesuvinum" wine jars found at Pompei), brands in the field of mass-marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would literally brand their logos or insignias on the barrels used, extending the meaning of "brand" to that of trademark.

Bass & Company, the British brewery, claims their red triangle brand was the world's first trademark. Lyle's Golden Syrup makes a similar claim, having been named as Britain's oldest brand, with its green and gold packaging having remained almost unchanged since 1885. Another example comes from Antiche Fornaci Giorgi in Italy, whose bricks are stamped or carved with the same proto-logo since 1731, as found in Saint Peter's Basilica in Vatican City.

Cattle were branded long before this. The term "maverick," originally meaning an unbranded calf, comes from Texas rancher Samuel Augustus Maverick whose neglected cattle often got loose and were rounded up by his neighbors. The word spread among cowboys and came to be applied to unbranded calves found out wandering alone. Even the signatures on paintings of famous artists like Leonardo Da Vinci can be viewed as an early branding tool.

Factories established during the Industrial Revolution introduced mass-produced goods and needed to sell their products to a wider market, to customers previously familiar only with locally-produced goods. It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product. Campbell soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be 'branded', in an effort to increase the consumer's familiarity with their products. Many brands of that era, such as Uncle Ben's rice and Kellogg's breakfast cereal furnish illustrations of the problem.

Around 1900, James Walter Thompson published a house ad explaining trademark advertising. This was an early commercial explanation of what we now know as branding. Companies soon adopted slogans, mascots, and jingles that began to appear on radio and early television. By the 1940s, manufacturers began to recognize the way in which consumers were developing relationships with their brands in a social/psychological/anthropological sense.

From there, manufacturers quickly learned to build their brand's identity and personality (see brand identity and brand personality), such as youthfulness, fun or luxury. This began the practice we now know as "branding" today, where the consumers buy "the brand" instead of the product. This trend continued to the 1980s, and is now quantified in concepts such as brand value and brand equity. Naomi Klein has described this development as "brand equity mania". In 1988, for example, Philip Morris purchased Kraft for six times what the company was worth on paper; it was felt that what they really purchased was its brand name.

Marlboro Friday: April 2, 1993 - marked by some as the death of the brand - the day Philip Morris declared that they were cutting the price of Marlboro cigarettes by 20% in order to compete with bargain cigarettes. Marlboro cigarettes were noted at the time for their heavy advertising campaigns and well-nuanced brand image. In response to the announcement wall street stocks nose-dived[10] for a large number of branded companies: Heinz, Coca Cola, Quaker Oats, PepsiCo. Many thought the event signaled the beginning of a trend towards "brand blindness" (Klein 13), questioning the power of "brand value."

## BRAND LOYALTY

If loyalty is a subjective and constant response, it is important for researchers and companies to establish the way it forms and evolves. How can the resistance behavior be explained? In this sense we can appeal to 4 theoretical explanations:

(1)  Loyalty as a result of learning,
(2)  Loyalty as a result of a motivated action,
(3)  Loyalty as a result of commitment.
(4)  Loyalty as an effect of addiction.

A review of the marketing literature on loyalty has revealed the approach of brand loyalty is different from a market to another. This difference is due mostly to the difference between the market characteristics such as frequency of purchase, the possibilities of measuring brand loyalty, the proportion of customers for a certain brand, commitment, purchase intent, perceived risk, inertia, habit, satisfaction and involvement. Tooth Pastes are mutually exclusive categories, since they can only be part of one category as their characteristics are very clearly defined.

Based on the market type, markets will be classified according to transaction value, purchase frequency, final use destination, and level of involvement, supplier and the purchasing process.

It is well known that for a company is more than important to have loyal customers, since they provide steady income over a significant period of time. If they are treated with respect and there is an interest in their problems, consumers will not change the brand, but will recommend it further to some other potential customers, thus it's become long-term relationship.

## MEASURING LOYALTY

The methods of measurement for loyalty are closely linked to how loyalty is defined. A good measurement of loyalty can only occur when there is a correct definition of the concept. Thus, over time, many researchers have developed methods for measuring and assessing the level of brand loyalty in various fields and contexts.

Starting from the definition given to brand loyalty by Jacoby and Chestnut (1978), there are three different approaches to measuring it: the behavioral measurements, the attitudinal ones and the combined measurements. Recently, researchers have improved the methods of measurement for loyalty by extending the notion of loyalty by both behavioral and attitudinal aspects. A critical review of these studies will help to develop a better measurement for brand loyalty.

Measuring customer brand loyalty has been the subject of numerous studies. In general, brand loyalty has been perceived as a positive effect of the behavioral function of repeated relationship between a buyer and a seller (Ehrenberg, 1991). This led researchers to assess the level of customer brand loyalty based on frequency of purchase and / or brand awareness. This approach neglects the importance of understanding the process by which consumers take the decision of conducting a certain purchase behavior.

The marketing literature has enough theories that attempt to explain the term of "loyalty". The main advantage of

behavioral theory is that loyalty is addressed starting from an existing client, easy to be observed. These real behaviors are the based of the actual turnover and profit and perhaps it is the most important loyalty aspect for the business.

The literature contains seven different approaches to measuring and assessing brand loyalty. These are:

1)  Market share,
2)  Probability of making a certain choice,
3)  Analysis of historical events and
4)  Time series

The marketing literature has identified different methods of measuring the attitudinal loyalty towards the brand, all having as a starting point:

1)  Attitude of acceptance.
2)  Changed attitude of acceptance.
3)  Model of relationships in services.
4)  Model satisfaction and loyalty.

## LITERATURE REVIEW OF BRAND LOYALTY

Chestnut and Jacoby (1978) have defined brand loyalty, trying to highlight it as a result of the decision making process. Thus they tried to find a theoretical justification for the collocation of brand loyalty that should be refer to in order to explaining the decision consumers take or their choice alternatives. Brand loyalty represents thus a combination of positive attitude and consistent and repeated purchase of a single brand over time (Day, 1969, Jacoby and Chesnut, 1978; Assael, 1987, Dick and Basu, 1994).

Starting from the major objective of this research which includes defining loyalty and its drivers,

Researchers have determined two important perspectives in defining the concept:
• Defining the consumer brand loyalty in terms of behavior;
• Defining the brand loyalty in terms of consumer attitudes.

From the marketing literature it seems that the elements that best define loyalty refer to both behavioral and the psychological aspects, loyalty is defined in direct line with consumer aspirations, desires and preferences and it does not depend on situational influences and the marketing actions or efforts that have the potential to induce change.

In our opinion, brand loyalty embeds the highest degree that the relationship between consumer and brand can

achieve. Thus, brand loyalty is visible in the consistent behavior over time, expressed in the decision of selecting a brand among several brands available. This represents a function of a psychological process (evaluation and decision making) that has as a result in a high level of commitment to the brand.

## BRAND EQUITY

A first step that marketers should take in order to maintain brand equity is changing the way they think. Many marketers today believe that their companies own the brands they sell. In reality, customers are the real brand owners. Why? Because brand image resides in the minds of consumers (Grossman, 1994).

During the first two decades, corporate transactions led to the acquisition and merger of large companies. In addition to the purchase of large assets such as factory equipment, company also acquired the brand name which has a strong capital. For the definition of "equity" is often cited the property value, beyond the total amount of money owed in terms of financing, guarantees, mortgages, etc. Brand equity could suggest the fact that brand name value goes beyond physical property, is more than tangible property. Thus, researchers can say that acquiring a company could bring in the same time, the prestige (and other positive associations with the brand name) accumulated over time among the market consumers.

Another interesting and demonstrated trend among consumers that appeared in the recent years is the decline in loyalty for the national brands. This trend could be explained by the wide variety of brands available and the boom in the number of product offers with different and various technical characteristics. This advertising school of thought is perceived as a model for power achievement and market leadership and suggests that, despite similarities between features, performance and benefits, marketing needs to engage in positioning brands in consumers' minds on the basis of inexistent differences or insignificant ones. This decreasing trend of loyalty towards national brands indicates that most of the consumers are becoming more "wise" to these practices and start being aware of the equality of the offers coming from different brands. As a result of these trends market share for stores that sell a single brand have increased. Many national brands have chosen to respond to this threat by investing more money in advertising (Aaker, 1996). The reason behind this acts is that the investment activity is a gainful

one, on long-term and with lasting effects.

On today's market, the concept of brand equity is essential in the management and success of any brand. Thus, the identification and supervision of any of its elements becomes a mandatory activity. Currently, there is no unique and unanimously accepted definition, but decades of research have led to many theories.

## THE FACTORS OF CUSTOMER BRAND LOYALTY

The identification of the drivers of loyalty has been another important topic among researchers of customer loyalty (Dick and Basu, 1994; Anderson, Srinivasan, 2003; Lee, 2003, Chiou, 2004, Agustin and Singh, 2005; Morais, Dorsch, and Backman, 2004). This section begins with a brief history of the studies on loyalty and will continue with a more detailed discussion of some of the most commonly examined customer loyalty factors. It should be noted that some researchers may conceptualize loyalty differently when discussing its drivers. In other words, authors refer to different things when using the term "loyalty".

Dick and Basu (1994) have postulated a series of antecedents such as:

- Emotional antecedents (i.e. those associated with emotions involving with a brand);
- Cognitive antecedents (i.e. those antecedents related to behavior versus the brand);
- Relative attitude, which leads to repeat purchase.

In summary, the drivers of behavioral, attitudinal and cognitive loyalty can be presented as follows:

| Loyalty Drivers - Behavioral Loyalty | Attitudinal Loyalty |
|---|---|
| Quality | Quality |
| Value | Satisfaction |
| Satisfaction | Trust / affection for the brand |
| Alternatives | |
| Brand image | |
| The power of preference | |
| Consumer involvement | |
| Satisfaction towards the Company | |

## OBJECTIVES:

1. To understand the factors that trigger customers to become loyal to a brand.
2. To identify the consumer behaviors that can be associated with the customer brand loyalty.
3. To determine the relations between the identified variables and the loyalty.

## RESEARCH METHODOLOGY AND DISCUSSION

Exploratory research was conducted in order to test the initial questionnaire, to identify the categories of tooth paste market that will be the subject of the research on consumers' brand loyalty through this questionnaire.

It will also allow the selection of the best sampling methods within the financial constraints and the limits imposed by the infrastructure. The exploratory research questionnaire was applied in the period of June – July 2012 and the data obtained. Out of the 200 questionnaires sent by e-mail, 152 questionnaires were completed, thus the response rate was 75%.

The Data Collection Sources & the Sampling techniques start from the definition and delimitation of statistics population and survey unit. Since the research objective is brand loyalty, the population studied is the actual consumers of FMCG in Pune.

In this study major focuses on children , youths, adults and old people ranging from  14 to 70 years of age . The quantitative marketing research was based on sample survey method with a comprehensive questionnaire comprising of 30 questions.

In the development stage of the questionnaire , researcher establish the questions order, and their scale of quantification.

Following the working plan for non-proportional quota sampling method, researchers conducted the research among consumers of Pune city. The sample included people aged 14 years (at the time of research) from different Parts of Pune city.

In the first section of the analysis the intention was to get familiar with consumer preferences. For this researchers made use of some (1) Univariate analysis like averages, standard deviation or median and (2) Bivariate analysis to assess the impact of demographic elements.

Thus Researchers discover that:

## (1)The preferred brands are:

| Name | Share |
|------|-------|
| Colgate Dental | 37% |
| Close Up | 20% |
| Colgate Gel | 16% |
| Promise | 9% |
| Pepsodent | 8% |
| Cibaca | 6% |
| Babool | 4% |

## (2)Demographics influences the brand choice as follows:

Age and Education influences all the tooth paste market.

(1) **Frequency of brand purchase -** Given the product tooth paste, the purchase frequency is very different.

(2) **The demographic variables influence on purchase frequency -** Education and age clearly influences the choice of tooth paste.

(3) **The moment in which the respondent began buying his preferred brand -** for fast moving consumer goods like tooth paste brands more than half of consumers have started buying their current brand over five years ago.

The evaluation and analysis of the criteria that influences loyalty to a brand in general:

(1) Quality, value and price.
(2) The effective advertisements are the best criteria.
(3) The influence of demographic variables on the criteria selection - Women tend to place on the top far more than men. The quality offered by the brand and in the same time they tend to put less on the bottom of the scale.

In the next section researchers evaluated and analyzed the causal factors of loyalty by:

(1) **The causal factors' statistical parameters in each market:** Regardless of the market the factors with the highest average are related to quality, satisfaction and reputation. On the opposite side of the ranking, i.e. causal factors that are less important, researchers find statements about the risks: cost, risk of self-image, in short, those statements with negative connotation.

(2) **The comparative analysis of the causal factors on each market -** This shows that in colgate and on the close up the perceived quality and the satisfaction are the highest.

(3) **The influence of demographic aspects on the causal factors of loyalty -** For the tooth paste, researchers can see that almost all averages have significantly higher values for women, the number of differences based on demographics is lower.

(4) **The difference in ranking due to brands –** On the tooth paste brands almost all 9 criteria differ from one brand to another.

## CONCLUSIONS

Researchers would like to conclude that the Tooth paste brands have similarities, but features that differentiate them:

• The level of loyalty on the tooth paste brands is medium, with a significantly higher level on the Colgate, followed by Close-up, Colgate gel, Promise, Pepsodent, Cibaka and Babool.

• Regarding tooth paste brands the factors like quality, value, satisfaction, alternatives, brand image, the power of preference have strong impact on loyalty.

• Women's tend to be more loyal when it comes to the preferred brand of tooth pastes.

• Brands influence loyalty on the fast moving consumer goods markets, but also have a significant impact on the loyalty of the tooth paste brands.

• Age has a significant influence on loyalty, But there is a slight tendency for the younger customers to have a lower loyalty;

• Education affects the loyalty on the tooth paste brands.

• The impact of loyalty on the degree of recommendation is obvious for the Tooth Paste brands.

## REFERENCES

1. Aaker D. A. (1991), Managing Brand Equity Capitalizing on the Value of a Brand Name, J11, ed. The Free Press. New York

2. Aaker D. A. (1996) - Measuring Brand Equity across Products and Markets, California Management Review.

3. Aaker J.L. (1999) - Brand Personality: A Path to Differentiation, in Brands Face the Future, Ed. R. Morgan, NY, New York: Research International.

4. Abdullah M., Al-Nasser A., Husain N. (2000) - Evaluating Functional Relationship between Image, Customer Satisfaction and Customer Loyalty Using General Maximum Entropy, Total Quality Management.

5. Agustin C., Singh J. (2005) - Curvilinear Effects of Consumer Loyalty Determinants in Relational Exchanges, Journal of Marketing Research.

6. Ajzen I., Fishbein M. (1980) - Understanding Attitudes and Predicting Social Behavior, Englewood Cliffs, NJ: Prentice Hall.

7. Allenby G. M., Lenk P. J. (1995) - Reassessing brand loyalty, price sensitivity, and merchandising effects on consumer brand choice, Journal of Business & Economic, Statistics, 13, 281-289.

8. Back K. (2001). The effects of image congruence on customer satisfaction and brand loyalty in the lodging industry. Unpublished Doctoral Dissertation, The Pennsylvania State University.

9. Backman S. J., Crompton J.L. (1991) - Differentiating between High, Spurious, Latent, and Low Loyalty Participants in Two Leisure Activities, Journal of Park and Recreation Administration.

10. Bagozzi R. (1984) - A Prospectus for Theory Construction in Marketing, Journal of Marketing.

11. Bagozzi R. P., Gopinath M., Nyer P.U. (1999) - The role of emotions in marketing, Journal of the Academy of Marketing Science, Vol. 27.

12. Bennett P.D., Kassarjian, H. H. (1972) - Consumer behaviour, Prentice-Hall (Englewood Cliffs, N.J).

13. Bowbrick P. (1992) - The economics of quality, grades and brands, New York, NY: Chapman and Hall, Inc.

14. Bowen J., Shoemaker, S. (1998) - Loyalty: A Strategic Commitment, ournal of Consumer Satisfaction Dissatisfaction and Complaining Behavior.

15. Buiga A., Dragos C., Parpucea I., Lazar D. (2008) - Statistica Descriptiva, Editura Mediamira, Cluj-Napoca.

# AGRICULTURE BUSINESS IN INDIA - ISSUES, PRIORITIES AND CHALLENGES (VISION 2025)

Daniel J. Penkar [1]

Tanaji Dabade [2]

## ABSTRACT

*Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries accounted for 16.6% of the GDP in 2009, about 50% of the total workforce. The economic contribution of agriculture to India's GDP is steadily declining with the country's broad-based economic growth. Still, agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India.*

*In India there are healthy signs of transformation in agriculture and allied activities. Visible improvement has come about through adoption of management practices through on-farm and off-farm operations in this sector. Agri-business has evolved out of the new input-output matrix. Agro-prenuers have come to realize the importance of quality changes and value addition in agriculture. Risk and uncertainty being inevitable parameters of modern business, serving farmers and saving farming has become the need of the hour. This paper examines how under liberalization and globalization, agri-business has opened new vistas for growth and development of the rural economy in general and of the agrarian economy in particular. The challenges of the rural economy can be balanced provided there is better management in the economy. We suggest that the right type of managerial skills and entrepreneurial expertise peppered with timely measures by the government would help fulfill the growing needs of agri-business.*

***KEYWORDS:*** *agro-infrastructure, agro-business, agro-management, sophisticated diversification, value added agriculture.*

## INTRODUCTION AND HISTORICAL OVERVIEW

Agriculture is the backbone of the Indian economy. Indian agriculture zone has always been at the forefront of economic policies of the government. In India agriculture sector plays a significant role in the overall development of the country. The agriculture directory provides a detailed listing of various agriculture based industries in India and information on business related to agriculture in India. The agriculture web guide will be your one stop reference guide on leading exporters and manufacturers of agro-based products in India. Also get online listing of all the agriculture goods suppliers

India is the seventh largest country in geographical level and second largest country in population wise number of major sectors including manufacturing industries, agriculture, textiles and handicrafts, and services. Agriculture is a major component of the Indian economy. More than 75 % of our people have their live hood as

agriculture and agriculture oriented works. Mahatma Gandhi said "Indian economy lives in rural villages", and many of the industries getting their raw material from agriculture sector. Indian agriculture began by 9000 BCE as a result of early cultivation of plants, and domestication of crops and animals. Settled life soon followed with implements and techniques being developed for agriculture. Indian agricultural products are traded around the world via existing trading networks and foreign crops were introduced to India. The five plans has given importance to the agriculture sector and rural development and rural people's employment. Land and water management systems were developed with an aim of providing uniform growth. Our agriculture sector achieved green revolution during 1970s after that we create white revolution in milk production. Despite some stagnation during the later modern era the policy makers was not concentrate the development of comprehensive

[1] Director, S.B.Patil Institute of Management, Nigdi, Pune, 411044.

Mobile No. 9881522277 E-mail Id: drdanielpenkar@rediffmail.com

[2] Associate Professor, Sinhgad Institute of Management, Vadgaon (Bk.), Pune, 411041.

Mobile No.8805280077     E-mail Id: dadaji2006@yahoo.co.in

agricultural program and rural development compare to urban development and industrial development. Nearly 21.1% of the entire rural population of India exists in difficult physical and financial predicament. But rate of poverty in urban population is 15%. In general, the Government controls the Indian economy, and there remains a great disparity between the rich and the poor. However, the service sector is greatly expanding and has started to assume an increasingly important role. The fact is that the English speaking population in India is growing by the day, means that India has become a hub of outsourcing activities for some of the major economies of the world including the United Kingdom and the United States. Outsourcing to India has been primarily in the areas of technical support and customer services. Other areas where India is expected to make progress include manufacturing, construction of ships, pharmaceuticals, aviation, biotechnology, tourism, nanotechnology, retailing and telecommunications. Growth rates in these sectors are expected to increase dramatically. But the other side the slowdown in agricultural growth has become a major cause for concern. India's rice yields are one-third of China's and about half of those in Vietnam and Indonesia. Due to urbanization and industrialization use of agriculture land is reduced during the last one decade agriculture lands are converted in to residential houses and factories hence the number of agriculture labors lost their work and move to urban areas. This leads to low output in agricultural products, insufficiency and rise in food articles prices. Number of surveys said that the world will go to face food insufficiency in near future. In India Maximum of landholders are fall under the category of Small farmers, so they are not able to meet out the increasing input cost and not able to introduce any new technological machineries in their farms, due to this reason our "farmers are born in debt, live in debt and died in debt". Infrastructure is also a significant factor in the process of development but country like our rural India has not posses the infrastructure such as roads, electricity, fertilizer and pesticides availability which caused the vulnerable damage to the growth of agriculture. While India has a wide network of rural finance institutions, many of the rural poor remain excluded, due to inefficiencies in the formal finance institutions, the weak regulatory framework, high transaction costs, and risks associated with lending to agriculture. Farmers' access to markets is hampered by poor roads, rudimentary market infrastructure, excessive regulation and middlemen intervention in selling the

products is very big problem in marketing the products. Hence the Indian farmers need easily accessible and highly structured markets without middleman interventions. Indian agriculture policy allow some foreign companies to introduce Dangerous genetic engineering technologies in seeds (GMS) and shift towards food grains to cash crops it may helpful to the farmers in one way in initial periods but using this type of GMS and shift our production system from food grains to cash crops in future we will loose our traditional seeds. Now we are seriously talking about fuel and its importance hereafter there is serious arguments and problem will come for "food or fuel". An estimated 100 million tones of grain per year are being redirected from food to fuel. (Total worldwide grain production for 2007 was just over 2000 million tonnes. As farmers devoted larger parts of their crops to fuel production than in previous years, land and resources available for food production were reduced correspondingly. This has resulted in less food available for human consumption; Irrigation is key to agricultural production. Irrigation facilities are inadequate, as revealed by the fact that only 52.6% of the land was irrigated in 2003-04, which result in farmers still being dependent on rainfall, specifically the monsoon season. A good monsoon results in a robust growth for the economy as a whole, while a poor monsoon leads to a sluggish growth. The government must allocate funds to start the new irrigation projects to increase the cultivation. Agricultural reforms and increased private investment is must, especially to small farmers. Create a viable model of public-private partnership that allows private investors to invest in agriculture infrastructure in partnership with banks and financial institutions. This will help the farmers to access the high quality technologies and increase the output with international standards to meet the global market requirements.

## INDIAN AGRICULTURE CHALLENGE

### Issues, Priorities and Challenges for Indian Agriculture: A Worldbank View

While agriculture's share in India's economy has progressively declined to 18% due to the high growth rates of the industrial and services sectors, the sector's importance in India's economic and social fabric goes well beyond this indicator. First, nearly three-quarters of India's families depend on rural incomes. Second, the majority of India's poor (some 770 million people or about 70 percent) are found in rural areas. And third, India's food security depends on an increase in the production of food staples,

especially cereals, to meet the demands of a growing population that has rising incomes.

India is a global agricultural powerhouse. It is the world's largest producer of milk, pulses, and spices, and has the world's largest cattle herd (buffaloes), as well as the largest area under wheat, rice and cotton. It is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, sheep & goat meat, fruit, vegetables and tea. The country has some 195 m ha under cultivation of which some 63 percent are rainfed (roughly 125m ha) while 37 percent are irrigated (70m ha). In addition, forests cover some 65m ha of India's land

## CHALLENGES

Three agriculture sector challenges will be important to India's overall development and the improved welfare of its rural poor:

**1. Raising agricultural productivity per unit of land:**

Raising productivity per unit of land will need to be the main engine of agricultural growth as virtually all cultivable land is farmed. Water resources are also limited and water for irrigation must contend with increasing industrial and urban needs. All measures to increase productivity will need exploiting, amongst them: increasing yields, diversification to higher value crops, and developing value chains to reduce marketing costs.

**2. Reducing rural poverty through a socially inclusive strategy that comprises both agriculture as well as non-farm employment:**

Rural development must also benefit the poor, landless, women, scheduled castes and tribes. Moreover, there are strong regional disparities: the majority of India's poor are in rain-fed areas or in the Eastern Indo-Gangetic plains. Reaching such groups has not been easy. While progress has been made – the rural population classified as poor fell from nearly 40% in the early 1990s to below 30% by the mid-2000s (about a 1% fall per year) – there is a clear need for a faster reduction. Hence, poverty alleviation is a central pillar of the rural development efforts of the Government and the World Bank.

**3. Ensuring that agricultural growth responds to food security needs:**

 The sharp rise in food-grain production during India's Green Revolution of the 1970s enabled the country to achieve self-sufficiency in food-grains and stave off the threat of famine. Agricultural intensification in the 1970s to

1980s saw an increased demand for rural labor that raised rural wages and, together with declining food prices, reduced rural poverty. However agricultural growth in the 1990s and 2000s slowed down, averaging about 3.5% per annum, and cereal yields have increased by only 1.4% per annum in the 2000s. The slow-down in agricultural growth has become a major cause for concern. India's rice yields are one-third of China's and about half of those in Vietnam and Indonesia. The same is true for most other agricultural commodities.

Policy makers will thus need to initiate and/or conclude policy actions and public programs to shift the sector away from the existing policy and institutional regime that appears to be no longer viable and build a solid foundation for a much more productive, internationally competitive, and diversified agricultural sector.

## PRIORITY AREAS FOR SUPPORT

**1. Enhancing agricultural productivity, competitiveness, and rural growth**

**Promoting new technologies and reforming agricultural research and extension:** Major reform and strengthening of India's agricultural research and extension systems is one of the most important needs for agricultural growth. These services have declined over time due to chronic underfunding of infrastructure and operations, no replacement of aging researchers or broad access to state-of-the-art technologies. Research now has little to provide beyond the time-worn packages of the past. Public extension services are struggling and offer little new knowledge to farmers. There is too little connection between research and extension, or between these services and the private sector.

**Improving Water Resources and Irrigation/Drainage Management:**
Agriculture is India's largest user of water. However, increasing competition for water between industry, domestic use and agriculture has highlighted the need to plan and manage water on a river basin and multi-sectoral basis. As urban and other demands multiply, less water is likely to be available for irrigation. Ways to radically enhance the productivity of irrigation ("more crop per drop") need to be found. Piped conveyance, better on-farm management of water, and use of more efficient delivery mechanisms such as drip irrigation are among the actions that could be taken. There is also a need to manage as opposed to exploit the use of groundwater. Incentives to pump less water such as levying electricity charges or

community monitoring of use have not yet succeeded beyond sporadic initiatives. Other key priorities include:

(I) modernizing Irrigation and Drainage Departments to integrate the participation of farmers and other agencies in managing irrigation water; (ii) improving cost recovery;

(iii) rationalizing public expenditures, with priority to completing schemes with the highest returns; and

(iv) allocating sufficient resources for operations and maintenance for the sustainability of investments.

## Facilitating agricultural diversification to higher-value commodities:

Encouraging farmers todiversify to higher value commodities will be a significant factor for higher agricultural growth, particularly in rain-fed areas where poverty is high. Moreover, considerable potential exists for expanding agro-processing and building competitive value chains from producers to urban centers and export markets. While diversification initiatives should be left to farmers and entrepreneurs, the Government can, first and foremost, liberalize constraints to marketing, transport, export and processing. It can also play a small regulatory role, taking due care that this does not become an impediment.

## Promoting high growth commodities:

Some agricultural sub-sectors have particularly high potential for expansion, notably dairy. The livestock sector, primarily due to dairy, contributes over a quarter of agricultural GDP and is a source of income for 70% of India's rural families, mostly those who are poor and headed by women. Growth in milk production, at about 4% per annum, has been brisk, but future domestic demand is expected to grow by at least 5% per annum. Milk production is constrained, however, by the poor genetic quality of cows, inadequate nutrients, inaccessible veterinary care, and other factors. A targeted program to tackle these constraints could boost production and have good impact on poverty.

## Developing markets, agricultural credit and public expenditures:

India's legacy of extensive government involvement in agricultural marketing has created restrictions in internal and external trade, resulting in cumbersome and high-cost marketing and transport options for agricultural commodities. Even so, private sector investment in marketing, value chains and agro-processing is growing,

but much slower than potential. While some restrictions are being lifted, considerably more needs to be done to enable diversification and minimize consumer prices. Improving access to rural finance for farmers is another need as it remains difficult for farmers to get credit. Moreover, subsidies on power, fertilizers and irrigation have progressively come to dominate Government expenditures on the sector, and are now four times larger than investment expenditures, crowding out top priorities such as agricultural research and extension.

## 2. Poverty alleviation and community actions

While agricultural growth will, in itself, provide the base for increasing incomes, for the 170 million or so rural persons that are below the poverty line, additional measures are required to make this growth inclusive. For instance, a rural livelihoods program that empowers communities to become self-reliant has been found to be particularly effective and well-suited for scaling-up. This program promotes the formation of self-help groups, increases community savings, and promotes local initiatives to increase incomes and employment. By federating to become larger entities, these institutions of the poor gain the strength to negotiate better prices and market access for their products, and also gain the political power over local governments to provide them with better technical and social services. These self-help groups are particularly effective at reaching women and impoverished families.

## 3. Sustaining the environment and future agricultural productivity

In parts of India, the over-pumping of water for agricultural use is leading to falling groundwater levels. Conversely, water-logging is leading to the build-up of salts in the soils of some irrigated areas. In rain-fed areas on the other hand, where the majority of the rural population live, agricultural practices need adapting to reduce soil erosion and increase the absorption of rainfall. Overexploited and degrading forest land need mitigation measures. There are proven solutions to nearly all of these problems. The most comprehensive is through watershed management programs, where communities engage in land planning and adopt agricultural practices that protect soils, increase water absorption and raise productivity through higher yields and crop diversification. At issue, however, is how to scale up such initiatives to cover larger areas of the country. Climate change must also be considered. More extreme events – droughts, floods, erratic rains – are expected and

would have greatest impact in rain-fed areas. The watershed program, allied with initiatives from agricultural research and extension, may be the most suited agricultural program for promoting new varieties of crops and improved farm practices. But other thrusts, such as the livelihoods program and development of off-farm employment may also be key.

## WORLD BANK SUPPORT

With some $5.5 billion in net commitments from both IDA and IBRD, and 24 ongoing projects, the World Bank's agriculture and rural development program in India is by far the Bank's largest such program worldwide in absolute dollar terms. This figure is even higher when investments in rural development such as rural roads, rural finance and human development are included. Nonetheless, this amount is relatively small when compared with the Government's – both central and state – funding of public programs in support of agriculture. Most of the Bank's agriculture and rural development assistance is geared towards state-level support, but some also takes place at the national level.

The Bank's Agricultural and Rural Development portfolio is clustered across three broad themes with each project, generally, showing a significant integration of these themes.

Agriculture, watershed and natural resources management

- Water & irrigated agriculture
- Rural livelihood development

## Over the past five to ten years, the Bank has been supporting:

**R&D in Agricultural Technology** through two national level projects with pan-India implementation (the National Agriculture Technology Project and the National Agriculture Innovation Project) coordinated by the Government of India's Indian Council for Agricultural Research (ICAR).

**Dissemination of Agricultural Technology:** New approaches towards the dissemination of agricultural technology such as the Agriculture Technology Management Agency (ATMA) model have contributed to diversification of agricultural production in Assam and Uttar Pradesh. This extension approach is now being scaled-up across India.

**Better delivery of irrigation water:** World Bank support for the better delivery of irrigation water ranges from projects covering large irrigation infrastructure to local tanks and ponds. Projects also support the strengthening of water institutions in several states (Andhra Pradesh, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh) improved groundwater management practices (for instance, in the upcoming Rajasthan Agriculture Competitiveness Project).

**Sustainable agricultural practices** through watershed and rainfed agriculture development (Karnataka, Himachal Pradesh, Uttarakhand), soil reclamation efforts (Uttar Pradesh) and, more recently, improved groundwater management practices (for instance, in the upcoming Rajasthan Agriculture Competitiveness Project).

**Improved access to rural credit and greater gender involvement in rural economic activities** through rural livelihood initiatives undertaken by a number of states (Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu) and soon to be scaled up by GOI with Bank support through a National Rural Livelihood Mission.

**Agricultural insurance** by advising GOI on how to improve the actuarial design and implementation of the insurance program (e.g. rating methodology and product design, index insurance, use of mobile and remote sensing technology to measure yields, etc.).

**Improved farmer access to agriculture markets** through policy reforms and investments under the Maharashtra Agricultural Competitiveness Project which aims to reform regulated wholesale markets and provide farmers with alternative market opportunities.

**The land policy agenda** through analytical work as well as non-lending technical assistance in support of GOI's National Land Records Modernization Program.

**Better rural connectivity** through IDA support to the Prime Minister's National Rural Roads Program (PMGSY), and by connecting rural poor and smallholder farmers through collective action to public services through Self-Help Groups (and SHG federations), Water User Associations and Farmer Producer Organizations. Recently the Bank's Board of Executive Directors approved the National Rural Livelihood Mission, which supports SHG approaches through a pan-India approach.

There is a pressing need for developing high-caliber talent

focused on Food & Agriculture technology and management. Agriculture may contribute only 17 per cent or so (and declining in percentage terms) to India's GDP but the challenges it faces and therefore the challenge it poses for India's future is as humongous as the challenge of physical and social infrastructure. In fact, there is a risk of getting sidetracked from the many dimensions of this challenge if the impact is seen only from the perspective of India's 55 per cent rural population, of which over 65 per cent are directly employed in farming. Indeed, if India's politicians, planners and non-agriculturists do not take a more informed, more futuristic, and a more holistic view of this sector, we run the risk of facing mass socio-economic disruptions on the same scale as the drought-blighted years of previous centuries.

## AGRICULTURE BUSINESS IN RECENT WORLD

The scope and opportunities in the agri-business have substantially expended due to globalization of trade and agriculture and the policy reforms at national level, leading to an unprecedented level of corporate interest in this sector. The policies of globalization have taken Indian agriculture into the global village, opening up various opportunities as well as numerous challenges. The current structural changes in the economy have resulted in major shifts in the Indian agricultural scenario. The world eyes with awe and optimism the fast growing Indian rural market, which has become indispensable for making corporate growth strategy in the country. Research reports point out that the total rural market in India is larger than its urban counterpart. Agribusiness has opened up vast opportunities for value addition, packaging, retailing, and exports of agricultural products with high application of technology and management. Major part of Indian population is dependent on agriculture and this sector also supplies raw material for various industries. The progressive growth of Indian economy is most likely to be controlled by the agribusiness sector. About one fourth of our fruits and vegetables are getting spoiled before reaching to the consumer, largely because of the absence of adequate infrastructure. Last few years there have witnessed a radial shift in the nature of agribusiness, and as a result the demand for competent and dynamic professionals has grown manifold. The current structural changes in the economy have resulted in major shifts in the Indian agricultural scenario. The scope and opportunity in the agri-business has been increased due to policy reforms at local level under the directives of WTO regime.

Agribusiness has opened up vast opportunities in the industries like packaging, supply of raw material, processed agri food production, export of agricultural products and other allied field with the use of high level technology.

## SCOPE FOR AGRICULTURE BUSINESS IN INDIA

1. India is endowed with varied ago-climate, which facilitates production of temperate, sub-tropical and tropical agricultural commodities.

2. There is growing demand for agricultural inputs like feed and fodder, inorganic fertilizers, bio-fertilizers.

3. Biotechnology applications in agriculture have vast scope in production of seed, bio-control agents, industrial harnessing of microbes for bakery products.

4. Export can be harnessed as a source of economic growth. As a signatory of World Trade Organization, India has vast potential to improve it's present position in the World trade of agricultural commodities both raw and processed form. The products line include cereals, pulses, oilseeds and oils, oil meal, spices and condiments, fruits and vegetables, flowers, medicinal plants and essential oils, agricultural advisory services, agricultural tools and implements, meat, milk and milk products, fish and fish products, ornamental fish, forest by products etc.

5. At present processing is done at primary level only and the rising standard of living expands opportunities for secondary and tertiary processing of agricultural commodities.

6. The vast coastal line and internal water courses provides enormous opportunity for production of marine and inland fish and ornamental fish culture gaining popularity with increase in aesthetic value among the citizens of India..

7. The livestock wealth gives enormous scope for production of meat, milk and milk products, poultry products etc

8. The forest resources can be utilized for production of by products of forestry.

9. Beekeeping and apiary can be taken up on large scale in India.

10. Mushroom production for domestic consumption and export can be enhanced with improvement in the state of art of their production.

11. Organic farming has highest potential in India as the

pesticide and inorganic fertilizer application are less in India compared to industrial nations of the world. The farmers can be encouraged and educated to switch over for organic farming.

12. There is wide scope for production and promotion of bio-pesticides and bio-control agents for protection of crops.

13. Seeds, hybrid and genetically modified crops, have the highest potential in India in the future, since the productivity of high yielding varieties have reached a plateau

14. Micro-irrigation systems and labor saving farm equipments have good potential for the years to come due to declining groundwater level and labor scarcity for agricultural operations like weeding, transplanting and harvesting.

15. Production of vegetables and flowers under green house conditions can be taken up to harness the export market.

16. Trained human resources in agriculture and allied sciences will take on agricultural extension system due to dwindling resources of state finance and down sizing the present government agricultural extension staff as consulting services.

17. The enhanced agricultural production throws open opportunities for employment in marketing, transport, cold storage and warehousing facilities, credit, insurance and logistic support services.

## INDIAN: AGRI BUSINESS REPORT Q2 2011 - KEY TRENDS

BMI View: A relatively plentiful monsoon in 2010 allowed key crops rice, wheat and sugar to see either continued growth or strong rebounds in 2010/11. However, this has not seen food price inflation abate as much as we would have liked as the heavy rains also hindered transportation of the foodstuff to markets, supporting already-high prices. We see potential for prices of agriculture commodities to head higher and thus feed into food prices. However, we believe that the effects of abundant supply in 2010/11 for many key crops such as sugar and rice should eventually weigh down on prices and hence inflation. In the longer term, although the government has laid down plans to improve efficiencies in the agricultural sector, we are not confident that these efforts will translate into significant gains in production across the board given the

unconsolidated nature of the industry and also poor infrastructure. For example, we see the country becoming a net importer of poultry by 2014/15. Key Trends Rice production growth to 2014/15: 52.0% to 132.9mn tonnes. This increase will come from increased domestic demand as India's population continues to swell, as well as better access to pesticides and fertilisers, which will improve crop yields.

**Sugar production growth to 2014/15:** 105.9% to 36.7mn tonne. This increase will be boosted by an increase in consumption of soft drinks and confectionery items which will be dependent on the expansion of incomes and wages. **Poultry consumption growth to 2014/15:** 30.0% to 34.4mn tonnes. With a growing middle class and rising incomes, we expect demand growth for poultry meat to outperform over our forecast period. Given the rapid expansion in demand for the meat, India will become a net importer of the poultry by 2014/15.

**Corn consumption growth to 2015:** 30% to 22.4mn tonnes. Consumption growth will be driven by increasing demand for feed from the livestock sector as rising incomes allow Indian consumers to eat more meat, especially poultry but also buffalo meat, for which consumption is also increasing. **2011 Real GDP Growth:** 8.1% (down from 8.4% in 2010; predicted to average 8.1% from 2011 until 2015). **Consumer Price Inflation:** 10.0% average in 2011 (down from 12.4% y-o-y average in 2010) Industry Developments After being delayed numerous times, the government finally lifted its ban on sugar exports in mid- November 2010. That said, the officially allowed figure of 500,000 tonnes have so far underwhelmed expectations of as much as 3.5mn tonnes of sugar exports in 2011, given the bumper sugar crop. BMI is confident, however, that the government will raise the current 500,000-tonne export quota in the near future. Our view is boosted by certain measures recently imposed on the industry such as the restart of sugar futures trading on Indian domestic commodity exchanges after a 19-month freeze, as well as the reinstatement of a 60% import tax on sugar. **India's dairy market** size in value terms, including the organised and unorganised sector, is estimated at US$47.6bn and has been growing at nearly 7.5% annually. Presently, the country is still able to largely meet its domestic demand and is only marginally dependent on dairy imports. However, given the strong rate of consumption growth, which has been led in part by rising incomes, demand will soon outstrip supply, very likely causing India to become

more dependent on imports. Already, we forecast the butter production balance to run into deficit in 2011/12.

**India's premium basmati rice exports** have been facing mounting difficulties in traditionally strong export markets in the Middle East. Iran's Trade Promotion Organisation recently withdrew licences for rice imports, with the intention of improving domestic rice quality and taming rising consumer prices. Saudi Arabia has also removed rice import subsidies in the hopes of reducing reliance on rice imports from India, which currently supplies more than 70% of the country's market. Given that 60% of Indian basmati rice is shipped to these two countries, we are concerned that unless these measures are temporary - India might lose its significant market share in these major agriculture products.

## Entrepreneurial opportunities in Modern Agriculture

| Farming (on farm) | Product Marketing | Inputs Marketing | Processing | Facilitative |
|---|---|---|---|---|
| Crop | Wholesale | Ferilizer | Milk | Research & Develop-ment |
| Dairy/ Poutry/ Goat | Retail | Agrl. Chemicals | Fruits | Marketing Information |
| Fish | Commission Agent | Seeds | Vegetables | Quality control |
| Rabbit | Transport | Machineries | Paddy | Insurance |
| Vegetables | Export | Animal feed | Sugarcane | Energy |
| Flowers | Finance | Poultry hatchery | Cashew | |
| Ornamental plants | Storage | Vetmedici-nes | Coir | |
| Palmrosa | Consulta-ncy | Landscap-ing | Poutry | |
| Fodder | | Agrl.credit | Cattle | |
| Sericultue | | Custom service | Tannery | |
| Agro-forestry | | Bio-control units | Brewery | |
| Beekeep-ing | | Bio-tech units | P. board | |
| Mushroom | | | | |

## REFERENCES:

1. Bottelier, Pieter What India (2007) : "Can Learn from China and Vice Versa", China & World Economy, Volume 15, Number 3, May-June , pp. 52-69(18)

2. Schuh, G.E. (2002): Developing country interests in WTO agricultural policy. Political economy of international trade law: essays in honor of Robert E. Hudec / ed. by D.L.M. Kennedy and J.D. Southwick. Cambridge: Cambridge University Press, p. 435-449

3. David Rindos(1984): "The Origins of Agriculture: An Evolutionary Perspective"Academic Press.

4. Kulshreshtha, S. (1996): "Indian agriculture and GATT and WTO: Some Reflections - India and WTO" : Udhayam Offset, Madras

5. Aggarwal G.C (1995) : "Fertilizer and irrigation management for energy conservation in crop production" : Fuel and Energy Abstracts, Volume 36, Number 5, , pp. 383-383(1), Elsevier Publisher

6. Society of American Foresters (1997) Agriculture and Forestry in China; Journal of Forestry, Volume 15, Number 8 - 1 December , pp. 1014-1016(3)

7. India Agribusiness Report Q2 2011

8. http://rashidafridi.wordpress.com

# AN OVERVIEW OF REGIONAL RURAL BANKS IN INDIA

**Padma Lochana Bisoyi**

## ABSTRACT

*Regional Rural Banks (RRBs) were established under the provisions of an ordinance on 26th September 1975 and the Regional Rural Banks Act 1976 with an objective to ensure sufficient institutional credit for agriculture and other rural sectors. Thus the first RRB was started on 2nd October 1975. But as on 31st March 2011, 82 RRBs have been established covering 620 districts with a network of 16001 branches in India. (NABARD)*

*The study is an attempt based on purely secondary data collected from the various annual reports of RRBs, NABARD, RBI, and key performance indicators, M.Phil and Ph.D Thesis and books. The period of study chosen covers 2007-08 to 2010-11. The indicators selected for studying the performance of RRBs are the progress in branch expansion, growth of deposits and advances, recovery position, C-D Ratio, and the net profit etc. during the chosen period. For evaluation of the performance, ratios, percentages and trend have been computed using the data on the chosen indicators.*

***Key Words:*** *RRB, Key Performance indicators*

## INTRODUCTION:

Banks play an important role in mobilization and allocation of resources in any country. Rural people in India are facing problems in the inadequate supply of credit. The major source of credit to rural households, particularly-low income working households, has been the informal sector. Informal sector advances loans at very high rates of interest. The terms and conditions attached to such loans have given rise to an elaborate structure of intimidation of both economic and non-economic conditions in rural population in India. RRBs were established in India in 1975 essentially for the purpose of taking banking service to the doorsteps of rural people, particularly in places without banking facilities. The objectives as given in the preamble of RRBs Act of 1976 were "to develop the rural economy in providing for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs and for matter connected therewith and incidental thereto" Several changes have taken place in the focus and operation of the Regional Rural Banks in the wake of financial sector reforms in India and various measures have been taken by the Government to improve the commercial viability of RRBs since 1994-95. So it has been considered appropriate to study the key performance indicators: a study on Regional Rural Banks in India. [1][2]

## AN OVERVIEW OF INDIAN REGIONAL RURAL BANKS (RRBs):

In India rural people such as small and marginal farmers, landless agricultural laborers, artisans and socially and economically backward castes and classes they have been exploited in the name of credit facility by informal sector. The rural credit market consists of both formal and informal financial institutions and agencies that meet the credit needs of the rural masses in India. The supply of total formal credit is inadequate and rural credit markets are imperfect and fragmented. Moreover, the distribution of formal sector credit has been unequal, particularly with respect to region and class, cast and gender in the country side.

Regional Rural Banks were established under the provisions of an Ordinance promulgated on the 26th September 1975 and the RRB Act, 1975 with an objective to ensure sufficient institutional credit for agriculture and other rural sectors. The RRBs mobilize financial resources

Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune, 411044.

Mobile No. 8928294775 E-mail Id: bisoyi.padma@gmail.com

from rural/semi-urban areas and grant loans and advances mostly to small and marginal farmers, agricultural laborers and rural artisans. For the purpose of classification of bank branches, the Reserve Bank of India defines rural area as a place with a population of less than 10,000. RRBs are jointly owned by Government of India, the concerned State Government and Sponsor Banks; the issued capital of a RRB is shared by the owners in the proportion of 50%, 15% and 35% respectively. The first five RRBs were set up in five States in Haryana, West Bengal, Rajasthan, with one each two in Uttar Pradesh, which were sponsored by different commercial banks. These banks covered 11 districts of these five states. The first five Regional Rural Banks are as follows;

i.   Prathama Bank in Uttar Pradesh.
ii.  Gorakhpur Kshetriya Gramin Bank in Uttar Pradesh.
iii. Haryana Krishi Gramin Bank in Haryana.
iv.  Gour Gramin Bank in West Bengal.
v.   Jaipur-Nagpur Anchalik Gramin Bank, Rajasthan. [1][2]

## ESTABLISHMENT OF RRBs:

Rural credit policy In India has had at its core the twin goals of bringing an increasing number of people within the formal financial system and using credit as an instrument of poverty alleviation. Several measures have been taken by the Government of India and the Reserve Bank from time to time to achieve these goals. Even after commercial banks were brought into the field of rural banking in the post-nationalization scenario to supplement the efforts of cooperatives, a large segment of the rural population remained outside the fold of banking services at that time. A working group constituted by the Government of India in 1975 under the Chairmanship of Shri M. Narasimham to explore the possibilities of evolving an alternative rural credit agency recommended formation of a new set of regionally oriented rural banks which would combine the local feel and familiarity characteristic of cooperatives and the professionalism and resource base of commercial banks. Following the recommendation, Regional Rural Banks (RRBs) were set up first on 2nd October, 1975. Their number went up to 196 by the year1987. In March 2012, there are 82 RRBs operating in India with a network of 16001 branches. [1]

## PLACE OF RRBS IN INDIAN BANKING SYSTEM:

The RRBs have a special place in the multi-agency approach adopted to provide agricultural and rural credit in India. These banks are state-sponsored, regionally based and rural-oriented. As enshrined in the Preamble to the RRBs Act, 1976, the RRBs were established "with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto".

The RRBs were treated as scheduled banks right from their inception and functioned alongside the larger commercial banks and the cooperative banks. Over a period of time, they have developed an impressive branch network in the rural sector. During the three decades of their existence, the RRBs have passed through several phases. However, with their focus of operations mainly in the rural areas, the RRBs have always been in an ideal position to provide financial services to the rural population.

It was in the year 2004 that the Government of India, based on the recommendations of the Committee on flow of credit to agriculture and related activities from the banking system (headed by Prof. V S Vyas), decided to consolidate the RRBs into state-level entities within thesame sponsor bank. The amalgamation process which began in September 2005, gained momentum in the subsequent period, bringing down the total number of RRBs to 88 as at the end of May 2008, out of which 42 were stand-alone RRBs, 45 were amalgamated RRBs and 1 RRB was newly set up in the Union Territory of Pondicherry. [1]

## OBJECTIVES OF RRBS: [5]

The following are the main objectives of RRBs:
i.   To provide credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans, small entrepreneurs and other weaker sections.
ii.  To develop agriculture, trade, commerce, industry and other productive activities in the rural areas.
iii. To provide easy, cheap and sufficient credit to rural poor and backward classes and save them from the clutches of money lenders.
iv.  To encourage entrepreneurships.
v.   To increase employment opportunities.
vi.  To reconcile rural business aim and social responsibilities.

## FEATURES RRBs: [5]

The following are the features of RRBs
i.   The RRB, like commercial banks, is a scheduled bank.
ii.  The RRB is a sponsored bank. It sponsored by scheduled commercial bank.
iii. It is deemed to be co-operative society for the purposes of Income Tax Act, 1961.
iv.  The areas of operations of the RRB are limited to a specified region relating to one or more districts in the concerned state.
v.   The RRB charges interest rates as adopted by co-operatives societies in the state.
vi.  The interest paid by the RRB on its term deposits may be 1% or 2% more than that is paid by commercial banks.
vii. RRB enjoys many concessions and privileges.

## FUNCTIONS OF RRBs: [5]

The functions of RRBs are as follows:
i.   Granting of loans and advances to small and marginal farmers and agricultural labourers, either individual or in group.
ii.  Granting of loans and advances to co-operative societies, agricultural processing societies and cooperative farming societies primarily for agricultural purposes or for agricultural operations and other related purposes.
iii. Granting loans and advances to artisans, small entrepreneurs and persons of small means engaged in trade, commerce and industry or other productive activities within a specified region.
iv.  Accepting various types of deposits

## DEVELOPMENT OF RRB SECTOR IN INDIA: [4]

The developments in the RRB sector during the last three decades could be summarized as under:

### i.FIRST DECADE (1975-1985)

➢ First five RRBs were established on October 02, 1975 under a presidential ordinance.
➢ 60 RRBs with 2420 branches having deposit base of Rs. 123.22 crore and loans outstanding of Rs. 161.41 crore were established by December 1979.
➢ Prof. Dantawala Committee in 1979 endorsed the need for intensification by covering more areas under the ambit of RRBs.

### ii.SECOND DECADE (1985-1995)

➢ By December 1987, 196 RRBs with 13,353 branches came into being. Deposits amounted to Rs. 2305.82 crores in 224 lakh accounts and loans of Rs.2232.26 crores in 93 lakh accounts.
➢ Some key financials as on March 31, 1994 are:
   i.   Accumulated losses of 1318.16 crores
   ii.  Non-Performing Assets at 43.07%
   iii. Recovery rate at 46.23%
   iv.  173 RRBs in losses
➢ Cumulating loss of more than one crores per day.
➢ No. of RRB sustainable/ viable 20.
➢ GOI embarked upon banking sector reforms in 1991.

### iii.THIRD DECADE (1995-2005)

➢ Various credit delivery systems were introduced.
➢ GOI decided to recapitalize the weak RRBs to improve their financial health.
➢ Bhandari Committee and Basu Committee were constituted by GOI to suggest rehabilitation package consisting of both financial and non-financial components.
➢ During this phase, loss of one crores a day has turned into profit of around Rs. 2 crore a day (all RRBs)

## AMALGAMATION OF RRBs: [4]

In order to give a further boost to profitability of these banks and to strengthen them further a need was felt to amalgamate more than one RRB of same sponsor bank operating in the same state. There were 196 Regional Rural Banks operating in the country as on March 31, 2004 which included 51 standalone RRBs. Most of the sponsor banks were operating more than one RRB in one state which resulted in more operational expenditure.

There were 33 RRBs having operational losses as on March 31, 2004 and to overcome the operational problems, reduce expenditure, enhance operational efficiency, etc. the Reserve Bank of India decided in August 2004 that all RRBs sponsored by a bank and operating in one state should be amalgamated into a single entity. This decision was more relevant in the fast changing environment in banking with introduction of more and more new financial products necessitating RRBs to grow bigger. Moreover, in the changed scenario, computerization and volume were considered key to success for these entities which is feasible and viable only when RRBs are big in size.

The process was started in early 2005 and first set of RRBs was amalgamated in September 2005. As on March 31, 2007, 145 RRBs were amalgamated and 45 new entities emerged reducing total RRBs from 196 to 96. The operational problems of licensing, opening of account of new entities, etc. have been resolved with active support of EC on RRBs at the RBI regional offices level. The amalgamation process has helped in improved profitability apart from other operational efficiencies with only 15 RRBs incurring losses as on March 31, 2007 as compared to 33 as on March 31, 2004. (Source: NABARD)

## OBJECTIVES OF THE STUDY:

The basic objectives of present study are as follows:
1. To study the overview and history of Regional Rural Banks in India.
2. To analyze the key performance indicators of RRBs in India during the study period.

## METHODOLOGY:

The study is a theoretical paper purely based on secondary data collected from the various annual reports of RRBs, NABARD, different books, M.Phil. and Ph.D Thesis and websites. The period of study chosen covers 2007-2011. The indicators chosen for studying the performance of RRB in are the growth of credit-deposit ratio, growth of advances, and the recovery performance, etc. For evaluation of the performance, the ratios and percentages, trends have been computed using data related to the chosen indicators using various annual reports of RRBs and NABARD in the study period.

## ANALYSIS AND DISCUSSION:

The key performance indicators of RRBs from 2008 to 2011 are cited below. The figures are compared and trends are enumerated below.

## Table-1(Key performance Indicators of RRBs)

(Rupees in Crores)

| Indicator | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|---|---|---|---|---|---|
| No. of RRBs | 96 | 91 | 86 | 82 | |
| No. of districts covered | 534 | 594 | 616 | 618 | 620 |
| No. of branches | 14,526 | 14,761 | 15,181 | 15,480 | 16,001 |

| | | | | | |
|---|---|---|---|---|---|
| No. of staff | 68,289 | 68,005 | 68,526 | 69,042 | 70,153 |
| Owned funds | 7285.98 | 8732.59 | 10,910.29 | 12,247.16 | 13,838.92 |
| Deposits | 83143.55 | 99093.46 | 1,20,188.9 | 1,45,034.95 | 1,66,232.34 |
| Borrowings | 9775.80 | 11494.00 | 12,734.64 | 18,770.06 | 26,490.80 |
| Investments | 45666.14 | 48559.54 | 65,909.92 | 79,379.16 | 86,510.44 |
| Loans outstanding | 48492.59 | 58984.27 | 67,802.1 | 82,819.1 | 98,917.43 |
| Credit-deposit (CD) ratio | 58.32 | 59.52 | 56.41 | 57.1 | 59.51 |
| Loans issued | 33043.49 | 38581.97 | 43,367.13 | 56,079.24 | 71,724.19 |
| Accumulated losses | 2759.49 | 2624.22 | 2,299.98 | 1,775.06 | 1,532.39 |
| Profit (Before Taxes) | 926.40 | 1383.68 | 1,823.55 | 2,514.82 | 2,420.75 |
| Loss | 301.25 | 55.58 | 35.91 | 35.63 | 71.32 |
| Tax Paid to GOI | 139.66 | 301.12 | 452.13 | 625.25 | 634.22 |
| Gross NPA | 3178.01 | 3566.34 | 2,809.72 | 3,084.81 | 3,711.96 |
| Gross NPA % | 6.55 | 6.05 | 4.14 | 3.72 | 3.75 |
| Net NPA Amount | 1625.41 | 1929.71 | 1,187.62 | 1,423.31 | 1,941.32 |
| Net NPA % | 3.463.19 | | 1.79 | 1.8 | 2.05 |
| Recovery % | 79.80 | 80.84 | 79.19 | 80.9 | 81.18 |
| Net Worth | 4526.48 | 6107.37 | 8610.31 | 10472.1 | 12306.53 |
| Branch Productivity | 9.06 | 10.75 | 12.38 | 14.72 | 16.57 |
| Staff Productivity | 1.93 | 2.33 | 2.74 | 3.3 | 3.78 |

*(Source: RRBs Balance Sheets / Annual Report/ Key Indicators (2007-2011)*

## BANK NETWORK:

The first five RRBs were started at Moradabad and Gorakhpur in Uttar Pradesh, Bhiwani in Harayana, Jaipur in Rajasthan and Malad in West Bengal. In 2007 there were 96 RRBs operating in all India level and was reduced to 91 in 2008 and further to 86 in 2009 and finally in 2010 and 2011 there were 82 RRBs. Number of RRBs are falling down due to amalgamation. The trend also very clear that it is falling down and finally maintains the same trend (Figure-1)

**Figure-1 :** Trend of Bank Network of RRBs in India
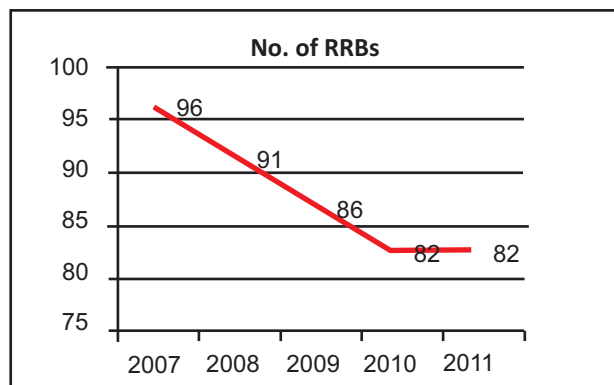


**BRANCH NETWORK & PRODUCTIVITY:**

The number of branches of RRBs in 2007 was14,526, increased to 14,761 in 2008 to 15,181 and 15,480 in 2009 and 2010 respectively and finally increased to 16,001 as on 31 March 2011. The network of the 45 amalgamated RRBs (as on April 2007) was quite large and diverse varying from 85 to 680 branches. The Uttar Bihar KGB, an amalgamated RRB, has 680 branches, followed by Baroda Eastern UPGB with 539 branches. The branch network of stand-alone RRBs varied between 8 and 242 as on 31 March 2006.Per branch productivity has increased from Rs. 9.06 ason 31 March 2007 to Rs. 16.57 crore on 31 March 2011. From the trend it reveals that both branch network and productivity are increasing showing there is a positive impact of RRBs for what they have been established.(Figure-2&3)

**Figure-2 :** Trend of Branch Network of RRBs in India
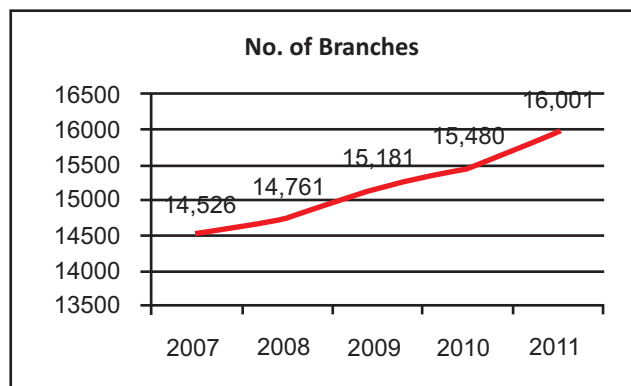


**Figure-3 :** Trend of Branch Productivity of RRBs in India
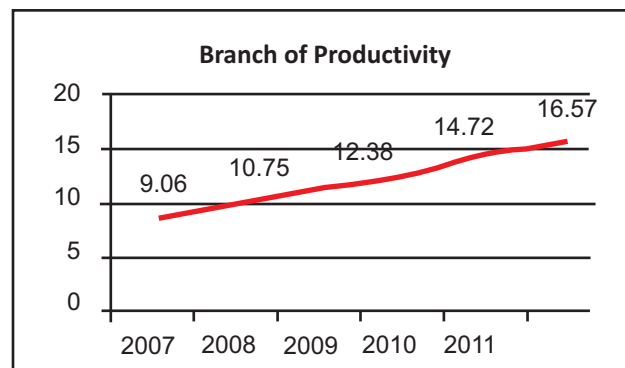


**NUMBER OF STAFF AND STAFF PRODUCTIVITY:**

Number of staffs has increased from 68,289 in 2007 to 70,153 in 2011-12. Per staff productivity has increased from 1.93 31 March 2009 to Rs. 3.78 crore on 31 March 2010. Due to use of information technology and training of various kinds to the staff members, productivity is in increasing trend which reveals from Figure-4.

**Figure-4 :** Trend of staff Productivity of RRBs in India



**DEPOSITS & ADVANCES:**

The deposits of RRBs increased substantially over the years. The total deposits were only 20 lakhs in 1975. But in 2007 it was Rs. 83143.55 crores, increased to Rs. 1, 66,232.34 Crores by March 2011. The total advances granted by all RRBs amounted to Rs. 71,724.19 cores in the year 2011 and it was Rs. 33043.49 in the year 2007. From the above data it is very clear that both deposits and advances are increasing over the study period, which can be concluded that RRRs are working very good for what they were established (Figure-5).Over 90% of the advances of RRBs are direct advances to small and marginal farmers, landless labourers and rural artisans.

**Figure-5:** Trend of Deposit and Advances in Crores of RRBs in India
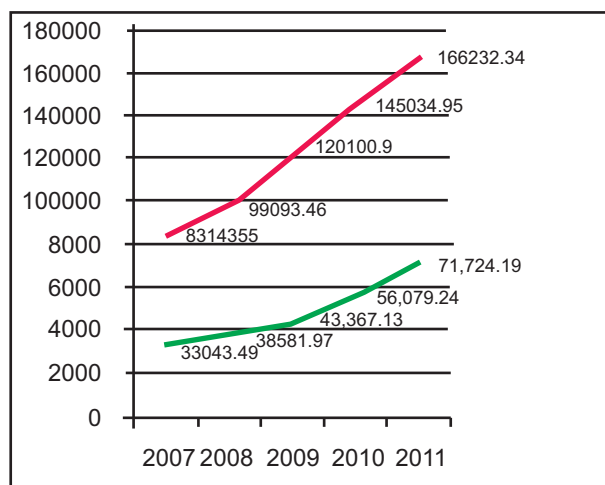


## CREDIT DEPOSIT RATIO:

The credit deposit ratio is one of the important indicators to assess the functioning and performance of a bank. It is observed that the ratio is been increasing from 58.32% on 31 March 2007 to 59.51% on 31 March 2011 which is a very good sign of performance. Last three years it is shown an increasing trend. (Figure-6)

**Figure-6** Trend of C-D Ratio of RRBs in India
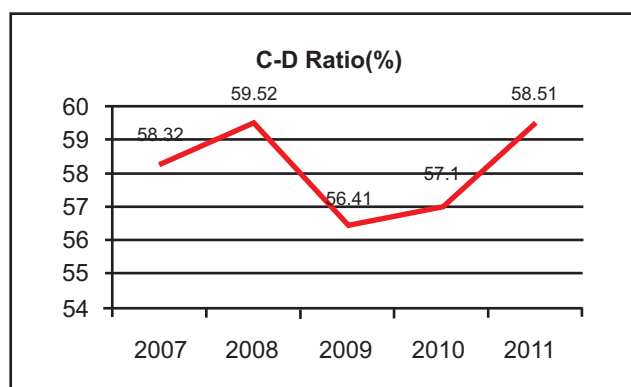


## RECOVERY POSITION:

The success of a bank always lies in its effectiveness in timely recovery of the advances it has disbursed. Recovery percentage has been improving from 79.08% during 2007 to 81.18% during 2011. Since last three years there is increasing trend there may be a further chance of more advance to the different sectors of the rural economy. The trend is shown in Figure-7.

**Figure-7:** Trend of Recovery Position of RRBs in India
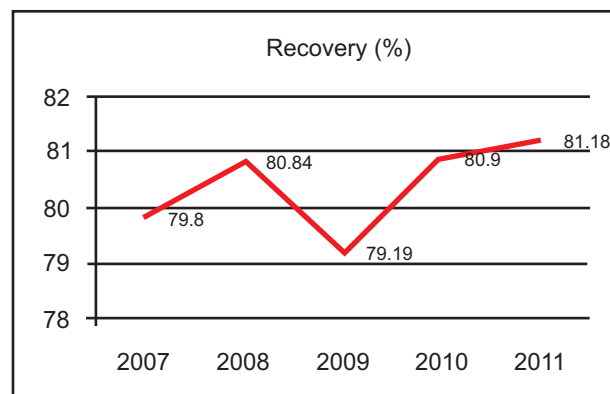


## STATUS OF LOSS:

From the above Table-1 and Figure-8, reveals that losses of all RRBs at national level are coming down, is a positive sign of the soundness of the RRBs.

**Figure-8:** Trend of Loss Position of RRBs in India
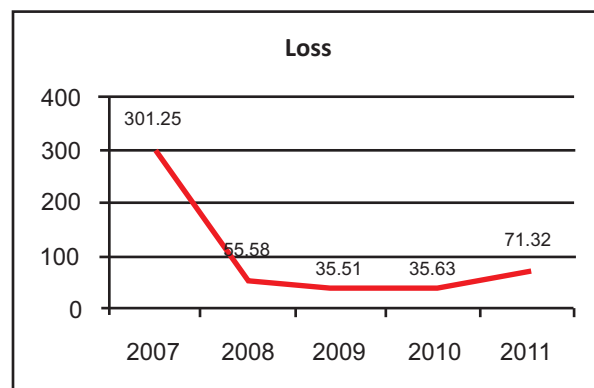


## CONCLUSION:

Therefore it can be concluded that the RRBs have been performing its role in financing the rural poor for what they have been established more particularly, the weaker sections including the minorities and small, marginal farmers and agricultural labourers among the backward districts of the country. Its performance in maintaining the RBI norms in credit deposit ratio, in its share of advances, the share of weaker sections and the recovery position is highly appreciable.

## REFERENCES:

1. Hand Book for Directors of Regional Rural Banks (2008), Reserve Bank of India, College of Agricultural Banking, Pune.pp.1-23.
2. Regional Rural Banks (2005), Chapter-V, NABARD, P.58-68.

3.  Regional Rural Banks Balance Sheets / Annual Report/ Key Indicators (2007-2011)

4.  Sadakkadulla.J. (2008), Regional Rural Banks and the Role of Empowered Committees, Regional Director, RBI Chandigrah.

5.  Somashekar.N.T, "Banking" (2009), New Age International (P) Limited, Publishers, New Delhi, pp123-128.

# CELEBRITY:  A KEY ASPECT IN CELEBRITY ENDORSEMENT

**Pavan C. Patil**

## ABSTRACT

*The usages of celebrities by the Indian advertising agencies have experienced a phenomenal increase in last five years. Effective communication between the marketers and the consumers is the need of the hour and celebrity endorsement is a strategy that is perceived as making full use of this opportunity. Generally, film actors and cricketers enjoy the status of a celebrity; Indians love talking about their favorite celebrities and look up and aspire to be like them. A report by the Federation of Indian Chambers of Commerce and Industry (FICCI) stated that 60 per cent of the Indian brands used celebrities in some form in 2008 as compared to 25 per cent in 2001. The use of celebrities as spokespeople for companies continues to be a popular method of advertising {Time, 1989; Wall Street Journal, 1987). By some accounts, more than 10 percent of television advertising involves celebrity spokespeople (Sherman, 1985); and given the popularity of this practice, celebrities are managing to negotiate larger sums of money for endorsing various products and services {Business Week, 1987; Wall Street Journal, 1989). So it becomes important to study one of most important aspect of celebrity endorsement i.e. celebrity: a key in celebrity endorsement. The objective of the paper is to the define the term celebrity, factors considered in selection of celebrity for endorsement. Study is based on analysis of research papers related to celebrity endorsement. It has been analyzed that a celebrity is an important aspect in celebrity endorsement. Celebrity is someone who is famous & successful, and various factors like attractiveness, credibility etc. plays vital role in selection of the celebrity for endorsement .*

***KEYWORDS:*** *Celebrity, Celebrity endorsement, Celebrity selection.*

## CELEBRITY ENDORSEMENT:

Rudolph (1947) cited a study that compared six types of advertising copy. The study found that the "testimonial approach," using celebrity endorsements, showed the highest readership scores. One study, conducted by Daniel Starch and staff (Freeman, 1957), concluded that, on the average, consumers see and read more celebrity-testimonial advertisements than non testimonial advertisements. Dichter (1966), in a study analyzing 488 purchases resulting from word-of-mouth recommendations , found that 7.5 percent were attributed to celebrity endorsements. Endorsements are used extensively in advertising. According to a study done by Gallup and Robinson (Forkan, 1975), prime-time advertising features celebrities 15 percent of the time.. Celebrities have been endorsing products since the late nineteenth century. Such an example from the early days of utilization involves Queen Victoria in association with Cadbury's Cocoa (Shennan 1985). The use of celebrities in marcoms is not a recent phenomenon (Kaikati 1987). A well known quotation from Aristotie (Ohanian 1991), 'Beauty is a greater' recommendation than any letter of introduction,' is suitable in this context for the sake of appreciating the effectiveness of attractiveness since most Western societies place a high premium on physical attractiveness. People tend to assume that people who are good looking are smarter more 'with if and so on This is termed the halo effect', which occurs when people who rank high on one dimension are assumed to excel on other dimensions as well. In an attempt to communicate the merits of their product or brand, advertisers have often chosen to use endorsement as a promotional strategy.

Celebrity usage in advertisements is one of the topical strategies of many brands, the purpose of such usage may be for getting attention, for prolonged association, or for the purpose of recall Brand Endorsement is a way to get the brand noticed amidst the clutter that is there in the market place. The instrument of celebrity endorsement has nowadays become a pervasive element in advertising and communication management. India as a country is known for loving its stars. The Indians idolize their bollywood

actors and cricketers. The advertisers see this as an opportunity to grab and work on so as to expand their operations and promote their product. In this age of intense competition, where capturing a position in the consumers mind space is extremely tough, celebrity endorsements give an extra edge to the companies for holding the viewers attention. Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand. The late '80s saw the beginning of celebrity endorsements in advertising in India. Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. There was a spurt of advertising, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings).

Companies invest considerable amounts of money to align their brands with famous endorsers. The use of celebrities as spokespeople is a popular advertising tool and its application has increased remarkably over the past decades (Erdogan 1999). Numerous companies use celebrities to promote their products and brands. The success of celebrity endorsement is backed by the fmdings of several academic studies which show that celebrity endorsers positively impact consumers' attitudes towards a brand and enhance purchase intentions (Kaikati 1987; Erdogan 1999; Amos.et al. 2008). Another explanation refers to associative learning or classical conditioning. An unconditioned stimulus (the celebrity endorser), which leads to an unconditioned reaction (e.g. liking the celebrity endorser), is transferred by consumers to a conditioned stimulus (the brand), which leads to the corresponding reaction (e.g. liking the brand). This is caused by a learning process based on (repeated) exposure to both stimuli (Tom etal. 1992; Till 1998).

## DEFINING CELEBRITY:

Per say, a dictionary meaning of this word (Celebrity) is "a famous person". A person who has excelled in his / her field of action or activity.

According to Boorstin (1961), " the celebrity is a person who is known for his well-knownness (p. 57)." In fact, Boorstin (1961) refers to celebrities as human pseudo-events, claiming that the omnipresent print and broadcast media have provided a "…means of fabricating well-knownness (p. 47)." As such, celebrities rise and fall through the processes and whims of publicity.

H. Friedman and L. Friedman (1979) defined that celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc) for his or her achievements in areas other than that of the product class endorsed

McCracken, (1989), "Celebrity endorsement refers to any person who is publicly known and who appears in an advertisement with a product with the purpose of promoting the product".

Schlecht, (2003) Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness.

Taleja, (2005): A celebrity is  a commonly recognized person for his/her achievement and success.

Kurzman et.al (2007):"Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path."

Bhushan, (2007): A celebrity can be a sports figure, a newscaster, an entertainer, a politician, community leaders or a television/film actor

## FACTORS CONSIDERED FOR SELECTION OF CELEBRITY FOR ENDORSEMENT

## FREDD PRINCIPLES

FRED, an acronym coined by Young & Rubicam stands for familiarity, relevance, esteem, and differentiation. To succeed, a brand new to the market must be perceived by consumers as being substantially different from others, rather than a "me-too" version. It must be relevant to enough consumers' needs and preferences to make it profitable. And the brand must have esteem, or high regard among purchasers, and be familiar to them. The same principles apply to our findings about celebrity endorsers. Success requires the celebrity to be familiar to the target audience and esteemed, to be different from other celebrities, and to be relevant to the product and audience, and in addition proper deportment or decorum to this list—FRED becomes FREDD. Deportment, A celebrity spokesperson under consideration can measure up well on familiarity, relevance, esteem, and differentiation, and still

fail the final "must pass" test of deportment. Erratic behavior that offends customers is too much of a risk for a company to hazard. The corporate or product image can become interwoven with a celebrity endorser's disputatious public actions and any private-life peccadilloes that are likely to show up in media reports.

## PERFORMER Q RATINGS

The Q (quotient) rating reflects a celebrity's popularity among those who recognize the celebrity (Solomon 1996). Marketing Evaluations Inc, a US based firm, calculates roughly 1500 well-known figures' familiarity and likability among consumers every year. The firm sends questionnaires to a demographically representative national panel of the US population. According to Shrimp (1997) individuals are asked to answer two simple questions in these surveys:

(1) Have you heard of this person? (2) If you have, do you rate him/her; poor, fair, good, very good or one of your favorites? A celebrity's Q rating is calculated by dividing the percentage of the total sample rating the celebrity as 'one of their favorites? by the percentage of sample who know the celebrity (Shrimp 1997). A celebrity may not be widely recognized, but still could attain a high Q rating, as individuals who do recognize them may also like her/him. Inversely, a celebrity may be widely recognized, but could have low Q rating since respondents may not like them. Basically, the Q rating of a celebrity answers the question of popularity among those familiar with him/her. Rosier and Percy (1987) argue that knowing a celebrity's Q rating may not only be beneficial in cases where particular audiences are targeted, but it may also enable companies to save on the cost of hiring a big celebrity name who might not be popular among target audiences, such as Michael Jackson for the 60+ male target audience. Q ratings of celebrities could be an initial filtering layer in selecting celebrity endorsers.

## TEARS MODEL

(Shimp, 2003) Research has shown that effective celebrities must be assessed against five essential attributes, usually referred to as 'TEARS' model:

1. Trustworthiness: honesty, integrity, and believability of an endorser. It reflects the extent to which audience members trust and believe what celebrities say regarding the advertised brand.

2. Expertise: knowledge, experience, and skills of an endorser regarding the advertised brand. For example, a sport athlete is considered to be an expert when he/she endorses sport related products.

3. Attractiveness: all characteristics that make an endorser attractive to audience members (e.g. physical look, personality properties, attractive lifestyle, etc.).

4. Respect: refers to the quality of being admired or esteemed due to endorser's overall accomplishments.

5. Similarity: represents the extent to which an endorser matches target audience on characteristics related to the endorsement relationship (sex, age, lifestyle, etc.).

Selecting celebrity endorsers is not an easy task Many scholars have attempted to construct models to aid in selecting celebrity endorsers. Cari I. Hovland and his associates presented one of the earliest models in 1953. Following his initial Source Credibility Model, three additional models are cited; the Source Attractiveness Model (McGuire 1985) the Product Match-Up Hypothesis (Forkan 1980; Kamins 1989. 1990) and the Meaning Transfer Model (McCracken 1989).

## THE SOURCE CREDIBILITY MODEL

This model contends that the effectiveness of a message depends on perceived level of expertise and tmstworthiness in an endorser (Dholakia and Stemthai 1977; Hovland, et al. 1953;Hovland and Weiss 1951; Ohanian 1991; Solomon 1996).

## THE SOURCE ATTRACTIVENESS MODEL

Advertisers have chosen celebrity endorsers on the basis of their attractiveness to gain from dual effects of celebrity status and physical appeal (Singer 1983). In order to discem the importance of attractiveness, one only has to watch television or look at print advertisements. Most advertisements portray attractive people. it is contended that the effectiveness of a message depends on similarity, familiarity and liking for an endorser (McGuire 1985)

## THE PRODUCT MATCH-UP HYPOTHESIS

The Product Match-up Hypothesis maintains that messages conveyed by celebrity image and the product message should be congruent for effective advertising (Forkan 1980; Kamins 1990). The determinant of the match between celebrity and brand depends on the degree of perceived 'fit' between brand (brand name, attributes) and celebrity image (Misra and Beatty 1990).

## THE MEANING TRANSFER MODELS

Celebrity endorsers bring their own symbolic meanings to the endorsement process. The cultural meanings residing in a celebrity go beyond the person and are passed on to the products (McCracken 1989; Brierley 1995).

The success of a brand through celebrity endorsement is a cumulative of the following attributes. Greater the score of the below parameters, greater are the chances of getting close to the desired impact.

1) Celebrity-Target Audience Match
2) Celebrity Values
3) Costs of Acquiring the Celebrity
4) Celebrity Regional Appeal Factors
5) Celebrity-Product Match
6) Celebrity Controversy Risk
7) Celebrity Popularity
8) Celebrity Availability
9) Celebrity Physical Attractiveness
10) Celebrity Credibility

## ATTRACTIVENESS & CREDIBILITY OF A CELEBRITY:

Kelman, 1961; O'Keefe, 1990 A number of researches have demonstrated that credibility and attractiveness are the two basic attributes contributing to an endorser's effectiveness as each of them involves a different mechanism by which the endorser affects consumer attitude and behavior.

Freiden (1984) tested four types of endorsers (celebrity, CEO, expert, and typical consumer) and determined that in comparison with other endorser types, the celebrity endorser scored particularly well on dimensions such as trustworthiness, believability, persuasiveness, and likeability.

Kahle and Homer (1985) traced that attractive celebrities are more acceptable and consequently bring more influence to bear on a recipient of an advertisement than charmless ones.

Kamins, (1990) An attractive celebrity is a force that affects the brand he/she endorses particularly strongly due to the dual effect of his/her star status on the one hand and physical appeal on the other.

Trippiet at, (1994) The endorsement of as many as four products negatively influence the celebrity spokesperson's creditability (expertise trustworthiness) and like ability. Reasons may be found in the lack of distinctiveness, with one famous person enduring several products instead of concentrating on and representing one specific brand.

Till and Shimp, (1998) Pursuing a celebrity-endorsed strategy enables advertisers to project a credible image in terms of expertise, persuasiveness, trustworthiness and objectiveness.

Solomon et al. (1999) refers to the credibility gap, where the lack of credibility is aggravated by incidences where celebrities endorse products that they do not really use, or in some cases do not believe in.

Physically attractive celebrities are viewed more favorably on various personality traits (Kahle & Homer 1985), and previous research suggests that attractive communicators are more successful at changing beliefs and attitudes, and at generating purchase intentions (Joseph 1982;Erdogan 1999).

## FITNESS BETWEEN CELEBRITY AND BRAND:

Levy 1959; Kamins and Gupta 1994; Kotler 1997 Advertising a product via a celebrity who has a relatively high product congruent image leads to greater advertiser and celebrity believability relative to an advertisement with a less congruent product/spokesperson image Kahle and Homer, (1985) The persuasiveness of celebrity endorsement is a function of how well the image of the spokesperson fits with that of the product.

In a test of the matchup hypothesis, Kamins (1990) demonstrated that the positive impact of a celebrity endorser depends in part on proper fit between the celebrity and the product.

Misra and Beatty, (1990) Celebrity-product congruence commonly implies a convergence between the image conveyed by a celebrity and the characteristics of the product that he/she endorses Lynch and Schüler, (1994) The empirical support is claimed for the idea that the effectiveness of celebrity advertising can be enhanced by matching the attribute of an endorser with that of a product.

Till and Buster, 1998, Till and Shimp, 1998 Several Research studies have examined the congruency between celebrity endorsers and brands to explain the effectiveness of using famous persons to promote the brands.

Prachi Raturi (2005) finds that when it comes to selling, there is nothing quite like a celebrity sales person. Signing a celebrity helps the brand leap out of clutter and if the

chemistry between the celebrity and the brand is right, the buzz could well turn into a roar.

## RISK ATTACHED WITH CELEBRITY:

Klebba and Unger 1982; Till and Shimp 1995 It has been found that negative information about a celebrity endorser not only influences consumers' perception of the celebrity, but also the endorsed product

Cooper (1984) puts it "the product not the celebrity, must be the star."

Cooper 1984; Kaikati 1987; Till 1998 Advantages of using celebrity endorsers exist, these benefits may become a liability if a celebrity is accused of breaking the law, declines in popularity, receives bad press, or loses credibility by endorsing too many brands.

Rossiter and Fercy (1987) A common concern is that consumers will focus their attention on the celebrity and fail to notice the brand being promoted.

Till & Shimp, (1998) Those who chooses to use celebrities have no control over the celebrity's future behavior.

Evans (1988) in the absence of a distinct and specific relationship between the product and the celebrities, "celebrities suck the life blood of the product dry", thus emphasizing the danger of the vampire effect.

Solomon et al. (2002) as the "hired gun" problem, where the spokesperson is perceived as endorsing the product only for the motive of money.

## RELEVANCE, EXPERTISE, DISTINCTIVENESS:

Freidman and Freidman (1979) discovered that in comparison with other types of advertisers, celebrities and experts are more stimulating and thus more capable of generating desirable behaviour in regard to the promoted product

Expertise is a cognition-based attribute, and refers to the skills, knowledge and experience possessed by the endorser. Celebrity endorsers that are perceived as experts enhance the consumers' agreement with the presenter's recommendation. Thus, a highly competent and expert celebrity is generally assumed to be more persuasive than a celebrity endorser with low perceived expertise (Ohanian 1991; Erdogan 1999).

(McCutcheon et.al 2003) Indeed, some people are seen to

admire, imitate, and become besotted with their favourite celebrities, which forms the crux for the celebrity endorsement being quite a sought after advertisement technique.

(Mustafa 2005) A stream of studies identifies the attributes such as trustworthiness, similarity, likableness, expertise that cause a celebrity to stand as a persuasive source which in turn creates a sense of certainty.

Rossiter and Smidts (2005) refer to competence or expertise 'hook' as a more specific success factor of celebrity endorsement. The idea is that a celebrity endorser must be an expert in the product s/he is endorsing in order to be effective.

Effectiveness of celebrity endorsers is found to be moderated by several factors in the literature; celebrity attractiveness and credibility, product-celebrity match, message and product type, level of involvement number of endorsements by celebrities, target receiver characteristics, and overall meanings (e.g. personality; values, standards) attached to celebrities. Besides these factors, economic visibility of endorsers, regulative issues, compatibility with overall marketing strategy, and potential risks must be simultaneously also considered. In sum, celebrity endorsement strategy can be an effective competitive weapon in mature and saturated markets in order to differentiate products from competitors' since there is a heavy advertising clutter and almost no room for actual product differentiation in markets, as long as the 'right' celebrity is found.

## CONCLUSION:

On the basis of above analysis of the various research papers related to celebrity endorsement, it can be concluded that celebrity is an itself a very important aspect of celebrity endorsement and celebrity need to be famous & successful; Various factors plays vital role in selection of the celebrity for endorsement like attractiveness of a celebrity, credibility, fitness between celebrity & brand, risk attached with celebrity, expertise, etc.

## REFERENCES:

1. Erdogan B (1999). Celebrity endorsement: A literature review. Journal of Marketing Management, 15, (4), 291-314.

2. Erdogan B, Baker MJ & Tagg S (2001). Selecting celebrity endorsers: the practitioner's perspective. Journal of Advertising Research, 41(3), 39-48.

3. Khatri, P. (2006), "Celebrity Endorsement: A Strategic Promotion Perspective", Indian Media Studies Journal Vol.1 No.1. July-Dec.

4. McCracken, G (1989). "Who is the Celebrity Endorser? Cultural Foundation of the Endorsement Process," Journal of Consumer Research, 16(3), 310-321

5. Miciak, Alan R. and William L Shanklin (1994), "Choosing Celebrity Endorsers," Marketing Management, 3 (Winter), 51-59.

6. Misra,S and S,. Beatty, "Celebrity spokesperson and Brand Congruence". Journal of Business Research, 21 (1990) pp159-173.

7. Pornpitakpan C (2003). Validation of the celebrity endorsers? credibility scale: Evidence from Asians. Journal of Marketing Management, 19(½), 179-195. Speck, P S; Schumann, D W and Thompson, C (1988). "Celebrity Endorsements - Scripts, Schema and Roles: Theoretical Framework and

8. Preliminary Tests," Advances in Consumer Research, 15(1), 69-76.

9. Suresh K., Celebrity Endorsements, ICFAI University Press, 2005.

10. Walker, Mary, Lynn Langmeyer, and Daniel Langmeyer (1992),"Celebrity Endorsers: Do You Get What You Pay For?" journal of Services Marketing, 6, (4), 35-42.

# INDIAN ETHOS IN MANAGEMENT: MANAGEMENT IDENTITY OF INDIA

Amarish Padma [1]
Omprakash Haldar [2]

## ABSTRACT

Every nation in the world has developed its institutions and way of life on the basis of its cultural traditions, its system of values, and its historic circumstances. These institutions and value systems cannot be transplanted to other countries whose history, culture and circumstances are different. The management pattern in the United States is of one kind and that in Japan is another. In America, the management pattern is built up on the basis of a competitive and profit oriented system. The relations between management and workers are based on "hiring and firing." Money and profits are more important than human values. By copying the American management model, we in India are having difficulties and are not reaping the benefits we expected. In Japan, the management pattern is different. The workers have a high sense of discipline and even when they have grievances, they do not resort to strikes which affect production. The relations between management and workers are generally cordial and cooperative. It is this which has helped Japan to progress industrially. There is no meaning in one country simply imitating or copying the management practices of another. Such imitation often leads to waste of resources and many undesirable results. This is what is happening in many countries, including India. What is good or suitable for one country need not necessarily be good for another. We should have regard to the circumstances, the individual attainments and the specific requirements of our country. Our culture and values are different from those of others. These different situations cannot be treated alike. The attempt to combine different sets of values may result in the loss of values of the less developed country.

**KEYWORDS :** *Culture, Circumstances, Competitive, Values.*

## INTRODUCTION

A child grows by learning from others not by imitating them… and so does a nation! The growth of a nation lies in its sense of Identity. Every nation has its own management ethics, based on its own unique cultural ethos. This is called Management Identity. The British make loyalty their management mantra. Performance means the most to Americans. Japanese management theories are based on Buddhism and Confucianism, while European management techniques run on Protestant beliefs. What is the India's 'Management Identity'?

There is a wealth of knowledge of unfathomable depth in the ancient Indian thought. Much of the combined wisdom of today's management is, but a small portion of the profound knowledge expounded in the vast domain of Indian Scriptures, which is being rediscovered today. The central idea in Indian Approach to Management is to empower man, machines, materials and money will be taken care of.

## OBJECTIVE: -

1.  To study the concept of Indian Ethos in Management (IEM).
2.  To study how Indian ethos are useful in Management.

## WHAT IS INDIAN ETHOS IN MANAGEMENT (IEM)?

Ethos is a Greek word meaning "Character" that is used to describe the guiding beliefs or ideals that characterize a community, nation, or ideology. Oxford defines ethos as "The characteristic Spirit and Beliefs of community/people" which distinguishes one culture from the other. Indian ethos is drawn from the Vedas, the Ramayana, Mahabharat, the Bhagwadgita, and Upnishads.

Each society has to draw its lessons on ethics from its own culture specific areas - its own psychological make-up. It cannot draw its ethical lessons from another society. Hence the body of knowledge which derives its solutions from the rich and huge Indian system of ethics are known as Indian Ethos in Management.

© SBPIM

[1] Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune, 411044.
Mobile No. 9970860605 E-mail Id: mailtoamarish@yahoo.co.in

[2] Dean, Institute of Professional Studies, Chinchwad, Pune, 411033.
Mobile No. 9422559155 E-mail Id: ophaldar@gmail.com

## WHAT CONSTITUTES INDIAN ETHOS?

Indian Ethos is all about what can be termed as "national ethos" the body of knowledge, which derives its solutions from the rich and huge Indian system of ethics (moral philosophy), is termed as Indian Ethos in Management (IEM). Management is behavioural science and it has to be culture specific and culture sensitive. IEM has the culture base of India as its foundation. India is a country whose culture has its roots in religion.

Indian ethos, basically, are based on Vedas, Upanishads, Shrutis and Puranas, which include Bhagwat Gita, Ramayana, etc. These epics were written thousands years back when there was no religion. Thus, Indian Ethos does not belong to any religion, but they represent the way of human life. They have universal appeal and are applicable to all the people of different religions, places, time etc. According to Swami Vivekananda, Indian Ethos serve ideas of honesty, integrity morality, etc.

## HISTORICAL BACKGROUND: -

History of evolution of Indian Management in India could be traced to at least three overlapping phases:

**Phase-I:** With the establishment of Indian Institutes of Management, the focus was on application of management concepts in Indian context. Indian case studies were developed to show the application of management ideas and principles. During this period, wherein tools and techniques developed in other contexts were applied in Indian context and they were considered value neutral and culture neutral in their application.

**Phase-II :** During this phase, focus was on exploring Indian ethos, Indian Culture and Indian Dimension in Management leading to Indian ethos movement.

**Phase-III:** Arrival of knowledge era, helped in establishing the concept of Indian Management at a stronger footing, because Indian ethos are essential y knowledge seeking ethos. Scholars started realizing the direct linkage between Indian ethos and Management. Thus, Indian ethos acquired a positive appreciation and academic legitimacy.

The salient ideas and thoughts of Indian Ethos in Management (IEM) revealed by our ancient scriptures are:

1. Paropakaarartham Idam Sareeram: - All the elements of nature perform their activities without any calculation or expectation of reward or appreciation. A tree produces fruits without expecting rewards in the same way Sun, Flower etc. These examples suggest that human body is intended to do only good and serve others.

2. Atmano Mokshartham, Jagat hitaya cha: All work is an opportunity for doing good to the world and thus gaining materially and spiritually in our lives. This verse from Rig veda says that our actions are to be guided by their relation to the world. The work ethos of this culture focuses on the balance between the individual and society.

3. Yagnayacharatah Karma: - This verse from chapter 4 of the Bhagawad Gita, refers to the aspect that work has to be done in the spirit of yagna (sacrifice)

4. Parasparam bhavayantah shreyah param bhavapsyathah: - This verse from Bhagawad Gita (3.11) suggests that working towards highest good and welfare of all is also referred in the ethos of looking at the world as one family. This family includes living and non-living beings

5. Yogah karmashu Kaushalam, Samatvam yoga uchyate: - Dexterity & Excellence in action is Yoga. Excellence at work through self-motivation and self-development with devotion and without attachment.

6. Satyam Nasti Paro Dharmah: - No Dharma is higher than the Truth. All worship, mediation and sacrifice are a waste if you renege on your word.

7. Sva-dharme Nidhanam Sreyah: -It means that No duty is ugly, no duty is impure. Performance of one's duties in the right manner, and at any station in one's life, without any attachment to their outcome, can lead to the highest realization

8. Na hi Kaschit Ksanam Api Jatu Tisthay Akarma-krt: - Due to influence of the latent qualities, we cannot – even for a moment – remain without doing work. Bhagawad Gita (Chapter 3.5) says that, at any given moment, we are engaged in some work – be it physical or mental. In order to elevate ourselves from grosser activities, we ought to choose to engage ourselves in wholesome activities.

Let us summarise as follows

a. Why work? – To purify the mind and the heart.

b. What is work? – A sacrifice, yagna. It is mode of worshipping the Divine.

c. How to work? – With renunciation and service (Tyaga and Seva)

d. What is spirit of work? – Excellence and Perfection

## A MANAGER'S MIND SET

| General Concept | IEM Concept |
| --- | --- |
| Produce results | Produce performers |
| Organize men, materials, machines and money | Mobilize men and sound out other readiness |
| Plan, set goals, prepare schedules, checklists | Obtain agreeent and commitment on means and ends |
| Motivate, praise, reprim and, punish, push people | Inspire, empower, celebrate success, mourn failure, draw people |
| Check, control, report at the command post | Set personal examples: be visible, accessible and always on the move |
| Coordinate, requisition, convene meetings | Facilitate, show ways to overcome obstacles, take part in informal gatherings |
| Instruct, issue notices, order, demand compliance | Make queries, sound out ideas, encourage suggestions |
| Manage others: I-centered | Manage yourself. We centered, not egoistic |

Indian ethos demands a subjective management system which leads to an understanding of the following:

- **Management Attitude –** Top management having firm belief in value-oriented holistic management. Profit is earned through service and satisfaction of all stakeholders – employees, customers, shareholders and citizens. Fulfillment of social responsibility must be ensured.
- **Humanising the Organisation –** Looking at the three aspects of human organisations, i.e., inter-personal relations, man-machine equation where man is the prime concern and inner management through mental and spiritual growth of individuals.
- **Interiorising Management –** Self management or management by consciousness. When the soul manages the other four members of the human being, namely, the body, mind, intellect and the heart, the conflict these four have amongst themselves can be resolved. This is management by consciousness. The objective of self management is to first know and

manage oneself and then manage others.

- **Self-introspection –** Embark upon self-study, self-analysis and self-criticism to locate areas of friction and disharmony, a self examination of one's own thoughts, feelings, emotions, sensations and passions and a desire to reduce and subdue the ego.
- **Brain-stilling –** For rational and enduring decisions, silent mind is a necessity. A perfect Mounum (calm mind enjoying tranquility) is necessary. Brain-stilling or meditative silence is the most reliable method to discover solutions to problems and difficulties which seem to be difficult to be tackled by reason and intellect because through this one can come into contact with the inner mind or higher consciousness called Chetana.
- **Stepping Back (for a while) –** Never decide anything, never speak a word, never throw yourself into action without stepping-back. The stepping back from a situation for a while enables one to control and master a situation.
- **Self-dynamising Meditation –** A dynamic meditation is meditation of transformation of lower consciousness into higher consciousness and hence is called transforming meditation. Through meditation, in a silent and calm mind, one reaches a higher level of consciousness which offers guidance in the form of intuitions to tackle a multitude of problems. This is called consciousness approach to management.
- **Role of Intuition –** Intuition is the act of coming to direct knowledge or certainty without reasoning or inferring. It is immediate cognition by the inner mind and when fully developed, is efficient and effective for taking prompt and sound decisions. Intuition skills enable one to cope with confidence the fluctuating environment and rapid changes. Faith is a prerequisite to develop and realize the power of intuition.

## NEED FOR INDIAN ETHOS FOR BUSINESS :–

We need Indian ethos in our management for the following reasons----

- To develop proper management system and Value-oriented management system can be established in the organization with the help of Indian ethos.
- To ensure all round development, growth and prosperity i.e., productivity, marketing and profitability.
- Indian ethos teaches us that if you work sincerely for the society, for your organization and for the Nature,

you will really enjoy your life through money harmony, peace and bliss.

• Indian wisdom indicates that productivity of human being is more important than plant capacity.

## APPLICATION OF IEM: -

The major business houses that at the top most level follow the Indian Ethos include:

• The Excel Industries, Poona
• Yash Paper Mills, Ayodhya
• The Alacrity Foundations Pvt. Ltd., Chennai
• Vijay Wires and Filaments, Mysore
• The Menon Piston, Pune
• The Nagarjuna Group, Hyderabad and many more.

Over the last 10 years most of the leading management schools including the IIMs have introduced IEM in their curriculum.

**Indian Model of Management :–** There are two important principles of Indian Model of Management :–

i) **Human Values :–** Human values refer to spiritual, ethical and moral values. These values form a basis for thoughts, actions, skills and behaviour and eventually lead to formation of a good character. These values will make good man, good manager and a good organization and ultimately remove pollution from the minds of the people.

ii) **Holism :–** It means oneness or unity. The holism is wider than systems approach to western model of management. A human being has a soul, body, mind and intellect. It is emphasized that all the above components of our personality must be developed. Holism is unity, the absence of duality, hence the absence of conflict and disharmony. Thus the Indian model of management is value driven holistic approach and much better than western model of management

*Young people take great pains to acquire degrees for securing good jobs. But they hardly take any trouble to develop their character and personality. Good conduct and character are the most essential requisites for a man. They are the basis for the*

*spiritual life. If the spiritual aspect is neglected, man becomes an artificial, mechanical being with no genuine human quality in him.*

## CONCLUSION

Today there are many professionals and industrialists who are great achieers but are unfortunately suffering from stress, competition, jealousy and psychological problems along with heart diseases and diabetes. On the other hand there are many who are contended and happy but are not achievers. What is needed today is a combination of these two qualities. One should be a great achiever and at the same time should live a peaceful life. IEM can offer this blending.

## REFERENCES : -

1. All India Chinmaya Yuva Kendra, "Awakening Indians to India" , pp – 211-217
2. Himadri Barman, Centre for Management Studies, Dibrugarh University "Indian Ethos & Values in Modern Management"
3. R Nandagopal & Ajit Sankar (2011), "Indian Ethos And Values In Management", pp 10-18
4. Sathya Sai Speaks, "Give due place for Indian values" volume 19, pp.17.

# SERVICE QUALITY: AN EVALUATION OF ALTERNATIVE INDICES FOR MONITORING CUSTOMER SATISFACTION IN MOBILE PHONE CONTEXT

**Sudhir Kumar Singh**

## ABSTRACT

*With the increase in competition and saturation of urban market, keeping customers has become a challenge for companies across the industry and demand urgent attention. This study aimed at investigating the overall customer satisfaction in the mobile phone service industry in India with special reference to Vidharbha because despite its economic benefits, there are very few researches done on the this subject despite its important role in the success of customer retention strategy especially in mobile phone service industry. In the past, this concept was ignored by service providing companies in India because they thought it more important to gain new customers than retain existing customers. However, with saturation of urban markets and high cost of operation in rural markets have forced mobile network companies' gain better deeper understanding of the importance of customer satisfaction as a high priority organizational goal.*

*Survey has been conducted with the help of structured questionnaire incorporating open-ended and close-ended questions and using Likert scale technique. Statistical Package for Social Sciences (SPSS) 16.0 was used to analyze collected data. The assessment of customer satisfaction was done by exploratory, descriptive and causal research methods and the relationship between mobile service attributes, and customer satisfaction was established with the help of linear regression This research discovered that the factors like mobile telecoms performance, network quality, billing system, validity period and customer care service demonstrated strong relationship with customer satisfaction collectively but many of them reflected weak relationship individually.*

*KEY WORDS: Customer satisfaction, Mobile Phone Industry, Service Quality*

## INTRODUCTION

This study has been conducted in one of today's most rapidly growing and competitive sectors, the cellular phone industry. This is the result of enormous technical progress as well as of the increased number of network operators and the intense competition that has developed. As far as Indian telecommunication is concerned it is the third largest in the world and the second largest among the emerging economies of Asia. The telecommunication sector continued to register significant success during the years and has emerged as one of the key sectors responsible for India's resurgent economic growth. Currently of a size nearing 840.28 million by May 2011 with monthly growth rate of 1.61% million (GSM and CDMA), this sector is expected to reach a size of nearly 1066 million subscribers by end of financial year 2012. Overall mobile tele-density stands at 70.23% (Urban – 154.18%, Rural –

34.13%). As far as Maharashtra is concerned, it has 63.7 million mobile users out of which 47.86 million are active mobile users. According to VLR data, there are 588.13 million active mobile subscribers in India. Hence, actual wireless tele-density in India stands at 49.16% by 2011. However, very few and far research works have been carried out on customer satisfaction in the mobile telecommunication industry. Therefore, there is need to create awareness among academic institutions, regulators and mobile operators to understand the importance of customers in the development of this industry. In the backdrop of such scenario, this paper examines customers' perceptual understanding of the service attributes constructs, and `customer satisfaction and what supply side factors influence them both conceptually and empirically for the Indian mobile communications market

with emphasis on Vidharbha market. This type of analysis is not only of interest to cellular network operators/service providers but also to other industries.

## LITERATURE REVIEW

Choosing to study service quality from the customers' perspective has been justified in many aspects.  Service quality is one of the factors that contributed to customer satisfaction. The main challenges that face mobile operators in today's competitive business are how to acquire new subscribers and retain existing ones, especially young subscribers (Seth et al., 2005). This view is confirmed by Bolton (1998) who illustrated that the cellular industry's churn rate is currently 3.5% each month (e.g. roughly 40% per year); the typical firm experiences the equivalent of complete customer turnover every three years. Along the same lines, it has been claimed that the cost of attracting and recruiting a new customer is five times more than the cost of keeping a current customer (Rosenberg and Czepiel, (1992); Grönroos (1995).

It has been suggested that customer service is one of the most important considerations when a supplier is evaluated (Sheth, 1973, Perrault, and Russ, 1976, Jackson et al., 1985). Innis and La Londe (1994) developed more insights on this subject and observed that customer service can influence demand in the market. Oliver (1993) in his research explored another aspect of this attribute and concluded that service quality is a casual antecedent of customer satisfaction. Fornell et al., (1996) observed that satisfaction is a consequence of service quality. Heskett et al. (1997) carried out their research in airline, restaurants etc and observed that service quality has consistent effect on satisfaction and is regarded as one of the key factors in delivering customer satisfaction.

Parasuraman (1985) in his research found the most important factors for the buyer like reliability, assurance, tangibles, empathy, and responsiveness in service delivery. Lee, & Freick, (2001) observed that services quality in the telecommunication industry is measured by call quality, pricing, mobile devices, value-added services, customer support etc.

According to Hartley (1989) good service provides additional protection from price competition. In the backdrop of all these discussion this study intends to gain thorough understanding of how services and their delivery are connected to the increased satisfaction among the mobile phone users in India. This research is also an earnest attempt on the part of researcher to decode the true nature of services attributes importance.

## OBJECTIVES AND HYPOTHESES OF STUDY

### 1.1.OBJECTIVES:

1. To study the customer satisfaction towards the service quality attributes in mobile service sector.
2. To study the service providers' service quality.
3. Using the results of the study to provide strategies to improve the mobile telecoms industry.

### 1.2.HYPOTHESES

Based on the objectives, following hypotheses have been framed:

H 1. There is a strong relationship between network quality and customer satisfaction.

H 2. There is a strong relationship between billing and customer satisfaction.

H 3. There is a strong relationship between validity period and customer satisfaction.

H 4. There is a strong relationship between customer care support and customer satisfaction.

H 5. There is a strong relationship between all the independent variables together and customer satisfaction.

## RESEARCH METHODOLOGY

This study is to investigate the level of Indian customer satisfaction of the mobile telecoms services and explore the relationship between customer satisfaction and service quality variables.  The research designs used to investigate the objectives of this study and answer the hypotheses are exploratory and descriptive in nature. Structured questionnaire method was used to obtain primary data. The respondents were asked to answer the questions on the basis of Likert scale based response from "very satisfied" to "very dissatisfied" in the options. These questions in the questionnaire are based on network quality and availability, billing system, validity period and customer care services.  The Statistical Package for Social Sciences (SPSS) 16.0 has been used to analyze the data collected. The descriptive statistics applied to assess the level of customer satisfaction while the relationship between the mobile service attributes and customer satisfaction have been  analyzed with the help of  linear regression.

For this study the respondents were drawn randomly from Vidharba region. The sample size was 500, in which 400 were validated and remaining 100 were not included due to incompleteness. This number is in accordance with the views expressed by Dillman (2000) and Hill et al. (2003). They reported that a sample size of 100 and above is sufficient to present good concise research findings and this number of sample are representative of the population under investigation. The secondary data was collected through various literature reviews and articles.

## ANALYSIS

*Fig 2.0: Regression Analysis Summary:*

|  | Variables | R | R Square | Adjusted R Square | Standard Error of the Estimate |
|---|---|---|---|---|---|
| Fig 2.1 | Network quality and customer satisfaction | .635(a) | .404 | .402 | .53728 |
| Fig 2.2 | Billing and customer satisfaction | .444(a) | .197 | .195 | .62340 |
| Fig 2.3 | Validity period and customer satisfaction | .401(a) | .161 | .159 | .63749 |
| Fig 2.4 | Overall customer care and customer satisfaction | .396(a) | .157 | .155 | .63887 |
| Fig 2.5 | Network quality, billing, validity period, overall customer care and customer satisfaction | .676(a) | .457 | .452 | .51469 |

a. Predictors: (Constant), Network, Billing, Validity period, overall customer care, and Overall customer care, Billing, Validity period, Network quality together.

To explore the relationship between mobile services attributes and customer satisfaction, the linear regression model has been used. Figure 2.1 indicates that there is a strong relationship between network quality and customer satisfaction and thus, H1 is accepted. The inference of this finding conclude that the network quality of the mobile phone services is the most important of all the mobile service attributes for the mobile customers in Vidharbha. Secondly, the result means that the customers perception of network quality strongly influence their perception of mobile operators and their satisfaction level. Network quality involves call clarity and coverage and mobile operators should focus on improving network quality to create higher satisfaction. Figure 2.2 demonstrate that there is a weak relationship between billing and customer satisfaction and thus, contradicts H 2. This finding means that billing has negligible significance among the mobile services attributes in Vidharbha. Secondly, the price paid to access the mobile services has little influence on customer satisfaction level. Thirdly, the finding could indicate that billing is meaningless without aligning it with other mobile services attributes. Thus, mobile operators need to provide reasonable pricing that are aligned with good mobile services attributes to maximize satisfaction and routine satisfaction assessment should be conducted. Lastly, this result may probably be due to the fact that the mobile technology is new in many parts of the country and rapidly becoming accessible.

Figure 2.3 presents the result of the relationship between validity period and satisfaction. This result demonstrates that there is a weak relationship between the validity period and customer satisfaction and thus, contradicts H 3. The rejection of this finding also means that validity period has negligible significance out of mobile services attributes in Vidharbha. Secondly, the result means that the duration to call and or receive calls after every refill whether short or long has little influence on customer satisfaction level. Thirdly, the finding could indicate that validity period is meaningless without aligning it with other mobile services attributes. Thus, mobile operators need to provide reasonable validity period that are aligned with good mobile services attributes to maximize satisfaction and routine satisfaction evaluation should be done. Lastly, this result may probably be due to the fact that the mobile technology is new in many parts of the region under study and rapidly gaining acceptance. It is interesting to observe that validity period has a weak influence on satisfaction of the Vidharbha mobile telecoms market and this may be due to the fact that all service providers are providing SIM card free or in lieu of very nominal charge with lifetime validity.

Figure 2.4 presents the result of the relationship between overall customer care and satisfaction. This result demonstrates that there is a weak relationship between overall customer care and customer satisfaction and thus, contradicts H 4.  The implication of this result is that customer care service has negligible significance as mobile services attributes in Vidharbha. Secondly, customer care service has little influence on customers' satisfaction level. Thirdly, the result could indicate that customer care service is meaningless without aligning it with other mobile services attributes. Thus, mobile operators need to provide reasonable validity period that are aligned with good mobile services attributes to maximize satisfaction and routine satisfaction evaluation should be done. Lastly, this result may probably be due to the fact that the mobile technology is relatively new in the region. Customer care service whether good or bad is also demonstrated by this study. It concludes that it has weak influence on mobile service customers' satisfaction.  But it might have strong influence on other aspects such as word of mouth etc which has not been investigated. Future studies can be conducted on these aspects of customer attitudes towards mobile phone services.

Figure 2.5 presents the result between the combined mobile services attributes and satisfaction. This result demonstrates that the interaction of the mobile services attributes have a strong relationship with customer satisfaction and thus, supports H 5. The interpretation of this finding is that the aligned mobile services attributes is significant to the assessment of the customer satisfaction with mobile services. Therefore, customer satisfaction with mobile services in Vidharbha is  assessed on the basis of the performance   of network quality, accuracy of billing system, validity period and customer care service. Thus, mobile operators should focus on improving mobile services attributes to heighten customer satisfaction. This strong relationship outcome supports the findings of Booz, Allen and Hamilton (1995); Bolton (1998); Gerpott (1998); and Wilfert (1999), which reported that the aforementioned attributes are key drivers of the customer value of the mobile services and key factors affecting customer satisfaction.

## CONCLUSION

This study investigated the relationship between service quality variables and customer satisfaction in the mobile phone telecommunication industry in Maharashtra.

Customer satisfaction is an experience-based assessment made by customers how far their expectations about the overall functionality of the services obtained from the mobile operators have been fulfilled. With regards to customer satisfaction measurement, the results demonstrated that customers are satisfied with the performance of the mobile telecom industry. The interpretation of this result could be that customers are truly satisfied with the service performance or their satisfaction may have resulted from the lack of competing and differentiating service availability by existing mobile service providers. It could also be concluded that the customers in the area under research are new to satisfaction measurement surveys and may not be able to express their perceptions appropriately.

With regards to factors that influence satisfaction, network quality demonstrated a strong influence on customer satisfaction. Findings of this study consider network quality as the most significant of all the mobile services attributes under the study and its quality strongly affects mobile phone subscribers' satisfaction level. Billing, validity period and customer support showed weak influence on satisfaction. The result also demonstrated that the combination of the mobile services attributes has strong influence on satisfaction. These results indicate that the evaluation of these factors without alignment is meaningless and have weak impact on satisfaction.

 Thus, to increase customer satisfaction, mobile operators should focus on improving mobile services attributes by investing in equipment to enhance call quality and coverage, offer reasonable pricing and price discounts, offer reasonable validity period and enhance customer care through routine personnel training and provision of better customer-friendly equipment.

Broadly, the implication of this study for mobile operators is that operators should not just rely on profit margins as a good indicator of business performance. Rather, they should develop strategies that better capture customers' perceptions of their service offerings and these strategies can complement the internal perceptions of service offering. Customer satisfaction strategy helps companies to compare their performance against customer standards, compare customer standards against internal process and identify opportunities for improvement.

## LIMITATIONS

Despite the potential contribution of this study, this study had four limitations. First, the questionnaire was self-constructed instead of adopting research standard such as SERQUAL and this made analysis difficult and might affect the reliability of the result. Lastly, lack of customer satisfaction study specific to Vidharbha has deprived this study from possible comparisons and insights.

## FUTURE RESEARCH

With respect future studies, there is need for cooperation between academic bodies and mobile operators so as to achieve better customer-oriented investigations. Future studies can further investigate the factors such as level of education, word of mouth, life cycles and usage pattern of customers, switching barriers, etc that affect customers' satisfaction and loyalty.

## REFERENCES

1.  Bolton, R.N. (1998) - A dynamic model of the duration of the customer's relationship with a continuous service provider: the role of satisfaction", Marketing Science, Vol. 17 No. 1, pp. 45-65.

2.  Dillman, D. (2000) – Mail and Internet Surveys: the tailored design method, 2nd edition, Wiley Cop., NY.

3.  Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American Customer Satisfaction Index: Nature, purpose, and findings. Journal of Marketing, 60(4), 7–18.

4.  Gerpott, T.J., Rams, W., and Schindler, A., (2001) – "Customer retention, loyalty, and satisfaction in the German mobile telecommunications market, Telecommunications Policy, Vol. 25 No. 4, pp.249 – 269.

5.  Grönroos, C. (1984) – "A service quality model and its marketing implications", European Journal of Marketing, Vol. 18 No. 4, pp. 36-44.

6.  Heskett, J.L., Sasser, W.E. Jr. and Schlesinger, L.A. (1997)- The Service Profit Chain, Free Press, New York, NY.

7.  Hill, N., Brierley J., and MacDougall, R. (2003) - How to measure customer satisfaction, 2nd edition, Gower Publishing Ltd., England.

8.  Hurley, R.H. and Estelami, H. (1998) – "Alternative indices for monitoring customer perceptions of service quality: a comparative evaluation in a retail context", Journal of the Academy of Marketing Science, Vol. 26, Summer, pp. 201-21.

9.  Ittner, C. and Larcker, D.F. (1998)-"Are non-financial measures leading indicators of financial performance? An analysis of customer satisfaction", Journal of Accounting Research, Vol. 36, Supplement, pp. 1-35.

10. Jackson, L.A., Sullivan, L.A., Harnish, R. and Hodge, C.N. (1996)-"Achieving positive social identity: social mobility, social creativity, and permeability of group boundaries", Journal of Personality and Social Psychology, Vol. 70, pp. 241-54.

11. Lee, J., Lee, J., & Freick, L. (2001) - The impact of switching costs on the customer satisfaction-loyalty link: Mobile phone service in France. Journal of Services Marketing, 15(1), 35–48.

12. Oliver, R.L. (1993) –"Cognitive, affective and attribute bases of the satisfaction response", Journal of Consumer Research, Vol. 20, December, pp. 418-30.

13. Oliver, R.L. (1999) - "Whence customer loyalty?" Journal of Marketing, Vol. 63, pp. 33-44.

14. Turel, O. and Serenko, A. (2006) - Satisfaction with mobile services in Canada: An empirical investigation, Telecommunications Policy 30 (2006), pp.314–331, 2006.

# "THINK LOCAL AND GO GLOBAL"- A KEY TO CREATE A SUCCESSFUL GLOBAL BRAND

**Wasanti Argade**

## ABSTRACT

*In today's era of brand wars, each company wants to establish a global brand and take advantage of the outstanding growth opportunities. Today the entire globe is treated as a one market.*

*A global brand is one which is perceived to reflect the same set of values around the world. Global brands transcend their origins and create strong enduring relationships with consumers across countries and cultures. They are brands sold in international markets. This is the challenge before management. The need of business to survive in such competition by delighting their existing customer and create new customers across the Globe.*

*But one should not go for a global brand until and unless he knows the culture of the host country. If the company wants to promote its brand globally, then the first thing to be taken under consideration is the culture of the host country.*

*The focus of the author is to study some of the most successful global brands and the various strategies used to create them. It also highlights the problems and challenges which are faced by the companies to manage the global brands. There are examples which show how success or failure of global brand is affected by cultural diversity.*

*KEYWORDS- Culture, Global brand, Growth opportunities, Host Country.*

## INTRODUCTION:

One of the biggest implications of globalization for brands seeking to expand foreign shores is the task of balancing standardization with customization. The biggest challenges faced by global marketers is how best to communicate across countries and cultures. When some of the world's biggest brands expand beyond their home markets, they are tempted to repeat their tried and tested formula in the new market as well. In fact this has been the path followed by many brands. The assumption in such a case is that customers would be too eager to consume the great brand because of its authenticity, heritage and associations. But this tendency is gradually changing as global companies are learning about the unique needs of the customers in different markets along with the pressures of lifestyle, economic and cultural conditions.

Global brand, the need to localize is still important. While your brand values and culture will be evident in all your markets, the actual words you use need to be different and it's a simple fact that some concepts don't translate between cultures. The further they move away from their home culture, the more difficult it becomes to create the same strength of relationship with consumers. It is tough to sustain the same brand appeal outside your home culture. It's not at all easy to create a successful global brand because the global market is a highly complex and highly competitive place in which culture has a great impact on brands. Product strategies that work in one country may not work in another (Keller, 2008). Most global brands fail to establish consistently strong relationships outside their home country. On average, fewer people bond with global brands than international or local ones. Consumers in different parts of the world vary in their attitudes toward and opinions about marketing activity. Consumer behavior is affected by the culture of a country. If a company wants to establish its brand globally it has to study and understand the culture of the host country.

## OBJECTIVES OF THE STUDY:

Cultural differences are indeed a major factor that has an impact on the success or failure of a brand. To maximize the opportunities brands should be sensitive to the cultural subtleties and adopt accordingly.

© SBPIM

Assistant Professor, Rajgad Institute of Management Research & Development, Pune, 411043.

Mobile No. 9766643710 E-mail Id: argade.vasanti50@gmail.com

The objectives of the study are:

1. To study the cultural impact on global brands.
2. To explain the failure of global brand with the some of example.
3. To understand the effects of culture on consumer behavior
4. To study the challenges in managing global brands.

## CONCEPT:

**GLOBAL BRAND-**

A global brand has a clear and consistent identity with consumers across geographies. It is positioned the same from one country to another; it has essentially the same formula; it delivers the same benefit and is presented consistently to the consumer through consistent advertising and packaging "Global branding does not mean having the same brand everywhere .It means having aan overarching strategy that optimizes brand effectiveness in local, regional , and international markets"(Robert Kahn)

## WHY BRAND GO GLOBALLY?

Some of the reasons are as follows:

1. Increased competition in domestic markets
2. Belief in enhanced overseas growth and profit opportunities
3. Recognition of global mobility of customers
4. Create new customers across the Globe.

Global brands typically create a stronger presence and identity than local brands. Solving the global/local puzzle

1. Adapting products and services to meet local needs and tastes
2. Solving the local value equation through product and pricing strategies
3. Ensure distribution and adopt more aggressive point-of-purchase tactics
4. Creating a strong presence and a distinctive identity
5. Getting as close to the local culture as is possible

## CULTURE:

Culture consists of the beliefs, behaviors, objects, and other characteristics common to the members of a particular group or society. Through culture, people and groups define themselves, conform to society's shared values, and contribute to society. Thus, culture includes many societal aspects: language, customs, values, norms, mores, rules, tools, technologies, products, organizations, and institutions. Culture has broadest & deepest influence on consumer behavior. There are certain unwritten codes of conduct communicated and to be followed by each culture. (Nair, 2004).

Culture, background and upbringing influence our outlook on life, but by focusing on people's inherent similarities rather than their differences, you can build a unified, global brand identity.

Values such as happiness, peace, love and friendship are universal and by building such values into a brand, it becomes a lot more relevant globally. In our multi cultural world, why it is so important to understand cultures. Because we need to create trust and a common view across cultural borders before we even can start simplifying processes and principles. It is only when we understand each other that we can start to build a mutual trust. This is true for people, companies and nations as well as for brands, if there is a difference. (Cultural Anthropology, 1990) Marketers can get into trouble when they introduce their products to new countries if they don't pay close attention to cultural differences (Haig, 2003).

Examples of brands have encountered cultural problems as well:

## 1. GERBER IN AFRICA

When baby food manufacturer Gerber started to sell its products in Africa it used the same packaging as for Western markets. This packaging included a picture of a baby boy on the label. Surprised at low sales, Gerber discovered that in Africa; as most customers can't read English, Western companies generally put pictures on the label of what's inside.

## 2. WHIRLPOOL IN INDIA

When Whirlpool launched its refrigerators on the Indian market, it found the market unwilling to buy larger sizes than the standard 165 liters.

## 3. HALLMARK IN FRANCE

When Hallmark tried to introduce their cards in France, no-one bought them as people preferred to write in the cards themselves. Furthermore, the syrupy sentiment inherent within the preprinted messages did not appeal to the Gallic taste. After a few months Hallmark admitted defeat and withdrew its brand.

When choosing the name, the company is faced with the

dilemma of either maintaining the western image or creating a more localized image and understanding. A pure global image which is alien to national culture will not appeal to local consumers. On the other hand, a pure local image cannot benefit from the brand assets of the original and is hard to differentiate from local products. Renaming a brand, when well done, can create new advantages and can add value. However, a badly chosen name will cause confusion and damage the overall value of the global brand.

## 1.COORS IN SPAIN

Coors beer had bad luck in Spain with its 'Turn it loose' slogan. It translated as 'You will suffer from diarrhea'.

## 2. PARKER PENS IN MEXICO

Parker Pens alarmed its Mexican market with ads intended to read 'It won't leak in your pocket and embarrass you' because, in fact, the ad stated 'It won't leak in your pocket and impregnate you.' The company had managed to confuse 'embarrass' with the Spanish verb 'embrazar' or 'to impregnate'.

## 3. VICKS IN GERMANY

Vapour-rub manufacturer Vicks failed to attract much custom for its products in Germany. The problem was that 'V' is pronounced as an 'F' in German, meaning Vicks sounds likes the German equivalent of the 'f' word.

## 4. KENTUCKY FRIED CHICKEN IN HONG KONG

KFC's 'finger licking' good' slogan is used the world over to highlight the tastiness of the product. However, when the phrase was translated into Chinese for the Hong Kong market, it came out as 'eat your fingers off '.

## PREREQUISITES FOR GLOBAL BRANDING

### STANDARDIZATION VS. CUSTOMIZATION:

Standardization is a fundamental building block of branding. As such, brands will try to maintain their brand identity and brand image across markets. On the other hand, cross-cultural situations faced when expanding their market globally impose some degree of customization. Successful brands are able to find the right balance between standardization and customization.

Culture provides the framework within which individuals and households function and determines consumption patterns. Successful brands are able to adapt their branding strategy to the dominant cultural philosophy. Cultural differences are indeed a major factor that has an impact on the success or failure of a brand.

As brands enter different cultures, it becomes imperative for them to carefully tread the standardization-customization continuum wherein they not only manage to retain the inherent brand identity which is the very reason for their acceptance across markets, but also adopt the brand elements (images, advertising, channels, and others) to appeal to the local tastes and preference of customers. Cultural differences can be morphed from a challenge to an opportunity when brands learn from the many best practices in the industry and adopt their branding strategies to adequately reflect the consumer preferences. Many firms have been forced to tailor products and marketing programs to different nationals markets as result.

Examples of some of the most successful global brands because of learning cultural differences (Keller, 2008)

### 1. TUPPERWARE

It makes more than 70 percent of its annual sales overseas, needed to adjust its products to satisfy different consumer behavior. In India, a plastic container paired with spoon becomes a "masala keeper "for spices. In Korea, stain-resistant canister is ideal for kimchi fermentation. Larger boxes work as safe, airtight "kimono keepers" in Japan.

### 2. HEINZ:

Heinz ketchup has slightly sweet taste in United States but is spicier in certain European countries, where it is available in hot, Mexican, and curry flavors. In the Philippines, it offers ketchup made from bananas that is dyed red.

### 3. MCDONALD'S:

It serves beer in Germany, wine in France, and coconut, mango and mint shakes in Hongkong.

### 4. KELLOGG:

As in Latin American countries where big breakfasts have not part of the meal in tradition, Kellogg's task was to inform consumers of the proper way to eat cereal with cold milk in the morning. Similarly, it had educated French consumers that corn flakes were meant to eaten with cold instead of warm milk.

### 5. UNILIVER:

Unilever is a classic example of a global brand which has pioneered serving the locals with products that address the

local sensitivities. Unilever's Indian subsidiary Hindustan Level Limited (HLL) has been the leader in recognizing the tremendous opportunity lying at the bottom of the pyramid – customer base that aspires to consume products but in smaller quantities and at lesser prices.

## CONCLUSION:

Regardless of color, gender or race, people are fundamentally the same. Sure, our culture, background and upbringing influence our outlook on life, but by focusing on people's inherent similarities rather than their differences, you can build a unified, global brand identity.

Part of building a successful global brand involves the separate entities of a company working together as a unit. So while your marketing campaigns may be managed and launched locally, your various offices around the world will work together to ensure consistency across the board and across the brand.

While your brand values and culture will be evident in all your markets, the actual words you use need to be different and it's a simple fact that some concepts don't translate between cultures.

## REFERENCES:

1.  Cultural Anthropology, 1990
2.  Kevin Lane Keller, (2008), Strategic Brand Management, Managing brands over geographic boundries & market segments
3.  Matt Haig, (2003), Brand failures, culture failure
4.  Suja Nair, (2004), Consumer behavior& Market Research
5.  http://www.aesgp.be/berlin1999/12Blinnformat.pdf
6.  www. Slideshare.net
7.  www.articles.mplans.com
8.  www.brandfailures.blogspot.com

# THRIVING ON WASTE WATER TREATMENT: A SUCCESS STORY OF ENVICARE

**Deepshikha Satija**[1]
**Mangesh Surve**[2]

## ABSTRACT:

*It is astounding, how, for over centuries we have been exploiting available natural resources creating scenarios of acute scarcity. Water is no exception to this practice and we have now hit upon a point-of-no-return! Reuse and recycling has emerged as credible solutions to surmount the problems of water scarcity. The rapid growth of the population, the technological and industrial boom has brought enormous problems and degradation of the environment. Effective collection and treatment of urban wastewater is a critical problem in a developing country like India. The purification of waste water from various industrial processes is a worldwide problem of increasing importance due to the restricted amounts of water suitable for direct use, the high price of the purification and the necessity of utilizing the waste products. Maintaining the drinking water quality is essential to public health. Although various water treatment is a common practice for supplying good quality of water from a source of water, maintaining an adequate water quality throughout a distribution system has never been an easy task.*

*Municipal, agricultural and industrial liquid or solid wastes differ very much in their chemical, physical and biological characteristics. The diverse spectrum of wastes requiring efficient treatment has focused the attention of researchers on membrane, ion-exchange and biological technologies. The most effective and ecological technological systems developed during the past 20 years are as a rule based on a combination of the chemical, physical and biological methods.*

***Water…*** *"Anyone who can solve the problems of water will be worthy of two Nobel prizes -one for peace and one for science."*

*John F. Kennedy*

Forbes India features-Biggest Questions of 2012 - Will Water Scarcity Increase Tensions Across Asia?
• Water will be one of the defining issues of the next half century. It's a critical issue and this realization will start from 2012.
• Governments across the underdeveloped regions of the world are already facing the threat of water wars. We believe 2012 will be the year the world starts looking for solutions to its aqua problems

Do these lines evoke something in mind? Yes…and that is water is diminishing day by day, and if we do not take a call on time the shape of the world and lives of its habitats are going to be affected radically.

## INTRODUCTION:

Water is basic to life. It is a precious resource and has become precious commodity now. Ongoing Industrialization, population & urbanization pose pressure on water availability. Utility value of world's freshwater resources like lakes and rivers are diminishing rapidly due to over exploitation & pollution. Groundwater, an alternative to surface water is also a natural victim. The rate of ground water drawing versus its re-charge has already disturbed the natural aquifer equations. Water resource development has taken place all over the world. There is a tremendous amount of pressure in protecting the water resources available in the country. Protecting the surface water resources from wastewater pollution plays a vital role for the development. The disposal of wastewater into the surface water bodies leads to serious problems and affects the people in health aspects. Especially in the urban

© SBPIM

1 Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune 411044.
Mobile No. 9764257416     Email Id: deepshikha237@yahoo.co.in
2 CEO, Envicare Systems & Service, Pune
Mobile No. 9923181974     Email Id: mangesh@envicare.co.in

areas, the pollution of domestic effluent discharges into the nearby surface water bodies created problems for the public. There are many ways of safe disposal of wastewater. But improper management of wastewater generation in the urban areas finds its own way of getting into the surface water. Hence, the effluent discharge affects the surface water bodies. The water quality changes in the surface water bodies created many health problems to the public. Urban conglomerations are increasing at a very fast pace. Pivotal to the urbanization phenomenon are the associated problems of providing municipal services and water infrastructure, including the provision of both fresh water resources and sanitation services.

Indian cities are no exception to the urbanization process and have tremendously expanded. The major cities are growing with a daily average addition of 1000 persons. As a result of this tremendous growth, service infrastructure is not able to keep up to provide the city a healthy environment. Ample supplies of clean unused water can no longer be taken for granted due to population growth, increasing urbanization and industrial water demands. Pollution of fresh water streams and ground water by industrial discharges result in depletion of existing water sources. Hence, it is increasingly becoming obvious that reuse of wastewater is a viable solution in many instances.

| Sector | 2010 | 2025 | 2050 |
|---|---|---|---|
| Irrigation | 688 | 910 | 1,072 |
| Industry | 12 | 23 | 63 |
| Drinking Water | 56 | 73 | 102 |
| Others | 57 | 87 | 210 |
| Total | 813 | 1,093 | 1,447 |

Table 1: Water Demand (billion Cubic Meters) by Sector.
Secorce: Standing Commitee of Ministery of Water Resources (MOWR)

## WASTE WATER MANAGEMENT: AN OVERVIEW

Conventional water and wastewater treatment processes have been long established in removing many chemical and microbial contaminants of concern to public health and the environment. However, the effectiveness of these processes has become limited over the last two decades because of three new challenges. First, increased knowledge about the consequences from water pollution and the public desire for better quality water have promoted the implementation of much stricter regulations by expanding the scope of regulated contaminants and lowering their maximum contaminant levels (MCLs).

In water treatment, among the most important developments is the establishment of the possible link between halo generated disinfection by-products (DBPs).

Similarly, the stricter regulations have been set over a much broader range of contaminants for wastewater discharge. Among them, the most significant are perhaps the new requirements to remove nutrients (nitrogen and phosphorus) and synthetic organic compounds (SOCs) because of their significant impacts on public health and the environment.

The second factor is the diminishing water resources and rapid population growth and industrial development. The reuse of municipal and industrial wastewaters and the recovery of potential pollutants used in industrial processes become more critical. This is especially true in arid or semiarid areas where the potable water and irrigation water must be imported at great expense. The reclamation may be further justified in view of growing concern over the contamination of water resources by the release of more toxic compounds. Advanced treatment technologies have been demonstrated to remove various potentially harmful compounds that could not be effectively removed by conventional treatment processes. In addition, advances in the manufacturing industry and the growing market associated with advanced treatment processes have resulted in substantial improvements to the versatility and costs of these processes at the industrial scale. To resolve these new challenges and better use economical resources, various advanced treatment technologies have been proposed, tested, and applied to meet both current and anticipated treatment requirements. Among them, membrane filtration, advanced oxidation processes (AOPs), and UV irradiation have been proven to successfully remove a wide range of challenging contaminants and hold great promise in water and wastewater treatment. As a result, this paper focuses on examining these three groups of advanced treatment technologies with emphasis on their process fundamentals, main applications, and advantages and

disadvantages. The current limitations and future research needs associated with these technologies are also discussed.

## WASTE WATER GENERATION:

Initially, urban and industrial wastewater was discharged in altogether untreated form. Over time, however, problems of polluted lakes, watercourses and coastal areas became increasingly severe. Discharged nutrients and oxygen-demanding substances caused hypoxia, fish death and, in some cases, waterborne epidemics. Water pollution was regarded entirely as a municipal concern and the scope of remedial action was small. Construction of municipal wastewater treatment plants (MWTPs) was slow.

## POLLUTION CONTROL LAWS:

There is a high level of awareness among the people all over the world, regarding the ill effects of pollution of land, surface streams and air. An industry has to treat its effluent discharges to render it fit for disposal on land or streams, rivers or other water bodies satisfying the tolerance limits specified by the pollution control boards agencies. A good amount of capital investment and running cost is paid by the industries to treat the wastewater for disposal in rivers and streams, which is eventually used by somebody else. It is only rational to renovate most of the treated wastewater to meet industrial water quality standards and reuse it. Reuse of treatment wastewater for agriculture and industrial purposes have been well recognized by many countries.

Presently there are no separate regulations/ guidelines for safe handling, transport and disposal of wastewater in the country. The existing policies for regulating wastewater management are based on certain environmental laws and certain policies and legal provisions viz. Constitutional Provisions on sanitation and water pollution; National Environment Policy, 2006; National Sanitation Policy, 2008; Hazardous waste (Management and Handling) Rules, 1989; Municipalities Act; District Municipalities Act etc..Creation of sewerage infrastructure for sewage disposal is responsibility of State governments/urban local bodies, though their efforts are supplemented through central schemes, such as National River Conservation Plan, National Lake Conservation Plan, Jawaharlal Nehru National Urban Renewal Mission, and Urban Infrastructure Scheme for Small and Medium Towns (MoEF, 2012).

However, operation and maintenance of sewerage infrastructure including treatment plants are responsibilities of State governments/urban local bodies and their agencies. As per Water Act 1974, State Pollution Control Boards possesses statutory power to take action against any defaulting agency. Water Act 1974 also emphasizes utilization of treated sewage in irrigation, but this issue has been ignored by the State Governments. Ministry of Environment and Forests (MoEF), Govt. of India initiated a technical and financial support scheme to promote common facilities for treatment of effluents generated from SSI units located in clusters. Under the Common Effluent Treatment Plant (CETP) financial assistance scheme, 50% subsidy on project capital cost - 25% share each of Central and State Governments - was provided. As a result, 88 CETPs having total capacity of 560 MLD have been set up throughout India covering more than 10,000 polluting industries (CPCB, 2005b). In addition to setting up treatment plants, Central Government, State Government and the Board have given fiscal incentives to industries/investors to encourage them to invest in pollution control. Incentives/ concessions available to them are: Depreciation allowance at a higher rate is allowed on devices and systems installed for minimizing pollution or for conservation of natural resources. Investment allowance at a higher rate is allowed for systems and devices listed under depreciation allowance.

## TRENDS IN WATER AND WASTEWATER TREATMENT:

In the last decade, the demand for fresh water in India has continued to increase at a rapid pace, primarily due to the growing population, increasing urbanization and the constant economic growth. Due to over-exploitation of water resources in coastal areas, seawater is often mixed with groundwater in some cities like Chennai and Mumbai, making groundwater high in salt content. The reducing per capita availability of water and deteriorating water quality has forced the country to look for sustainable and effective water technologies to provide clean and quality water. Continuous investment in water and wastewater improvement has created ample opportunities for water treatment equipment technology in India. This article gives an overall outlook on water and wastewater treatment business scenario.

## ENVICARE: A PIONEER IN PROTECTING MOTHER EARTH

The conception initiated, what we actually call, with a humble beginning. Founded by Mr. Mangesh Surve way back in 2003 is now a name itself in the field of creating potable water out of waste water. He has, since beginning, a penchant for doing something to give back to the society. Always brilliant in academics and continuous rank holder in studies. His journey towards making it big began steadily. Faced with various adversity initially, on financial grounds did not deter his ambitions to excel. He completed his diploma in Chemical Engineering and also attained second rank in the University of Pune. But due to financial constraints, was not able to pursue Degree in the same field. But he was not demotivated, rather took it as a challenge and accepted a job of Lab Technician in the same college, from where he completed his studies at a meager salary. After around one year he joined Waterman Consulting as Project Engineer and gained enormous experience in the field of plant erection. In the recession of 1999, work affected and he lost his job. Then after recovery, he started things on his own and took free lancing projects, mostly for Thermax.

This was the time; feeling to start his own venture was in full swing. And the birth of Envicare, (which is taken from Environment care) also in 2003. It started with a very decent amount of Rs. 3L and had only 6-7 clients, which he was in touch with by virtue of his job. He then utilized all his knowledge and experience to lead in this area. By 2008, it had grown to 150 prestigious clients and had also expanded its span of business, by not just erecting plants on site, rather got into installation and AMCs also. By seeing the phenomenal growth and potential in the area, its people are confident enough to have more than 500 clients and also opening of new laboratories pan India is also on anvil.

## SOLUTIONS PROVIDED BY ENVICARE:

Envicare Systems & Services is an established firm in the field of water, wastewater treatment and sludge handling system. It has proficiency in accomplishing the most challenging tasks in conditioning water for end use. It is into manufacturing, supplying, erecting, commissioning and maintaining wide range of water and wastewater treatment plants ranging from small Filter-Softeners, DM, Reverse Osmosis (RO) to specialized and customized Effluent Treatment Plants, Sewage Treatment Plants.

## OTHER SERVICES:

- It undertakes the AMC for water and waste water treatment plants.
- It also provides the analytical services in water and wastewater.
- Upgradation and Automation in the existing water and wastewater treatment plants.
- It also undertakes MPCB Liasoning Work.

## TECHNOLOGY TRENDS:

Wastewater treatment and water recycling or reclaiming for reuse has prevailed for quite some time in other parts of the world such as Europe and United States of America. However, with the growing demand for potable water, the rate of using reclaimed water is gaining pace in the Asia Pacific markets, especially in India. Recycling of water and wastewater treatment involves a combination of technologies to treat the water and make it reusable or attain a safe standard for disposal. Technologies such as nanotechnology, desalination and membranes have been widely used for water treatment depending upon the quantity and quality of water/ wastewater and the available funds as per the specific use. As energy-efficient processes are the need of the hour, forward osmosis, hybrid desalination and solar desalination will gain importance over the years.

## COMPETITION IN THIS AREA:

The market is highly fragmented. Cost, high expertise, prior experience and brand equity are critical competitive factors in the Indian market. For huge municipal and industrial projects there is a pre-bidding process and hence high expertise and prior experiences are critical factors. Companies that offer energy-efficient solutions at competitive costs are likely to take a central position in Indian water and wastewater treatment market.

## CONCLUSION:

There are various opportunities in the Indian water and wastewater treatment market, but the industry has to also overcome several challenges. The biggest of all is the slow pace of implementation of policy reforms in India. But, with the business environment improving, one can expect several initiatives aimed at water supply and sanitation. The Government is also planning to increase desalination projects along the coastal areas. Different end-user segments offer varied potential for the water and

wastewater treatment markets. Power sector is a promising end-user segment for both water and wastewater treatment. The growth of pharmaceuticals and chemicals has supported the high purity process water markets. The municipal segment offers great scope for drinking water and solid waste management. PPP-based projects will be in vogue and one can expect the increased role of private players in the management of utilities/assets. Moreover, India presents the right balance of growth across end-user sectors, technologies and projects. Ageing equipment presents opportunity in replacement/retrofit of assets in water and effluent treatment plants. There are immense opportunities available across the value chain right from suppliers of pumps, to ductile iron pipes, to membranes.

In developing countries like India, the problems associated with wastewater reuse arise from its lack of treatment. The challenge thus is to find such low-cost, low-tech, user friendly methods, which on one hand avoid threatening our substantial wastewater dependent livelihoods and on the other hand protect degradation of our valuable natural resources.

## REFERENCES:

1. Anda, M. and Ho, G. (2004). Centralised versus decentralised wastewater systems in an urban context: the sustainability dimension.

2. Basu, A.K. (1975). "Characteristics of wastewater", Water Pollution Control Federation, Vol. 47, pp. 2184-2190.

3. Braden, J. B. and van Ierland, E.C. (1999). Balancing: the economic approach to sustainable water management. Water Science and Technology. Vol. 39, No. 5. p 17-

4. Carew, A., Robinson, D. and White, S., The Benefits of Indoor Water Efficiency, for On-site System performance, On-site '99, Armidale

5. Colac Otway Shire, 2002, Wastewater Management Strategy.

6. Department of Natural Resources and Environment 1997, Low Cost Water Treatment for Small Towns, Dept. of Natural Resources and Environment, Victoria.

7. Environment Protection Authority, 1996, Code of Practice – Septic Tanks On-site Domestic Wastewater Management, EPA.

8. Gupta, R., Satyawali, Y., Batra, V.S. and Balakrishnan, M. (2008). "Submerged membrane bioreactor using fly ash filters: trials with wastewater", Water Science & Technology, Vol. 58, pp. 1281-1284.

9. Hall, M., Lovell, H., White, S., Lenzen, M., Mitchell, C., 2001, Management of risk for on-site and centralized wastewater treatment, Berowa Case Study.

10. Kalyuzhnyi, S., Gladchenko, M., Starostina, E., Shcherbakov, S. and Versprille, A. (2005). "Combined biological and physico-chemical treatment of baker's yeast wastewater", Water Science & Technology, Vol. 52, pp. 175-181.

11. Mara, Duncan, 2003. Domestic Wastewater Treatment in Developing Countries, Earthscan, London, UK.

12. McKenzie, Caigan. Wastewater reuse conserves water and protects waterways. National Environment Service Center.www.nesc.wvu.du.

13. Mohammad, P., Azarmidokht, H., Fatollah, M. and Mahboubeh, B. (2006). "Application of response surface methodology for optimization of important parameters in decolorizing treated distillery wastewater using Aspergillus fumigatus UB2 60", International Biodeterioration & Biodegradation, Vol. 57, pp. 195-199.

14. Nataraj, S.K., Hosamani, K.M. and Aminabhavi, T.M. (2006). "Wastewater treatment by the membrane-based nanofiltration and reverse osmosis processes", Water Research, Vol. 40, pp. 2349-2356.

15. Pant, D. and Adholeya, A. (2007). "Biological approaches for treatment of wastewater", Bioresource Technology, Vol. 98, pp. 2321-2334.

16. Pitt A.J., 1981, A study of the Land in the Catchment of the Otway Ranges and Adjacent Plains. TC-14. Soil Conservation of Victoria.

17. Rai, U.K., Muthukrishnan, M. and Guha, B.K. (2008)."Tertiary treatment of wastewater by nanofiltration", Desalination Vol. 230, pp. 70-80.

18. Ramkritinan, C.M., Kumaraguru, A.K. and Balasubramanian, M.P. (2005). "Impact of Effluent on Carbohydrate Metabolism of Freshwater Fish, Cyprinus carpio, Ecotoxicology, Vol.14, pp. 693-707.

19. Saha, N.K., Balakrishnan, M. and Batra, V.S. (2005). "Improving industrial water use: case study for an Indian distillery", Resources, Conservation and Recycling, Vol. 43, pp. 163-174.

20. Sangave, C.P. and Pandit, A.B. (2006). "Enhancement in biodegradability of wastewater using enzymatic pretreatment", Journal of Environmental Management, Vol. 78, pp. 77-85

21. Satyawali, Y. and Balakrishnan, M. (2008). "Treatment of effluent in a membrane bioreactor (MBR) equipped with mesh filter",  Separation and Purification Technology, Vol. 63, pp. 278-286.

22. Satyawali, Y. and Balakrishnan, M. (2008). "Wastewater treatment in for COD and color removal", Journal of Environmental Management, Vol. 86, pp. 481-497.

23. US Environment Protection Agency, 2001,  National Research Needs Conference Proceedings: Risk-Based Decision Making for On-site Wastewater Treatment, USEPA.

24. Weber, W.J. (1972). "Physicochemical processes for water quality control", Wiley interscience series of texts and monographs.

25. Yariv Cohen, Y. (2001). "Biofiltration the treatment of fluids by microorganisms immobilized into the filter bedding material", Bioresource Technology, Vol. 77, pp. 257-274

# CREATING A POSITIVE BRAND IMAGE THROUGH CORPORATE SOCIAL RESPONSIBILITY

**Kajal Maheshwari** [1]
**Vinay Kumar** [2]

## ABSTRACT

*Corporate Social Responsibility creates a landing place in the minds of the target consumers. Due to global competition, increase in media clutter , less differentiation in brand companies are using different tools to increase the value of intangible assests. CSR not only creats the Brand awareness among the consumers but also leads to a positive Brand Image in the minds of the potential consumers. Brands must be inspirational in a socially responsible way to its stakeholders. To achieve the same Corporate Social Responsibility has become more common business practices. Now a days companies are strategically using CSR as a Marketing tool .*

*The purpose of this paper is to understand how Corporate Social Responsibility can lead to the creation of better brand image & to understand the CSR activities carried down by Indian companies as a marketing strategy to build and sustain in a competitive advantage.*

*This study is based on secondary data, information, books, journals, magazines and research reports and web sites. Different types of conceptual information presented in the study is the result of observation, in depth reading, experiences and rational judgement of the authors.*

**KEY WORDS:** *Brand Image, Competitive Advantage, Corporate Social Responsibility, , Consumer Perceptions, Marketing strategy, Stakeholder.*

## INTRODUCTION:

A function runs in the organization for the sake of it, rather than with aim of creating any material difference to the society. Majority of the private companies say they embrace corporate social responsibility not only because it's the right thing to do, but also because it strengthens their brands. The percentage of brand value represented by corporate social responsibility is trending upward but all other identifiable contributors to corporate brand value-advertising, market cap, and the industry in which a company competes – appear to be declining.

In the era of Globalisation, global brands are widespread in multiple markets, such as telecom financial services and fastmoving consumer goods. Multiple firms, (such as Unilever,) have clearly started to focus more on building strong global brands instead of building multiple (strong) local brands (Kumar, 2005).

CSR has become increasingly prominent in the Indian corporate scenario because organisations have realised that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. Corporate social responsibility is about businesses transforming their role from merely selling products and services with a view to making profits and increasing their revenue to the development of a society through their abilities of generating capital and investing it for social empowerment.

Implementation of a CSR policy may generate a trusting relationship that leads stakeholders to become committed to the organization through actions such as customer loyalty, stockholder capital investments, and supplier investments (Garbarino & Johnson, 1999; Maignan & Ferrell, 2004; Sen, Bhattacharya & Korschun, 2006). In the global marketplace, a firm's social and environmental track record and its treatment of employees are considered as very important trust issues (Edelman, 2008).

© SBPIM

[1] Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune, 411044.

Mobile No.9326505453     E-mail Id: kajaljuly28@gmail.com

[2] Assistant Professor, S.B.Patil Institute of Management, Nigdi, Pune, 411044.

Mobile No. 8983020882     E-mail Id: vinaycool1234@gmail.com

Firms, therefore, need to understand whether and how their multi-faceted CSR efforts have an impact on their global BE. Gregory and Wiechmann (1997) by linking the corporate brand name with attributes and aspects like value, innovation, community mindedness, environmental consciousness and good management, explained the role of brand as a mean to building a special relationship with its favourable target audiences

Brand equity (BE), is widely accepted concept among different disciplines such as marketing, finance and accounting, but there is no a common agreed definition on it (Knowles, 2008). In this paper, the focus is on the marketing perspective which is broader and encompasses other disciplines' viewpoint. David Aaker (1991, 15) defined BE as "a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or a firm's customers".

Corporate responsibility (CR) is also called: corporate social responsibility, corporate citizenship, corporate philanthropy (McElhaney, 2008, 5), responsible entrepreneurship (Moon, 2004), and responsible business; though there is no common agreement on definition of CR (or CSR). Various associations have used their own definitions for example European\Commission adopted CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis' (COM, 2002, 374).

A firm's CSR initiative affected both stakeholders' overall beliefs and attitudes toward the firm as well as their intentions to seek employment with the firm, consume its products, and buy its stock. Another expression that is widely used in this paper is stakeholder. Freeman (1984, 40) demonstrated broad definition of a stakeholder as "any group or individual who can affect or is affected by the achievements of an organization's objective". In this paper stakeholder is referred to Friedman (1984) definition.

## BRAND EQUITY

A brand is not just a name or symbol (Kotler et al., 2006) and has a capability in it to make value which is known as brand equity in business literatures (Aaker, 1991). Typically, firms by offering products and services that have value to their target customers achieve superior economic performance (Hunt & Morgan, 1995). The efficient supply of target segments' needs, increase wealth (Aaker, 1996b; Doyle,

2001b) and can be detected in the form of higher value of dividends or stocks (Falkenberg, 1996). This concept is referred to as brand equity. In general, it is assumed that brand represents intangible corporate asset (De Mortanges & Van Riel, 2003), that posses value (Brady, 2003).

The added-value that a brand confers to a product or service is generally referred as brand equity (Aaker, 1991). It is a kind of property with measurable value that an organization tries to maximize. In marketing the scope of brand equity not only includes the financial advantages that brand can guarantee for a business, but also the management and strategic advantages (Riezebos, 2003). A brand is all of the promises and perceptions that a business seeks its customers believe about its product and services. The brands that are well recognized can add significant value and positive impacts in the mind of the consumers.

## REVIEW OF LITERATURE

Individuals who were aware of the CSR initiative had more positive company-related associations, displayed greater organizational identification with the company and indicated a greater intent to purchase products, seek employment, and invest in the company than respondents who were unaware of the initiative. Therefore, CSR activity has the potential to increase not only CSR associations, attitudes, and identification but also the intent of stakeholders to commit personal resources (e.g., money, labor, etc.) to the benefit of the company. Within the academic literature there is a vast amount of research on the effects of CSR on brand performance metrics, such as brand evaluations and brand loyalty, and firm performance (e.g. Luo & Bhattacharya, 2006; Du, Bhattacharya & Sen, 2007a; Klein & Dawar, 2004; Orlitzky, Schmidt & Rynes, 2003).

A key implication, therefore, is that to reap the positive benefits of CSR, companies need to work harder at raising awareness levels (Sankar Sen, Bhattacharya and Daniel Korschun, 2006). Reactions of consumers to CSR reveals its companyfavoring effects on an array of cognitive and affective (e.g., beliefs, attitudes, attributions, identification) as well as behavioral (e.g., loyalty, even during productharm crises) outcomes. Consumers' ability to accurately identify the CSR activities of the firms they consume from is, in general, quite low. Awareness of the CSR initiative to be associated with a set of four company specific outcomes - beliefs, attributions, attitude, and

identification - those are internal (i.e., pertaining to thoughts and feelings) to consumers (Bhattacharya and Sen, 2003).

Angshuman Paul (2007), pointed out that CSR does not promote a brand and its effect can never be visible in the profit & loss account of a company. CSR plays a role in overall corporate objectives, as a better society means greater future market potential. Gopalkrishna (1992) examined the attitudes of managers of large-scale enterprises towards CSR implementation in India. Majority of the managers opined that there is a value change in the society and industry has a dominant role in shaping the society into a socialistic society. There is a rise in public demand for socially responsible behavior by industry and social action programs create a favorable public image, it is in the longrun interest of the company to get directly involved in social issues, industry has necessary resources and talent to engage in social action programs.

Confederation of Indian Industry (2002) conducted a survey jointly with UNDP, The British Council and PricewaterhouseCoopers (PwC) to ascertain the predominant perceptions on CSR in India and the role that companies define for themselves in the society. The results shows that the desire to be a good corporate citizen and improved brand image are the main drivers of CSR among companies.

The role of business in society has undergone several changes. Awareness of the impact of business on society and environment has grown along with the increasing socio-regulatory pressures. It is no longer simple enough to employ people, make profits and pay taxes. Companies are now expected to be responsible, accountable and benefit the society as a whole (Brown, 2001). Business cannot escape from society and society cannot exist without business (Davis and Frederick, 1985). Thus, there is a two way relationship between business and society, Cannon (1994) holds the view that business is expected to create wealth, supply market, generate employment, innovate and produce a sufficient surplus to sustain its activities and improve its competitiveness while contributing to the maintenance of community in which it operates.

Consumers consider switching to another company's products and services, speak out against the company to family/friends, refuse to invest in that company's stock, refuse to work at the company and boycott the company's products and services in case of negative corporate citizenship behaviours (Edenkamp, 2002).The modern

consumer understands CSR that much more intimately. The future of marketing is full of CSR (Harish Bijoor, 2008).

CSR has an important role to play especially in building up trust in the minds of the consumers. In an emerging market where consumers are looking for functional products which last longer and accelerated obsolescence is not a problem like in developed markets, the consumer perception about the company brand assumes significance. A company which builds the image of producing quality products that last longer though they may not be on the cutting edge of technology will actually be able to gain strategic advantage in emerging economies. Firms all over the world are beginning to grasp the importance of intangible assets, be it brand name or employee morale. Only firms that have gained the goodwill of the general public and are ideal corporate citizens will be to develop these intangible assets into strategic advantages (Edenkamp, 2002).

Corporate social responsibility is arguably the most important thing on any brand marketer's mind. It's important because studies increasingly show that consumers will spend their money on brands that reflect their values and concerns (Mark Choueke, 2009).

CSR practically has the same effects as advertisements, because it sheds a positive light on a brand or product. That is why CSR can also be seen as an expression of marketing. By including the brand name in social responsible campaigns, brand awareness and brand recognition are raised. It's clear that the concepts of value and values are rapidly merging in the minds of consumers. People want to be engaged with companies that share their values (Scott Beaudoin, 2009).

CSR has shifted decisively from the realm of `nice to do' to the realm of `need to do' not just because it is a serious and sustained interest of consumers but also because opinion leaders recognise the fact and will act accordingly.

In 1970, Milton Friedman of New York Times rightly wrote: " the social responsibility of business is to increase profits." The concept of CRM is a very effective tool for earning a profit while at the same time being socially responsible. This is in essence what marketing is all about and by using CSR in the form of CRM companies also involve the customers in the process (Rickard, Richard Backteman & Temuulen Batmunkh, 2009).

## INITIATIVES OF INDIAN COMPANIES TO PROMOTE BRAND IMAGE WITH THE HELP OF CORPORATE SOCIAL RESPONSIBILITY

CSR is not new to India,  companies like TATA and BIRLA have been imbibing the case for social good in their operations for decades long before CSR become a popular cause. Inspite of having such life size successful examples, CSR in India is in a very nascent stage. But the situation is changing. And CSR is coming out of the purview of 'doing social good' and is fast becoming a 'business necessity'. The 'business case' for CSR is gaining ground and corporate houses are realising that 'what is good for workers - their community, health, and environment is also good for the businesses.

## CSR AT HITACHI

Contributing to the development of under privileged children through organizing "Quiz as a Learning Tool" by Hitachi Data Systems (HDS). CSR activities are way of life at HHLI.Hitachi Home & Life & Life Solutions India Ltd. (HHLI) organized programmes at one of the Old Age Homes in Ahmedabad – "Jeevan Sandhya Vruddhashram". Hitachi Metglas, by nature of its operations has a minimal impact on the environment, craving for a "Zero discharge facility" sending even small amounts of waste water generated for incineration to an authorized party hence eliminating the requirement of ETP.

## CSR AT AMWAY

Amway is one of the world's largest direct sales organisations with over 3 million Independent. Business Owners (IBOs) in over 80 markets and territories worldwide. It is a family-owned. business with a strong emphasis on family values. Many of these are raising families. They therefore have a strong bond with children. These families are more than happy to partner with Amway, who, as part of its Corporate Social Responsibility strategy, works with UNICEF, the United Nations Children's Fund. As a family company, Amway is committed to playing a part in improving the lives of children in need across the globe. In this way, the company is able to show its commitment to the support of global causes. Amway defines a global cause as 'a social issue affecting many people around the world engaged in a struggle or plight that warrants a charitable response'. Amway's vision is to help people live better International Trade & Academic Research Conference (ITARC) - London 2010 lives. It does this every day by providing a low-cost low-risk business opportunity based on selling quality products.

## CSR AT DABUR INDIA LTD - SUNDESH:

Over the years, it has contributed to many worthy causes, addressing children's literacy,improving healthcare services, skill development, and environment, to name a few.

## CSR ACTIVITIES OF INDIAN OIL CORPORATION LIMITED:

Every year, IndianOil sets aside a fixed portion of its profits for spreading smiles in millions of lives across the country through a comprehensive community welfare and development programme. About one-fourth of the community development funds are spent on the welfare of Scheduled Caste and Scheduled Tribe beneficiaries. IndianOil has a concerted social responsibility programme to partner communities in health, family welfare, education, environment protection, providing potable water, sanitation, and empowerment of women and other marginalised groups.

## CSR AT MICROSOFT

Microsoft has been right in the forefront when it comes to programmes that address the semi-urban, rural, non-English speaking people in the country. And not just as a charity provider. Apart from the grants that Microsoft has made, to the tune of more than $1.15 million in the country, Microsoft is frequently coming up with software that addresses the needs of this section. Recently, as part of its efforts at bringing an affordable local language computing solution for India the company launched its Windows XP starter edition exclusively developed for India (Kripa Raman 2006).

## CSR INITIATIVES OF FORBES MARSHALL

Presently the social initiatives of Forbes Marshall are located in three main geographical areas of Pune - Kasarwadi the industrial suburb where the main factory lies, Morwadi an urban slum adjacent to the factory at Pimpri (6 kilometers away from the factory at Kasarwadi) and Bopkhel village inside the CME campus at Dapodi (about 5 kilometers away from Kasarwadi). Most of the initiatives are in the areas of health and education encompassing not just child and adolescent education but also attitudinal and personality development, legal rights, awareness building and skill training for women as per their interest levels such that there can be additional incomes in the homes and finally life skill education initiatives for adolescents.

## CSR INITIATIVES OF ZENSAR TECHNOLOGIES

The Foundation has adopted Ambedkar Nagar, a small community near the Zensar Campus for sustained community development programs.

## CSR AT HUL

Hindustan Unilever is involved in number of CSR initiatives in India. The main objective of Project Shakti of Unilever is creating rural entrepreneurs. It trained 13,000 underprivileged Indian women distribute the company's products to 70 million rural consumers. The company is working with women's self-help groups to teach selling and book-keeping skills and build commercial knowledge. The women who participate in this programme are, by and large, able to double their household income. Shakti has also allowed Unilever to increase its reach to 30% more of India's rural population since its inception in 2000. The company is joined in its efforts by some 300 groups, NGOs, banks and various government entities allowing it to take part in strategic public private partnerships (Joseph Vackayil, 2007).

## CSR AT GLAXOSMITHKLINE

GlaxoSmithKline Pharmaceuticals' CSR programs primarily focus on health and healthy living. They work in tribal villages where they provide medical check-up and treatment, health camps and health awareness programs. They also provide money, medicines and equipment to non-profit organizations that work towards improving health and education in under-served communities. SAP India in partnership with Hope Foundation, an NGO that works for the betterment of the poor and the needy throughout India, has been working on short and long-term rebuilding initiatives for the tsunami victims. Together, they also started The SAP Labs Center of HOPE in Bangalore, a home for street children, where they provide food, clothing, shelter, medical care and education. (Ramya Sathish, 2010)

## BRAND AS A CSR INVESTMENT

In recent years, corporations have faced increasing CSR expectations from their societal environment (Balmer & Greysner, 2006; Michael, 2003; Whitehouse, 2006). In Business CSR refers to compliance with legal obligations as well as moral rules above and beyond . Businesses communicate their ethical grounds for conducting business in CSR actions & their responsibility towards society.

Consumer insights & profile need to understand for communicating CSR .Customers may attribute value based on, for example, personal positive experiences or positive verdicts from trusted sources, the so-called ambassadors. But what about CSR- values? They represent credence values that are difficult to see, measure and confirm. The credence values are founded in the corporate ethical stands. These values are based on trust, and they are sensitive to a negative verdict from, for example, media. Through news business attracts attention will affect the territory for corporate communication.

Communication alone will not work the trick. "Talk" and no "walk" will quickly be labelled as a green wash of the corporate image, strategic stunts, or guerrilla marketing for subtly reaching consumers. If the consistency between words and action is weak it may be attributed to managerial complexities (Lindfeldt, 2006), and it limits the territory for building trust and creating a corporate image. Cause related marketing requires an understanding of how the brand carries values above and beyond the product itself like the HUL does . What is foretold in an annual report, a sustainability report or on a corporate home page in terms of CSR action thus becomes an important communication platform and a condition for creating a large territory to support credence values, and ultimately the grounds for creating a strong brand.

Branding is perceived as an asset, a long term investment, expressed as goodwill, loyalty, reputation, a guarantee for present and future consumer preference. Assuming that the consumer expectations of quality, usefulness, and timeliness of a product are met, social values may presently strengthen the brand.

## CONCLUSION

The sustainable business growth is associated with care for the community and markets the corporations operate in. The companies are involving of CSR in business practices and customers today almost expect companies to be socially responsible. CSR does not give immediate results. The same CSR initiative will also not work for all types of organisations. For a successful CSR initiative requires careful planning and implementation mechanism. Integrateing the innovative CSR strategies into different marketing communication strategies to build and sustain a competitive advantage.Thus, CSR becoming a fast-developing and increasingly competitive field, the case for demonstrating corporate responsibility is getting stronger

as expectations among key opinion formers, customers and the public are increasing.

## REFERENCES

1.  Aaker, David A. (1991). Managing Brand Equity; Capitalizing on the Value of a Brand Name. New York: The Free Press. (ISBN 0-02-900101-3).

2.  Aaker, David A. (1996b), "Measuring brand equity across products and markets", California Management Review; spring 1996; Vol. 38, No. 3, pp.102-120.

3.  Angshuman Paul 2007, 'Companies of a lesser god?, 4Ps Business and Marketing, December, pp.58-59.

4.  Balmer, J. & Greysner, S.(2006) "Corporate marketing. Integrating corporate identity, corporate branding, corporate communications, corporate image and corporate reputation. European Journal of Marketing", Vol. 40 No.7/8, pp. 730-741.

5.  Bhattacharya, C. B., & Sen, S. (2004). Doing better at doing good: When, why and how consumers respond to corporate social initiatives. California Management Review, 47, 9–25.

6.  Bhattacharya,C, B & Sankar Sen 2003, 'Consumer-Company Identification: A Framework for Understanding Consumers' Relationship with Companies', Journal of Marketing, vol. 67, pp. 76-88.

7.  Brady, A. K. (2003), "How to generate sustainable brand value from responsibility," The Journal of Brand Management, Volume 10 (4-5), May 2003, pp. 279-289.

8.  Brown, K 2001, 'Corporate Social Responsibility: Perceptions of Indian Business' viewed 24 August 2010, www.csmworld.org/ public/pdf/.

9.  Confederation of Indian Industry (2002), "Corporate Social Responsibility Survey 2002 - India",viewed 24 June 2010, www.ciionline.org.

10. Davis, K and Frederick, W, C 1985, Business and Society, McGraw-Hill, Singapore. Cannon, T 1994, Corporate Responsibility-A Textbook of Business Ethics, Pitam Publishing, London.

11. De Mortanges, C.F. and Van Riel, A. (2003), "Brand Equity and Shareholder value", European Management Journal, Vol 21, No. 4, (2003), pp. 521-527.

12. Edelman (2008). Edelman Trust Barometer 2008.

13. Edenkamp, P 2002, 'Insights into how consumers are thinking, how they are acting and why?',Brandweek, vol. 43, no. 36, pp. 16 -20.

14. Freeman, R. E. (1984). 'Strategic Management: A Stakeholder Approach', Marshfield, Boston: Pitman Publishing Inc. (ISBN 0-273-01913-9).

15. Garbarino, E., & Johnson, M.S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. Journal of Marketing, 63, 70–87.

16. Gopalakrishna C (1992), Corporate Social Responsibility in India, New Delhi, Mittal Publications

17. Gregory and Wiechmann (1997), Leveraging the Corporate Brand (1997)

18. Harish Bijoor 2008, 'Role of CSR IN Modern Marketing', Brand Line, Business Line, 14 February.

19. Hunt, S.D. and Morgan, R.M. (1995). "The comparative advantage theory of competition", Journal of Marketing, Vol. 59, April, pp. 1-15.

20. Klein, J., & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis. International Journal of Research in Marketing, 21,203–217.

21. Knowles - 2008 - Varying Perspectives on Brand Equity

22. Kotler, P. and Keller, K., L. (2006). Marketing Management. New Jersey: Pearson Prentice Hall, twelfth ed.,(ISBN 0-13-145757-8).

23. Lindfeldt, L.-L. (2006) "Making sence of business ethics – About not walking the talk", EJBO, Electronic Journal of Business Ethics and Organization Studies, Vol. 11: No. 1, pp. 10-16

24. Luo, X., & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfaction, and market value. Journal of Marketing, 70, 1–18.

25. Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. Journal of the Academy of Marketing Science , 32(1), 3–19.

26. Mark Choueke 2009, 'Presentation is the lifeblood of CSR', Marketing Week, London, September, no. 24.

27. McElhaney, Kellie A. (2008). Just Good Business; The Strategic Guide to Aligning Corporate Responsibility and Brand. San Francisco: Berrett-Koehler Publishers, Inc. (ISBN 978-1-57675-441-2).

28. Moon, J. (2004), Government as a Driver of Corporate Social Responsibility, International Centre for Corporate Social Responsibility, Nottingham University, No 20-2004 ICCSR Research Paper Series – ISSN 1479-5124.

29. Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. Organization Studies , 24(3), 403–441.

30. Riezebos, R. (2003). Brand Management. A Theoretical and Practical Approach. Harlow: Pearson Education limited. (ISBN 0273 65505 1).

31. Sankar Sen, Bhattacharya, C, B & Daniel Korschun 2006, 'The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment', Journal of the Academy of Marketing Science, vol. 34.

32. Scott Beaudoin 2009, 'New Age of Cause Marketing', PR Newswire, New York.

# USE OF TECHNOLOGY IN TEACHING, LEARNING AND EVALUATION PROCESS

**Manohar K. Sanap**

## ABSTRACT

*The purpose of this article is to explain the application of the task-based teaching, learning and evaluation process with the aid of Web 2.0 technology. With the advent of modern technology, the present young generation has become more techno-savvy, and therefore, the nature of teaching, learning and evaluation needs to be changed as per the inclination of youngsters. The researcher argues that Web 2.0 technology has a lot of potential in fuelling up the task-based teaching, learning and evaluation. It provides opportunities for communication and language learners to engage in authentic language use and collaborative communicative tasks. The research-paper is an outcome of the case study carried out in the Second Year B. Com. Business Communication Class. The main objective of the case study is to make the teaching, learning and evaluation with a view to sharpening students' skills of listening, speaking, reading and writing. To make the process of learning more exciting, Web 2.0 technology is used. The study comprises 90 participants divided into 9 groups, each group consisting of 10 students. Each group is assigned a task of report writing consisting of sub-tasks like writing a permission letter, preparing questionnaires, taking interviews, video-shooting of interviews and finally drafting a report on the basis of the information collected. The topics for report-writing are related to the various activities available on the college campus. Finally, all the processes involved in the completion of the task are published on the blog and each group is asked to assess the things published on the blog and submit the online feedback. With the help of this case-study, the researcher also tries to explore and devise strategies to give the feedback to learners through peer-assessment. The paper also outlines the theoretical background and principles of task-based pedagogy, describes the cycle of task and presents the overall findings of the case study.*

## INTRODUCTION:

With the advent of Web 2.0 technology, the nature of teaching, learning and evaluation has been taking shape and turn dramatically.  The present young generation is very techno-savvy and therefore, it is necessary to make use of the things which they enjoy doing and for that matter the teaching of business communication is not an exception.  Mark Warschauer (2000) says: 'The Internet is a powerful tool for assisting a sociocongnitive approach to teaching, and it is in fact this fit of the Internet with a sociocognitive approach which largely accounts for the new-found enthusiasm for using computers in the business communication classroom.' A socio-cognitive approach emphasizes the social aspect of communication acquisition which views teaching and learning as a process of apprenticeship or socialization into particular social discourse settings.   In view of this, learners should be provided with ample opportunities for authentic social interaction which will immensely help them in a variety of communication outside the classroom.   This can be achieved through students' collaboration on authentic tasks and projects (Prabhu, 1987; Willis and Willis 2007).  Therefore, a task-based approach needs to gain a momentum in teaching of Business Communication.  It focuses on the use of authentic language and encourages students to do meaningful tasks using the target language.  It is more student-centred, allows for more meaningful communication, and often provides situations to sharpen extra-linguistic skills in the real context.  In the present era, the ultra-modern digital technology has almost encompassed every sphere of life and therefore, the use of language and communication cannot remain untouched by it.   The Web 2.0 technology provides learners with opportunities for increased access to authentic materials and contexts for communication skills use and encourages more interactive, collaborative and learner-centred approach.   In 2001, Chapelle explored the interface between computer-assisted language learning, task-based teaching, learning and evaluation and second language acquisition.  According to him:

Assistant Professor, Department of Commerce, Ness Wadia College of Commerce, Pune, 411001.

Mobile No.9881748881      E-mail Id: prof.mksanap@gmail.com

. . . anyone concerned with second language teaching and learning in the 21st century needs to grasp the nature of the unique technology-mediated tasks learners can engage in for language acquisition and how such tasks can be used for assessment. . . .To meet the challenge, the study of the feature of computer-based tasks that promote learning should be a concern for teachers as well as for SLA researchers who wish to contribute to knowledge about instructed SLA. (2)

The present research-paper is an attempt in response to Chapelle's focus on 'technology-mediated tasks' and tries to explore strategies to develop communication through peer assessment.  The research-paper is an outcome of the case study carried out in the Second Year B.Com Business Communication Class. The main motive of the case study is to make the teaching, learning and evaluation process more enjoyable and meaningful through task-based teaching and learning with a view to improving students' four-fold skills of the language and communication with the aid of Web 2.0 (blog) technology.

## THEORETICAL BACKGROUND:

Corresponding to the digital revolution of the 1980s, task-based approach evolved in the field of learning and teaching.  The focal point of task-based teaching, learning and evaluation is to engage learners in authentic use of the language through meaningful collaborative communicative tasks.  It puts more emphasis on the completion of tasks leading to a desired task outcome rather than on accuracy of language and communication forms.  Especially, this feature popularized task-based teaching, learning and evaluation as it focuses on target language and communicative fluency and students' confidence.  According to Willis (1996), it is a logical development of teaching and learning as it indicates several features of the communicative language movement of the 1980s and particularly, it focuses on the use of real-life situations that necessitate communication. Basically, the concept of task-based teaching was originated and popularized by N. Prabhu (1987) while working in Banglore, India. According to him, effective learning takes place when students are fully engaged in communication and language tasks, rather than just learning about communication and language.

The roots of task-based teaching, learning and evaluation can be traced in Hymes' notion of communicative competence (1972) that knowing a language and communication involved more than knowing a set of grammatical, lexical and phonological rules. For the effective use of language, learners need to develop communicative competence i.e. the ability to use the target language appropriately in a given social context. Hymes' notion was further elaborated by Canale and Swain (1980) who  viewed communicative competence as 'a synthesis of knowledge of basic grammatical principles, knowledge of how language is used in social settings to perform communicative functions, and knowledge of how utterances and communicative functions can be combined according to the principles of discourse.'(20) In short, it can be said that communicative competence comprises grammatical competence, sociolinguistic competence, discourse competence and strategic competence.  The concept of 'task' has developed out of communicative teaching, learning and evaluation and the various definitions of the term have been offered. Richards, Platt & Weber's definition supports to the contention of the researcher:

A task usually requires the teacher to specify what will be regarded as successful completion of the task. The use of a variety of different kinds of tasks in communication and language teaching is said to make teaching more communicative . . . since it provides a purpose for classroom activity which goes beyond practice of language for its own sake (1985).

Krahnke also points out: 'The defining characteristic of task-based content is that it uses activities that the learners have to do for non-instructional purposes outside the classroom as opportunities for communication and language learning' (1987). By and large, the basic purpose of task-based teaching, learning and evaluation is to encourage the students to use the target language.  As a result of this, language experts now not only focus on teaching the rules of grammar to students, but rather help them in gaining apprenticeship through authentic and meaningful interaction both within and outside the classroom.  For this purpose, students need to provide with certain tools for their social, cultural and linguistic exploration.  In this regard, Warschauer and Meskill suggest: 'The computer is a powerful tool for this process, as international cross-cultural discourse is frequently taking place in an online environment.' (2000)

## USE OF TECHNOLOGIES:

With the rise of 21st century, Web 2.0 emerged as a powerful tool of communication and interaction. O'Reilly (2005) coined the term to refer to web-based applications

that facilitate and promote communication and participatory information sharing among users worldwide. Web 2.0 tools include blogs, wikis, video sharing sites podcasts, RSS feeds and social bookmarks etc. These tools equip teachers with new techniques to engage students in a meaningful way.  Collins and Halverson (2009) point out: 'Children raised on new media technologies are less patient with filling out worksheets and listening to teachers.' In a traditional classroom, students are less interested in participation, whereas, technologies available in Web 2.0 increase the amount of participation as students get the opportunities to learn for themselves and share that learning with their peers. Russell and Sorge (1999) point out that technology provides students "more control over their own learning," facilitating the analytical and critical thinking and the collaboration championed in the constructivist approach to education. Also, they stated that integrating technology into instruction tends to move classrooms from teacher dominated environments to ones that are more student centered.  On the same lines, Will Richardson believes that education must not only socially, but collaboratively constructive.  Web 2.0 technology expects students to collaborate with their peers. In a business communication classroom, negotiation of meaning is absolutely necessary for communication and language learning to take place, and this is only possible when there is interaction through real communication. Web 2.0 tools provide opportunities to use the four-fold skills of communication and language i.e. listening, speaking, reading and writing.

The main thrust of the present-paper is on the use of blog in business communication teaching, learning and evaluation.  A blog is basically a type of website which provides interaction and collaboration by allowing users to give and receive comments.  It is managed by a writer. Campbell defines the term as an "online journal that an individual can continuously update with his or her own words, ideas, and thoughts through software that enables one to easily do so (2003)."  It publishes content in a chronological order with regular updates. In the classroom, the blog can be used as a new assessment tool as it keeps recording postings by learners, and the teacher can review how much the postings have improved in terms of content and grammar.  As blogs are published for the real audience, students are likely to be more careful in terms of selecting formal grammar or writing style.  Blogging makes the learning process more communicative and interactive by involving participants in multiple-activities. It also provides

the facility of posting audio-video clips. In his academic blog, Stanley (2006) notes that "(Blogs are) a way of opening up the classroom walls and showing the wider world what is happening…thus creating a small communication and language learning community."

## RESEARCH METHODOLOGY:

This paper examines the case study carried out in the Second Year B.Com Business Communication class by using a technology-mediated task-based approach for teaching, learning and evaluation.   The study comprised 90 participants divided into 9 groups, each group consisting of 10 students. The students were already taught the skills related to formal letter and report writing as part of their syllabus.  For conducting a task-based activity, the researcher followed a comprehensive framework of three stages suggested by Jane Willis (1996):  Pre-task, Task-cycle, Communication and Language focus.  In the Pre-task, the researcher identified the various activities available on the college campus on which an exhaustive report could be written.  For instance, the list included topics like College Gymkhana, College Library, Neville Wadia Institute of Management, Students' Co-Operative Store, Centre for English and Foreign Languages (CEFL), Mountaineering Club, National Service Scheme, National Cadets Corps, Drama Associations, Samata Mandal and an interview of the newly appointed Vice-Principal etc. From the given list of topics, each group was asked to select the topic of their choice for report writing.  Also, the nature of the task was explained to students in detail.  Two students were given a responsibility of creating a blog and maintaining it. In the Task-cycle phase, each group was asked to prepare a detailed plan and allot the work of report writing on the basis of the guidelines and steps suggested by the researcher.  The task of report writing was divided into sub-tasks:  1) Writing a permission letter to the in-charge of a particular In charge of Centre for taking an interview 2) Preparing an interview questionnaire for the Head 3) Preparing questionnaires for students and others 4) Video-shooting of the chosen unit and interviewers 5) Writing a final report on the basis of the data collected.  During this phase, the researcher, with only a few minor suggestions, monitored all the sub-tasks of each group.  After writing the final report, each group was asked to publish or post all the sub-tasks and the report on the blog. Then, each group was asked to review the tasks of other groups published on the blog and give its feedback on the tasks of other groups online.

The communication and language focus has two aspects: Analysis and Practice.  The case study followed the process of analysis through a peer assessment.   Each group analyzed the sub-tasks of other groups published on the blog and made its comments  online.  The observations are summarized as follows: 1) The groups analyzed the permission letters  on the basis of a format i.e. British style or American style, tone, appropriate use of  grammar, vocabulary and phrases. 2)  The interview-questionnaires were analyzed on the basis of structure and appropriateness of words. 3) The video shootings were reviewed on the basis of coverage, clarity of audio and video, confidence level of the presenters, use of the language and tone used while taking interviews.  4) The final reports were evaluated on the basis of the format, conciseness, and appropriateness of the structures, words and phrases.  Next, in the communication and language focus stage, each group was asked to give a presentation on its chosen topic and either support or counter-argue the comments made by other groups on the blog.  Also, the teacher reviewed what happened in the task of each group, with regard to the communicative and language and highlighted relevant parts for the students to analyze. Then the teacher selected language and communication areas to practice, based upon the needs of the students.

## FINDINGS:

The learners enjoyed the technology-mediated task-based activity as they found it very interesting and exciting.  It provided the scope for using all the four-fold skills of the communication and language- listening, speaking, reading and writing.   Particularly, the learners could use the language in the real social context.  The significant part of the task was the peer assessment through online feedback. The sub-tasks helped the learners in a number of ways. Firstly, the task of writing a permission letter helped the students to learn a format of a formal letter both in British and American style by providing a situation to write in the real situation.  The peer assessment helped them to pay attention to a format, spellings, grammar and vocabulary. Secondly, the task of preparing an interview-questionnaire involved a lot of pre-reading or collection of basic information as the questions were based on the data collected.  Indirectly, the task helped the learners to learn a skill of framing Wh-type questions and Yes/No-type questions and provided the opportunity to the groups to point out the mistakes of one another related to structure, faulty expressions and aptness of words.  Thirdly, the task of interviewing provided the groups a chance to interact

with someone in a real setting. Fourthly, the task of video-shooting made the process of task completion more interesting and exciting. It was a remarkable thing to note that some of the groups, by using their mobile-handsets, shoot the interviews and other things wonderfully. The students got the chance to review the speech and body language of their own and others. Lastly, the final report writing task made the students aware of a communication skill of organizing the gathered information in a logical sequence.  It made them more conscious of grammar, spellings, vocabulary and structure as they were writing in the real context.  Incidentally, the task helped the students to develop their soft-skills related to leadership, interpersonal relations, communication, group dynamics, team-building and time-management etc.

## CONCLUSIONS:

This paper has discussed the application of the task-based teaching, learning and evaluation with the aid of Web 2.0 technology.  The findings of the case-study indicate that the teaching, learning and evaluation process becomes more enjoyable and meaningful through the task-based teaching and learning.   The study also emphasizes the need of changing the nature of teaching, learning and evaluation process as per the inclination of youngsters.  As the present young generation is techno-savvy, Web 2.0 technology (blog) can be effectively used in the process of teaching, learning and evaluation as it provides a platform for collaborative work and independent learning with a moderate monitoring.   In addition to this, the paper attempted to explore and devise strategies to give feedback to learners through peer-assessment.   Thus, it can be said that Web 2.0 technology has got a lot of potential in fuelling up the task-based teaching, learning and evaluation.

## REFERENCES:

1.   Chapelle, C. (2001). Computer applications in second language acquisition: Foundations for teaching, testing, and research. Cambridge: Cambridge University Press.

2.   Collins, A. & Halverson, R. (2009). Rethinking Education in the Age of Technology: The Digital Revolution and the Schools. New York: Teachers College Press.

3.   Canale M, Swain M. (1980) 'Theoretical bases of communicative approaches to second language teaching and testing'. Applied Linguistics 1(1):1–47.

4. Hymes D. (1972) 'On communicative competence' in J. B. In: Sociolinguistics—Pride, Holmes J, eds. Harmondsworth: Penguin

5. Krahnke, K. (1987). Approaches to Syllabus Design for Foreign Language Teaching. New Jersey: Prentice-Hall, Inc.

6. Prabhu, N.S. (1987). Second language pedagogy. Oxford: Oxford University Press.

7. Russell, J. and D. Sorge. (1999). "Training Facilitators to Enhance Technology Integration." Journal of Instruction Delivery Systems 13, no. 4: 6.

8. Richards, Jack, John Platt, and Heidi Weber. (1985). Longman dictionary of applied linguistics. Harlow, Essex, England: Longman.

9. Warschauer, M. and Meskill, C. (2000). Technology and second language teaching. In J. W. Rosenthall (Ed.), Handbook of undergraduate second language education (pp. 303-318). NJ, Mahwah: Lawrence Erlbaum.

10. Willis, D. and Willis, J. (2007). Doing task-based teaching. Oxford: Oxford University Press.

11. Nunan, D. (2004). Task-based language teaching. Cambridge: Cambridge University Press.

12. Willis, J. (1996). A framework for task-based learning. Harlow: Longman.

# SBPIM JOMAT
# (Guidelines for Contributors)

**SBPIM JOMAT** is a bi-annual journal brought out by the S.B.Patil Institute of Management, Pune, JOMAT aims to take on the practices, concepts, and ideas in the field of management and administration, with a prominence to provide managerial and administration insight, which tomorrow become a part of business functions.

**SBPIM JOMAT** invites manuscripts from management practitioners, researchers and academicians in any managerial and administrative function of the business. Our emphasis is on papers that focus on emerging economies and business throughout the world. These papers improves the thought process and the novel analysis which provides guidance to the managers and contribute to make a better tomorrow.

A Full length manuscript (up to 5,000 words) on all the functions, policy framing, decision making form the journal. At present we are focusing on the research papers, articles and cases.

**SBPIM JOMAT** is a peer reviewed journal and follow a 'double blind' review process. All the articles, papers are initially screened by editorial committee and those appropriate articles, papers, etc. are sent to the reviewer.

**SUBMISSION OF ARTICLES:**

The authors may send their manuscript on infojomat@gmail.com, infosbpim@gmail.com The whole manuscript is required to be in ONE MS WORD FILE only.

**COVER PAGE**: The cover page of the manuscript containing the title, AUTHOR NAME (S) & AFFILIATIONS: The author (s) full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address should be in italic & 11-point Calibri Font. It must be centered underneath the title.

**ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

**KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

**MANUSCRIPT**: Manuscript must be prepared on a standard A4 size PORTRAIT SETTING PAPER. It must be prepared on a single space and double column with 1" margin set for top, bottom, left and right. It should be typed in 10 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

**HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

**SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

**MAIN TEXT:** The main text should be in a 10 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed 5000 WORDS.

**FIGURES &TABLES:** These should be simple, centered, separately numbered & self explained, and titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to the main text.

**REFERENCES:** The authors (s) are supposed to follow the references as per the following:

1.All works cited in the text (including sources for tables and figures) should be listed alphabetically as appropriate- the name of author(s), year of publication, title of the article/book, name of the journal, details of the publisher, volume and issue number, and starting and ending page numbers.

2.URL of online sources with access date.

**SAMPLE JOURNAL REFERENCES:**

Krishnaswamy S.G., (2006), Sugar Factory Efficiency Measurement; Application of Data Envelopment Analysis – A New insight for managers' paradigm, The research journal of Institute for Management and Technology, Vol. X No.2, July- December, PP. 79-82

**SAMPLE BOOK REFERENCES**

Chandra Prasanna, (2008), Financial Management Theory and Practice, 7th Edition, Tata McGraw-Hill Publishing Company Limited, New Delhi.

**COPYRIGHT**: The author (s) must transfer the authority and copyright to the publisher if the manuscript accepted for publication and certify that all the material used directly or indirectly must met the copyright requirement.

No part of the material published in SBPIM JOMAT should be reproduced, photocopied or stored in electronic format and used for commercial purpose. For reprint and permission to use material please send the request to editor SBPIM JOMAT or call (+91) 020 27656900 or e-mail infojomat@gmail.com, infosbpim@gmail.com

# SBPIM

## JOURNAL OF MANAGEMENT AND ADMINISTRATION TOMORROW

JOMAT