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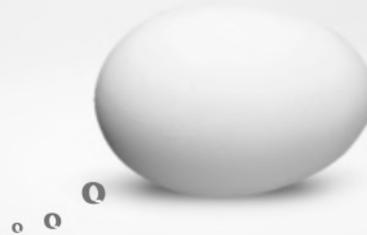
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aWEshkar

A Peer Reviewed Research Journal

Prin. L. N. Welingkar Institute of Management Development & Research

Vol. 26 Issue 1

March 2019

Executive Editor

Dr. D. N. Murthy

Editorial Advisory Board

Contents

Editorial

We are living in an era of constant change wherein, it is becoming increasingly challenging to adapt to the speed of economic, social and technological changes. These changes are still unfolding, leaving an impression that the business world would completely be transformed in the near future. It is evident that the business firms that have preempted to leverage the technological advancements have been doing exceptionally well. The emerging technologies are being adopted for almost every aspect of business deriving multiple benefits such as improved operational efficiency, better customer accessibility, better customer services, improved consumer insights and so on. As a consequence, the changes in business practices are inducing a tectonic shift in competencies of the people required to manage such changes. The companies have redefined the required skill sets for the employees taking on various roles in organisations operating in changing business environment which is increasingly becoming more competitive.

In simple words, the expected competencies from future employees are fast changing and the same are reflected during the campus recruitments of business schools. It is clearly visible that the recruiters give emphasis on adaptability, learnability, an attitude of taking initiative etc. more than ever before. Under the given circumstances, the business schools are required to get in sync with the changing corporate expectations by bringing changes in their academic value proposition. More innovation and increased relevance need to be brought in to the content and pedagogical approaches that develop the attitude of unlearn and relearn along with the skill sets and knowledge to address the changing industry requirements. Already, many leading business schools have implemented such initiatives and are continuously monitoring its impact on the students learning and their placement outcome.

I personally think these developments have opened large opportunities for the researchers to explore such uncertainties that are likely to be evolved in the near and far futures. It is imminent that through researches we understand the impact of emerging technologies, digital business models, social enterprises and changing demographics on business and society.

WeSchool appreciates the research scholars undertaking pertinent research to generate new insights and relevant knowledge required to understand the ongoing changes and their implications on a real-time basis. It embarks a variety of interventions to promote research and enhance research capabilities. Such interventions include Doctoral Consortium, International and National conferences, Seminars, Round Tables and Research Methodology Workshops. It publishes a quarterly journal 'Aweshkar' that accepts original papers of high academic and professional standards from a broad domain of business and management. I am pleased to bring the March 2019 issue of Aweshkar which includes eight papers on pertinent issues. I hope you will find it interesting and useful.

Prof. (Dr). Uday Salunkhe
Editor in Chief

aWEshkar is a bi-annual , double blind peer-reviewed Journal of Welingkar Institute of Management Development and Research. "WE" stands for Welingkar Education and 'aWEshkar' stands for creating new knowledge for the benefit of the academic & corporate community. "Aweshkar" in hindi means Invention. aWEshkar is included in EBSCO Database, USA and Ulrich' Directory of Periodicals, USA.

It gives us immense pleasure to invite you to contribute Research Papers / Case Studies (We accept empirical and conceptual papers) to "aWEshkar". The aim of journal is to provide a platform for researchers, practitioners, academicians and professionals in all areas of Business and Management to share innovative research achievements & practical experiences and to stimulate scholarly debate in the development of Management Science, Decision Making and Related areas.

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8. Tables should be numbered consecutively. The title of the table should be placed above the table. The source should be indicated at the bottom.

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Organizational Management And Leadership In The Business Of Healthcare

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ORGANIZATIONAL MANAGEMENT

Managers contribute to every organization in the global market by monitoring the performance of the organization as well as orchestrating the daily functions of the organization (Owens, 2014). Solid management is the structural foundation of any organization trying to produce a quality product. Managers are the people who plan, organize, lead, and control the activities of the organization so the goals of the organization can be achieved (Lewis, Goodman, & Fandt, 2014).

Organizations in the global market recognize the need to bring about change and development. With change comes the restructuring of roles within the organization. Bolman and Deal (2013) praised managers as the people who go to work every day with the hope of trying to improve their organizations. A common belief of organizational strategy is that if management is improved then the organization will benefit from the improvement. Managers are the cornerstone of the organization and they take on the task of bringing the organization together to function at peak efficiency (Bolman & Deal, 2003). Two leading management practitioners, Henri Fayol and Mary Parker Follett brought their observations to the management arena and stated that managers should be active members of the organization through participation within the organization (Parker & Ritson, 2015).

Mary Parker Follett brought a simplistic understanding of management to the business arena by highlighting that management was the art of getting things done through people (Lewis et al., 2014). An expanded definition of management comes from Lewis et al. described management as the process of orchestrating an organization's resources effectively, efficiently, and to achieve the goals of the organization. Most organizational leaders agree that management requires a comprehensive set of skills by the manager and the process of communicating those skills to the managers may mean the difference between success and failure for the organization (Buckingham & Clifton, 2013).

Within every organization, managers perform the task of making things right within the organization. Management is a sub-organization within the organization; managers realize they are not fully autonomous and cannot partake of actions independent of the host organization

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(Longenecker, Papp, & Stansfield, 2016). The employee, at any level, is an interdependent, sub-organization within the healthcare host organization. The employees' work environment, in either direct patient care or nursing management, is a sub-organization of the healthcare organization and the nursing profession.

The employees are duty-bound to deliver the best service for both the healthcare organization and the nursing profession. Managers assist in providing the best service by setting clear goals, guiding the direct care staff, and providing feedback to all parties in the organization (Longenecker et al., 2016). The healthcare managers make viable contributions to the healthcare organizations, and their contributions support the healthcare organization's infrastructure.

Extrinsic influences, positive and negative, occur in every organization; the culture of the organization absorbs the credit for a good influence or the blame for a bad influence. Training for the managers should reflect the culture of the organization and the sub-culture of the nursing profession and the healthcare managers. Organizational culture contains assumptions, practices, and norms that people in an organization adopt over time (Millman, 2007). An established organizational culture transmits itself from seasoned employees to new employees thus establishing the culture. The organizational culture communicates the essence of the organization, what the organization does, and establishes how the organization accomplishes goals and objectives (Millman, 2007).

Management and the need for people to be managed have existed since people began working. Employers and employees have existed for hundreds of years. When groups, whether large or small, gather in the work place they need direction to attain the job outcomes. These groups of people coming together in a work setting to produce a means to an end means productivity for all. The force of achieving the outcomes means management is at work. Employers bring the business venture to the forefront and management runs the day-to-day operations. Uhlaner, Wright, and Huse (2017) report that employers raise capital, select a business site, and hire people to function in the everyday workings of the business setting. Managers strive to organize workers into a cohesive group for the benefit of the employer.

Management is involved in the key parts of finding a labor force, training a labor force, and motivating a labor force to continue functioning in the business setting (Butcher & Kritsonis, 2017). Parent and Deephouse (2017) found that managers focused on the areas of power, legitimacy, and urgency. Parent and Deephouse further found that most managers, whether high, middle, or low management level, identify the entity of power as being the most important of the three areas for management items.

The area of management power which includes definitive, dominant, or dormant management personality types. Managers come to the organization for a specific cause or role and the role assists the managers in defining their organizational participation. Managers in every organization have their own perception of what they will bring to the organization. Many times, changes within an organization meet with resistance from people in the organization; every organization has experienced resistance to change with its growth process.

Organizational change is inevitable during the evolutionary growth process to maintain current functioning levels in today's market. Hodges (2017) recognized three barriers to organizational change. According to Hodges, the barriers were inadequate culture shift planning, lack of employee involvement, and flawed communication strategies. The nursing profession has experienced these barriers to bring about change.

Fredrick W. Taylor, considered the father of scientific management, envisioned the manager to be the catalyst of change within the organization (Wren, 2015). The manager is responsible for the development of the worker with an equal distribution of responsibility to the worker and the manager (Cossette, 2012). Taylor's theory of scientific management applies to the present-day management situation with the hospital-based middle management level healthcare managers and the nursing staff they manage.

Farber (2014) recognized that management was intensely personal and the management process affects the healthcare managers as well as the nursing staff being managed. Emerton (2016) documented that healthcare managers played an important role in the hospital's daily operation and care of the patient. The different types of training received by the healthcare managers for the management role remains inconsistent throughout the hospital settings (Bering, 2016; Kerfoot, 2016; Lageson, 2013; Lin et al., 2017).

Little research exists concerning the perceived effectiveness of the management training. The fact that managers in healthcare are making an important contribution to the hospital, the nursing staff, and the patients is well documented but documentation about the type of training received by the healthcare managers is very limited (Lageson, 2013). Healthcare managers play a pivotal role in the hospital organization and nursing areas such as long-term care facilities, home health agencies, free-standing surgical centers, and physician's offices (Kelley, Weber, & Sprengel, 2015; Lin et al., 2017).

The healthcare managers have become aware that they must effectively communicate with all areas whether they are in the hospital setting or in a community-based healthcare organization. The healthcare managers supervise the on-hand nursing resources, influence hospital strategy, and plan nursing activities to cope with the hospital's competitive environment (Lin et al., 2017; V. Taylor, 2017). Carroll (2016) found that management was essential to accomplishing an organization's short-term and long-term goals. Effective management happens when the manager learns to prioritize the needs of his or her direct care staff and the patients against the needs of the organization (Middaugh, 2015). Success comes through a balance of action from the direct care staff to the patients.

Healthcare managers are regarded as one of the most important assets of the hospital (Lin et al., 2017). The lack of standardized educational preparation among managers has become an issue of significant importance (Lageson, 2013; Lin et al., 2017). The nursing profession may look to the organizational management arena for possible solutions about management training. Acknowledging that management problems do not subsist

solely in the nursing profession illuminates the concept that nursing needs to network with others in the global market to gain insight about the management problem.

Whether management is lower, middle or upper level, it is needed to bring organization to the work environment. Human capitol in the work place will always have a need to be directed and fulfill the mission of the organization. Employees, employers, consumers, and every other stakeholder has a responsibility to the final deliverable. Leaders can conceive the vision and share it with all responsible parties but management is the one who makes the vision happen. Every whole is the sum of its parts, this is never truer than in the leadership/management relationship. Where leaders are the sum, managers make up the parts that contribute to the sum. Much has been said about employees' self-management but still there exists a command hierarchy that is beneficial for the workplace. Managers and the service they provide will be a necessary part of the organization for all time no what the nature of the business.

ORGANIZATIONAL LEADERSHIP

Leadership in healthcare consists of various dynamics of role transition within the individualized profession. Transitions within professional practice are dependent on the advanced roles and assembly of values associated with the evolution of clinical practices. Within the healing environment, those within leadership may be expected to respond to situations of an unpredictable nature. Those in leadership are responsible for actions based on flexibility, creativity, and optimization of outcomes. Leaders, along with individuals and teams, interpret and apply peer-reviewed, scientific, evidence-based practices while planning measures

within clinical and outpatient settings (Rundio, 2016). Clinical settings may include hospitals, outpatient centers, mobile units, and community-based wellness centers.

Provisions of safety, quality care, and culturally sensitive decision-making for patients and families are the found at the root of leadership interventions. Decision-making, goals and interventions are based on the concept of predicting the needs and necessary changes in healthcare. These include detecting changes, however subtle, regarding deviations from the normal with clinical day-to-day functions. Leaders understand the perspective and impact regarding functions of management of care. These functions and management of care within the setting may have major impacts on individual patient care. Leaders are involved in the analysis of information and data to determine the impact of clinical change. Some change includes new and diverse nursing and primary care provider roles. These roles then impact an organization's internal and external collaboration, including communication and coordination of practice.

The healthcare profession, particularly physicians and nurses, are placed in uniquely evolving practice disciplines. The disciplines impact patient care both indirectly and directly. Patient care actions with the disciplines result in interventions ultimately affecting health outcomes. These outcomes are monitored by leaders who focus attention on the disciplines and the optimization of the roles. Physicians, nurses, and other professionals within the healthcare setting are forced to adapt to the changing dynamics of roles and responsibilities. With the ever-changing healthcare environment, the development of new expectations and

competencies emerge (Stempniak, 2013). Leaders in healthcare must be aware of the potential for improved practices and the potential for a knowledge gap in new skills. Competencies regarding clinical practices and situations require mastery achievement. Leaders assist in guiding health providers to opportunities where mastery of skills and practices can be achieved. The achievement is developed as leaders guide those in healthcare to assume new roles as professions change. One notable example of major changes in healthcare is the advanced and evolving role of the nurse practitioner.

The leadership experience is a learned experience, developed with the basics of education, and built on a foundation of principles. The design of the leader within the healthcare setting allows one to choose a particular focus, such as clinical practices, policy development, education, or population and community based change. Roles allow for the application of problem-solving skills and techniques specific to the healthcare leader. The experiences require engaging practices with others within the healthcare realm to enhance care, develop and revise policies, and optimize resources.

Leaders within a clinical practice setting allow for the development of skills and support the development in others. Identification of problem or concern areas in a health setting involves addressing weaknesses and having the willingness to change methods or practices (Marquis & Huston, 2017). The identification of a problem may be related to antiquated policies, lack of policies, implementation of updated practices, needs for patient or staffing education, and changing patient needs based on demographics (such as implementation of language lines for better communication). Leaders initiate changes in areas based on the need for alteration in practices, new findings and evidence, and alignment with organizational priorities.

Areas in which leaders may begin to implement change are based on the premise of patient outcomes. Leaders deal with practice changes which many involve core measures, such as quality indicators, internal data fluctuations, or joint commission standard expectations. Leaders are faced with policy changes and may include considerations regarding legislative issues, ratios with staffing, or regulatory mandates from state boards. Leaders are involved with changes related to populations. The population changes may include focus areas within the community requiring interventions, such as maternal-health wellness initiatives or pediatric obesity. Leaders may also base change on focused educational needs, standards, anticipated needs, professional changes, and recommendations from regulatory agencies.

Healthcare leaders focus on the applicability of real life solutions. These solutions are analyzed and planned for timeliness, manageability, and ultimately, determining if they are realistic for the current healthcare setting. Individuals who are external resources include the manager, leaders in the clinical areas, those in clinical education, experts in policy, or experts in populations. Prior to the initiation of change, such as organizational projects, those with leadership positions must confirm the relevance of the change. Following the determination of project relevance, leaders engage with key

members of the organizational team (Clossey, 2014). The unity of leadership and teams are necessary to fulfill completion of projects for organizations.

Leaders in healthcare are responsible for identification of an issue, concern, or problem related to the clinical or health environment. Problems or issues may involve practices, policies, populations, or educational priorities. These issues may require problem solving measures to ensure alignment with organizational priorities and institutional goals. Collaboration within the organization and practice setting may involve those in management, supervision, financial, legal, human resources, and in direct care roles. Issues for clinical institutions are both directed at areas of practice and the overall healthcare environment. Leaders focus on areas which are directly and indirectly involved with a current problem or issue. Involvement in investigations, collection of evidence, and gathering of information to substantiate the actual existence of an issue are part of the dynamics of the leadership position (Flannery & Grace, 2012). Leadership responsibilities also include organizational assessment, document review, and working with stakeholders within the institution.

Leaders within healthcare establishments serve the public and the community. These leaders focus actions in relation to healthcare and use current data to analyze practices. Practices within the health setting may involve situations contributing to adverse events for patients, families, or those working for the industry. Part of the leadership role involves proposing solutions to problems or innovations, thus improve specific issues. Involvement in organizational governance,

oversight of business operations, and representation of the institution are part of the leadership expectations (Clossey, 2014).

Organizational governance may include leading of the interdisciplinary team and act as the driver of momentum for change. Leadership recommendations may involve details regarding change and the use of resources. The resources may contribute to implementation of proposed solutions or innovations. Leadership also includes the oversight of business operations. Operations may include the budgetary and fiscal appropriation considerations and the measures of implementation. Leaders must possess knowledge and skills to provide oversight of health institutions. They must possess critical thinking abilities and adequate judgement, in addition to foresight (Flannery & Grace, 2012). Judgement in healthcare leadership results in achievable timelines and determining if the cost benefit analysis measures are realistic for both short and long term goal achievement.

Leaders are a significant part of the image for organizations. Individuals work closely with identification of stakeholders within a community or organizational system. They also form partnerships and maintain relationships which are essential for the sustainability of the health institution. Leadership involvement with key individuals in the organization and outside the organization, may improve the achievement of goals. The relationship of the leader with appropriate partners, colleagues, and key stakeholders is important for the accomplishing of institutional goals. Engagement with appropriate partners and key stakeholders involves the intent to use feedback and input in a constructive and

logical order. The intent to work with stakeholders allows leaders to partner with entities while navigating through a convoluted healthcare system. Leaders measure successes by evaluating how and when goals are reached and the need for adaptation of leadership actions if goals are not achieved. The impact of new and diverse leadership in an advanced inter-professional healthcare setting may contribute to overall health and wiliness for organizations and populations.

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RESEARCH

Will Offline Markets Be Next Business Curve For Online Brands?

Dr. Ashish Chandra*, Subash Vuppala* & Mangeshprasad Bhale*

ABSTRACT

With Internet revolution, massive credit and debit transactions , and increased security for online commerce industry it was comfortable for sellers and buyers to move towards e-platforms. Consequently, with increasing online market trends there is a drop in the revenue of hypermarkets, department stores and grocery stores. This study aims towards understanding effects on customers cognitive thinking, ability and willingness to buy the online branded goods, when they shift from digital platform to offline mode. A random sampling design was used to analyze the samples of respondents for market economic, attitude and perception with the help of contingent valuation survey. The data was collected using survey questionnaire. The number of respondents was 114. The methodologies used were descriptive statistics, factor analysis and non-parametric techniques using Chi-Square and Two way ANOVA. Four new factors are constructed from factor analysis and perception towards offline mode of market are 1) Consumers decision to purchase a hypothetical card that enhances his/her buying ability 2) Consumers attitude towards a hypothetical offline grocery store of their favorite online shopping store. 3) Consumers attitude towards full-fledged mall with multi- storey book store, prime video screens playing their favorite series and movies near them.4) Behavior towards their favorite online shopping store when moved to an offline/physical store near them.

Non –parametric Chi-Square tests showed there is a dependency between different kinds of consumers like shoppers, introverts, travelers and adventurers with the new hypothetical market related to above factors. Results from two way ANOVA also showed there is a significant mean difference in happiness of consumer when discounts were given on his choice. The results showed discount opted by consumer and minimal increase in discount provided by shopkeeper led to almost similar levels of happiness, which means people are extremely happy and happy when they received additional discount of whatever delta change it is.

KEYWORDS — *Factor analysis, contingent valuation survey, Chi- Square, Consumer perception, Random sampling, ANOVA.*

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INTRODUCTION

Some research shows that there are so many factors which affect offline market such as price, policy, quality ,online trust, varieties and buying experience. Therefore some modification in offline selling platform and discount policies have to be done to improve the consumer behavior towards changing platform of online goods to offline. To improve the consumer happiness and marginality , it is important for us to know the consumer behavior by deciding his own desired discounts. It would help the consumers to fit in an environment of commercial and emotional gap which have been part of the market situation. In their study they highly found that the consumer happiness is strongly correlated with buying experience and happiness related to performance, products, time of delivery, quality etc. for online and offline shopping.

Year 1916, Claurence Saunders had founded Piggly Wiggly grocery stores which are the first self servicing grocery store. Before Piggly Wiggly, customers were not allowed to select the product by themselves. As prices were not clearly indicated on products, the shopkeeper would often charge the customers more than they should. People also waited in long lines because shopkeeper needed more time to serve the customers. With advent of online shopping and increased offline market chains, now the buyer's choice to buy a product online has become one of the most supportive platform to shop easily in each step of his buying journey. However, security concerns surrounding online transactions, touch and feel of the product which is missing, loss of goods during transportation , late arrival of goods are all the prominent reasons to convert the on going online customers to have a positive outlook on the new chain of offline stores as well. Up till now, most supermarket or online shopping models were focusing on customers retraction to come back and buy when there is an off season sale or big billion sale

Once in a year. These models corner customers to buy on a specific day there by creating a huge internet traffic. Often the servers crash and people find it difficult to buy their product when the stock finishes intermittently. Mobile brands who have a one day sale with limited stock create anxiousness and sometimes depression if the product is sold out. Therefore, new growth models are needed to change the customer ability to buy offline product and spend more time with the online brands in offline platforms as well. Our proposed new hypothetical model will build the customer's choice allowing him to have more degree of freedom than he has now in online. This model will also help companies to link their users from parent companies to child and subsidiary companies thereby retaining the user's faith and brand image holistically. This study includes four new factors that influence the future offline market potential of online brands.

LITERATURE REVIEW

The study by Puja Gupta tells us on how to measure consumer purchase channels. Specifically, it talks about the model of perception of value chosen by customer for understanding about shopping online versus shopping offline [2]. Previous studies say that perception towards cost and quality of product/service offered will have impact on perceived value in the offline and online network [1]. Evaluation of offline and online buyers are more important [10]. Important factors to understand online and offline shopping behavior is important.

Cuneyt and Gautam (2004) think trust is present in online shopping and offline shopping has got advanced and frequent online shopping is secure platform. Rios & Riquelme, 2008 said, for successful business consumer trust is very crucial factor, because online businesses has essentially intangible and consumer never built there trust on physical and tangible features[12].

Senior population who are well educated have more inclination towards online shopping [9]. But the old age people who have less interest towards learning internet has less interest in shopping online, they prefer going to shops physically and buying. The learned people who have more knowledge about comparing sites have done online shopping. It was found that there is no correlation between use of internet and age, satisfaction level while purchasing online.

METHODS AND METHODOLOGIES

Data was collected using a questionnaire form. Data analysis was done on SPSS [2]. Descriptive statistics, Factor analysis , Cronbach alpha for reliability and non-parametric tests using the ANOVA and Chi-Square test.

A test for Cronbach alpha for reliability analysis was done for internal consistency [14].

A pre-data validity KMO test to find if data is suitable for factor analysis is done [3]. Chua suggested factor analysis is the procedure which is always used by the researchers to organize, identify and minimize big items from the questionnaire to certain constructs under one dependent variable in a research. ANOVA test is done to find if there is a significant mean difference, Chi-Square test is done to find dependency of variables.

RESULTS AND INFERENCE

Number of respondents in the study was 114. Data collected was significant. The results are divided into several sub sections like Descriptive statistics, Factor analysis, Cronbach alpha for reliability and non-parametric tests for dependence check and ANOVA test for understanding if there is a significant mean difference between samples.

A. DESCRIPTIVE STATISTICS

This work illustrates data collected from students, working professionals to understand their preferences and behavior towards a hypothetical market. Target audience was decided based on preferences of answers on item 1. In a total of 114 respondents, 53.5% respondents answered they sit and relax at home, when asked what they do during their weekend. 35.9% of respondents answer was to go into a shopping mall/movies. 7.8% want to go on a trek/adventure and 2.6% want to only travel. 86.8% of respondents want to walk into their favorite offline converted online store. 13.2 % do not want to walk into the store. 78.9% would like to walk into their favorite online shopping brand Amazon delivering groceries and food on level-1of X mall. 21.1% would not like to walk into Amazon delivering groceries. 62.2% people opted for discount of 30% when asked to choose a discount of their wish and found 54.3% are happy and extremely happy when provided a discount of 40%. People have listed the following items that they think are not able to buy and have price constraint but will go for the products if a discount of 35% are provided. Following are the items : mobile phones, hair straightener, shoes, make up kits, mac pro laptops, electronic gadgets, mouse, guitar,

multimedia system, denim shirts, watch, vhe brand. Following are the items that respondents would like to buy when a discount of 40% is provided, laptops, mobile phones, I phones, redmi note 5 pro, branded shoes, lipstick, smart watch , washing machine, phone covers, electronic gadgets, camera, beats headphones. Following are the items respondents would like to buy if the discounts are 45%, hard disk, laptops, mac book, clothes, nike mercurial ,watch, i watch, mobile phones, I phone X, play station, makeup kit, mac lipstick shade ruby woo, gadgets, earphones, guitar, audi, Canon 1300 D camera. Following are the items, respondents would like to think about buying the product if they have discount more than 50%, Laptops, mac book, mobile phones, I phone,1+ phone, clothes, lipstick, protein supplement, speaker system, watches, CK watch, Armani Watch, Shoes, hard disk, electronics gadget, mangoes, hand bags, pen drive, bongo musical instruments, puma sportswear, badminton racket. A ffb (friends for benefits) card concept was discussed in the questionnaire, concept goes like this, "you can link your online shopping cart with your friends cart and buy your products at greater discounts. Vice versa your friend can do the same. This card can be used only in our offline outlets, would you go for it ?" 76.31% answered they would like to go for ffb card. When asked about, "Your favorite Amazon store is now a full-fledged mall with multi-storey book store, prime video screens playing your favorite series and movies near you, would you like to give it a try ?"

42.14 % said they would definitely check out once.12.28% would like to spend their whole weekend at the new mall.13.15 % said they would not to like to watch their favorite series anywhere else other than their private space. 8.7% want to finish all seasons on their mobile.

B. RELIABILITY ANALYSIS
The reliability analysis result showed that the Cronbach's Alpha was 0.92 for 8 items. Ideally, it should be greater than 0.6 for good internal consistency.

Hence, this instrument used in this study has a high reliability value.

C. FACTOR ANALYSIS
Factor analysis was used to construct the new factors affecting a new hypothetical market on the consumer behavior stand point of view, the survey done among students and working professionals to understand consumer choices and perception towards an offline shifted online market. The results value of Bartlett's test of sphericity is significant ($p<0.001$, $p=0.000$). In addition, KMO measure is 0.574 which is close to 0.6.

Factorability is assumed when KMO result is greater than 0.6. Thus, based on the results, it is appropriate to proceed with Factor Analysis to examine factors that are affecting the hypothetical market of study considering consumer behavior and perception towards the market as the main source.

Table 1 displays the total variance explained at four stages for factors that are affecting the hypothetical market of study considering consumer behavior and perception towards the market. Four factors were extracted because their eigen values are greater than 1.When four factors were extracted, then 65.536 percent of the variance would be explained.

Table 1

Total Variance Explained						
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.596	19.949	19.949	1.596	19.949	19.949
2	1.426	17.822	37.772	1.426	17.822	37.772
3	1.166	14.569	52.341	1.166	14.569	52.341
4	1.056	13.195	65.536	1.056	13.195	65.536
5	0.925	11.566	77.103			
6	0.721	9.017	86.12			
7	0.608	7.597	93.717			
8	0.503	6.283	100			

Graph 1. Factors extracted for Eigen Values greater than 1
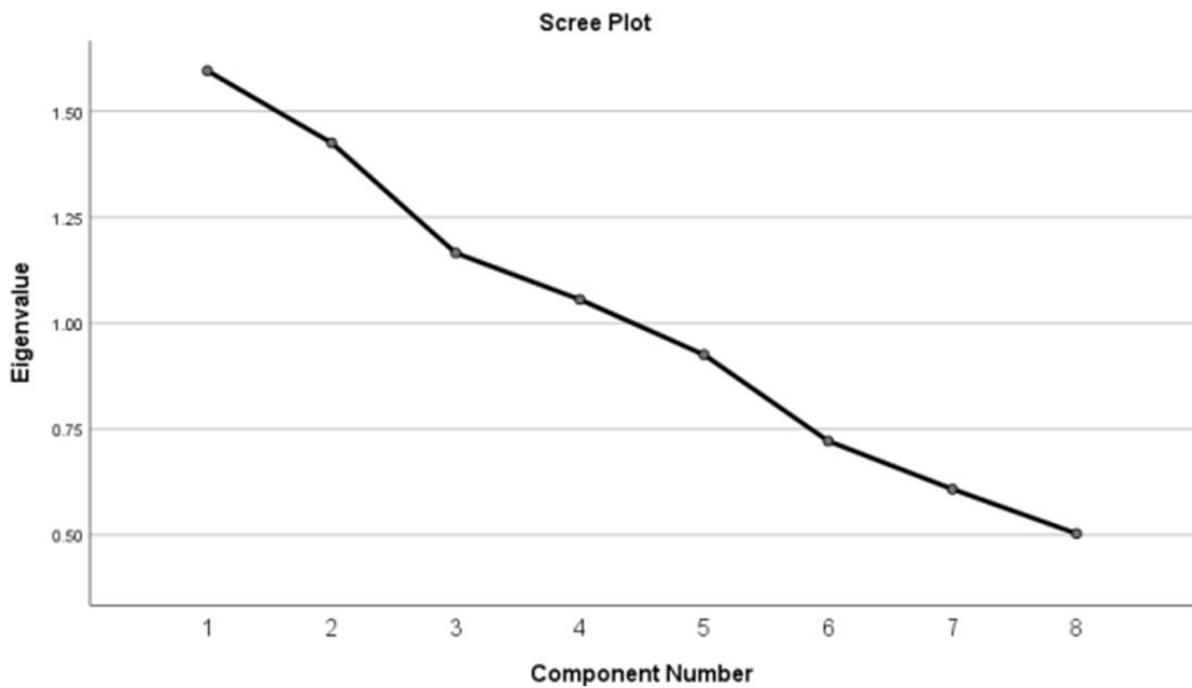
Table 2 shows the pattern matrix for interpreting the factor loads variables, factor loadings around 1 are chosen in this study because loadings lesser than 0.5 is considered less good. After performing Principal component analysis with rotation methods as Oblimin and Kaiser Normalization, Factor 1 comprised of two loadings near to 1, Item 3 and Item 7. Factor 2 Comprised of two items, Item 2 and Item 1 that are 0.925 and 0.616. Factor 3 comprised of Item 8 which is 0.736. Factor 4 comprised of Item 3 with 0.785 factor loading.

Table 2.

Pattern Matrix[a]				
	Component			
	1	2	3	4
Item 1	0.114	0.616	0.166	-0.07
Item 2	0.017	**0.925**	0.344	-0.048
Item 3	**0.856**	-0.207	-0.007	**0.786**
Item 4	0.185	-0.509	0.493	0.027
Item 5	-0.006	0.107	0.038	0.672
Item 6	0.023	0.006	-0.027	0.168
Item 7	0.456	0.001	-0.053	0.208
Item 8	-0.122	0.304	**0.736**	-0.265

Extraction Method: Principal Component Analysis.
RotationMethod : Oblimin with Kaiser Normalization

Four new factors were successfully constructed using factor analysis and were assigned as factors that will be important for online brands to build a hypothetical offline market in a positive/negative way.

Table 3 shows new factors and the percentage variance explained. The first factor shows the highest percentage of variance explained when it was extracted. When the first factor, students' attitude before and after attending class was extracted, then 15.439 percent of the variance would be explained.

Table 3 : Name of New Factors with the Percentage of Variance

Factor	Name	Percentage of Variance
1	ffb card that enhances consumer's buying ability and thereby a change in market sale.	19.949
2	Behavior towards their favorite online shopping store when moved to an offline/physical store near them.	17.822
3	Consumers a ttitude towards a hypothetical full fledged mall with multi -storey book store, prime video screens playing their favorite series and movies near them.	14.569
4	Consumers perception towards a hypothetical offline grocery store of their favorite online shopping store.	13.195

Normality Test

The four new factors that play important role in creating a future potential market of offline mode for online brand were tested using the normality test.

Table 4 shows the results of normality test for four new factors that effect the future offline market potential of online brands. When the sig p-value is larger than 0.05 (p>0.05), then data is normal [14]. The normality test results have been positive (p< 0.05).

Table 4. NormalityTest for factors

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro - Wilk		
	Statistic	df	Sig	Statistic	df	Sig.
Factor 1	0.341	114	0.000	0.681	114	0.000
Factor 2	0.519	114	0.000	0.398	114	0.000
Factor 3	0.486	114	0.000	0.501	114	0.000
Factor 4	0.453	114	0.000	0.531	114	0.000

Chi-Square and Two-way ANOVA Test

The non-parametric test needs to be performed on all new factors because the factors did not fulfill the assumption of normality. Chi-square test is used to find the dependency/independency between variables. The first alternative hypothesis is, there is a dependency between "kinds of population (shoppers, introverts, travelers, adventurers)" and "walking into a hypothetical offline grocery store" of their favorite online shopping store.

Table 5.Chi-Square results for first alternative hypothesis

Chi - Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi - Square	8.206[a]	3	0.042
Likelihood Ratio	7.504	3	0.057
N of Valid Cases	114		

As per results in Table 5, it is understood that the null hypothesis is rejected as p<0.05 as seen from Asy significance. The second alternative hypothesis is, there is a dependency between "kinds of population (shoppers, introverts, travelers, adventurers)" and "favorite Amazon store is now a full-fledged mall with multi- storey book store, prime video screens playing favorite series and movies near you".

Table 6. Chi-Square results for second alternative hypothesis from SPSS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.448[a]	9	0.011
Likelihood Ratio	21.58	9	0.01
N of Valid Cases	114		

As per the results in Table 6 it is understood that $p < 0.05$ and null hypothesis is rejected. Therefore there is a dependency between both the variables. The third alternative hypothesis is, there is a dependency between "kinds of population(shoppers, introverts, travelers, adventurers)" and "ffb card that enhances consumer's buying ability and thereby an increase in sale".

Table 7. Chi-Square results for third alternative hypothesis from SPSS

Chi - Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi - Square	8.991[a]	3	0.029
Likelihood Ratio	8.364	3	0.039
N of Valid Cases	114		

As per results in Table 7 it is understood that $p<0.05$ and the null hypothesis is rejected. Therefore there is a dependency between both the variables stated. The fourth alternative hypothesis is, there is a dependency between "kinds of population (introverts, shoppers, travelers, adventurers)" and "Behavior towards favorite online shopping store when moved to an offline/physical store near them".

Table 8. Chi-Square results for fourth alternative hypothesis from SPSSc

Chi - Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi - Square	18.181[a]	3	0.000
Likelihood Ratio	16.21	3	0.001
N of Valid Cases	114		

As per results in Table 8 it is understood that p <0.05 and the null hypothesis is rejected, therefore there is a dependency between both the variables stated.

The fifth alternate hypothesis is, there is a significant mean difference between "people who chose discount of their wish" and "level of happiness after receiving increased discounts"

A Two-way ANOVA test is conducted to find if there is a mean difference between levels of happiness when the consumers receive a discount of greater deal. The significance of $p<0.05$.

Univariate Tests						
Dependent Variable: Level Of Happiness						
	Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Contrast	13449.89	3	4483.296	62.974	0.000	0.652
Error	7190.514	10	71.193			
		1				

The F tests the effect of Happiness after 40 % discount. This test is based on the linearly independent pairwise comparisons among the estimated marginal means

Table 9. Discounts Opted and consumers who are happy at various levels after increase in discount

Between - Subjects Factors		
		N
Discount Opted	10% discount	4
	15% discount	5
	20% discount	17
	30% discount	88
Happiness after 40 % discount	Extremely happy	61
	Happy	38
	Moderately happy	13
	Unhappy	2

Table 10. Mean comparison between various levels of happiness for discounts opted.

Descriptive Statistics				
Dependent Variable: Level Of Happiness				
Discount Opted	Happiness after 40 % discount	Mean	Std. Deviation	N
10% discount	Extremely happy	83	.	1
	Happy	71.5	10.607	2
	Moderately happy	31	.	1
	Total	64.25	23.627	4
15% discount	Extremely happy	88.33	3.512	3
	Happy	68.5	7.778	2
	Total	80.4	11.803	5
20% discount	Extremely happy	84.17	9.827	6
	Happy	74.11	9.212	9
	Moderately happy	28	.	1
	Unhappy	14	.	1
	Total	71.41	21.483	17
30% discount	Extremely happy	86.76	5.229	51
	Happy	74.28	6.445	25
	Moderately happy	57.09	18.62	11
	Unhappy	10	.	1
	Total	78.64	14.968	88
Total	Extremely happy	86.52	5.676	61
	Happy	73.79	7.208	38
	Moderate ly happy	52.85	19.916	13
	Unhappy	12	2.828	2
	Total	77.13	16.451	114

Graph 1. Discounts Opted and Estimated Marginal means of levels of happiness

From the above graph results, it is significant that discount opted by customer at 15%, 20% or 30%. The estimated levels of happiness is almost equal to or close to 85. Which means, with increase in discount of 10% or 20% or 25%, customer is extremely happy when asked for a choice of discount and given a marginal increase in discount. Therefore, a new discount model of giving customer a choice of discount, on his wish will actually have a positive effect on consumer's level of happiness.

DISCUSSIONS AND CONCLUSION

The results show that there are four factors that are constructed from the questionnaire and are assigned as factors that influence the future offline market of online shopping brands. Factors include 1) ffb (friends for benefits) card that enhances consumer's buying ability and thereby a change in market sales 2) Behavior towards their favorite online shopping store when moved to an offline/physical store near them 3) Consumers attitude towards a hypothetical full-fledged mall with multi-storey book store, prime video screens playing their favorite series and movies near them 4) Consumers perception towards a hypothetical offline grocery store of their favorite online shopping store.

As discussed in descriptive statistics, 53.5 % respondents who answered they would sit and relax at home during their weekends went on to show positive attitude towards all the four factors. Similarly majority of respondents who answered "going to a mall/movies" also indicated positive behavior towards offline store of Amazon. Statistical Tests like Chi-square for the check of dependency also suggested that there is dependency between

kinds of population divided into (Introverts, Shoppers, travelers and adventurers) and all four factors. The significance value less than 0.05 of Chi square test showed there is acceptance of alternative hypothesis of dependency between these variables for all four factors. Results show that 84.9 % of introverts, 80% of Shoppers/Movie Goers, 27.27% of Travellers and 60% of Adventurers want to go into an offline store of hypothetical Amazon Store.

A ffb (friends for benefits) card is a card which is used to link the shopping cart of two friends and they can buy leftover goods in their shopping cart at greater discounts. This hypothetical card enhances buying ability and there by increases market sales. Results are quite positive when posed the same question to respondents, 86.53 % of introverts, 77.77% of shoppers wanted to go for an ffb card which means there is a huge buying potential which can be explored through these new card based options. Similarly, 77.3 % of intorverts, 27% of Shoppers and movie goers wanted to definitely check out and spend their weekend on an Amazon full fledged multi storey book store, prime video screens playing favorite seasons. A very few percentage of respondents actually said they will watch all seasons on mobile phone/in private space. This brings us to a new dimension of linking video streaming companies to changing their business curve to offline mode as they have a huge chance at eyeing on the potential weekend shoppers/movie goers.

We have also done a two way ANOVA test to see if there is a significant mean difference in level of happiness. When offered an additional discount of 10% on 30% of discount opted by consumer, and 30% on 10%

discount opted by consumer. We found there is a significant difference between levels of happiness and consumers are extremely happy and happy when they see a minimal discount on their favorite product after they choose a discount of their wish. Therefore, a new discount model in which giving customer a choice of discount, on his wish will actually have a positive effect on consumer's level of happiness and maximizing profits at lower increase of discounts.

Hence, on a whole the consumer has a positive behavior, perception and attitude towards offline shift of online brand as a whole. This study provides new dimensions for online brand markets to think of prioritizing and moving offline buyers also under their umbrella. On the other hand, this research will also help companies work on a new buying model that can be strategized for their customers, a new ffb card concept proposed and survey study on this concept also is part of building this buying model, this will help companies move towards better promotion options.

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Artificial Intelligence For Marketing Solutions

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ABSTRACT

The purpose of this review paper is to describe how the newly emerging Artificial Intelligence (AI) technology will provide unprecedented opportunities to the marketers to predict the next move of the customer and provide personalized experiences.

The use of AI in marketing has gained significant importance in recent years. Targeted marketing campaigns have lost their appeal as consumers prefer being treated as individuals with specific requirements. It is all about predicting personal behaviours and providing personalized services. Use of machines that can be trained to think and act like humans are becoming increasingly important for marketers to provide personalized marketing content to consumers.

Technology giants like Google, Microsoft, Nvidia, Apple, Netflix, and Amazon are making large investments in AI, with an expectation that AI will drive the future of their businesses. These companies have been collecting customer data over a long time and have mined individual customer data for their preferences and habits. They are now using AI to harness their data, do predictive and cognitive analysis of the data for better business market share, enhanced experience, and profitability.

The core elements of AI for marketing solutions consists of big data, machine learning (ML), and deep learning (DL). Both machine learning and deep learning models are used for predictive and cognitive analytics.

AI can be used for identifying and acquiring high-value prospects, customer segmentation, predicting customer purchasing behaviours, creating a unique customer experience, dynamic pricing and engaging customers with intelligent chatbots.

KEYWORDS: Consumer behaviour, Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Neural Networks (NN), Predictive Analytics

INTRODUCTION

Paul E Meehl, an American psychology professor, and pioneer of 'man vs. machine' research, stated in his 1954 book "Clinical vs. Statistical Prediction: A Theoretical Analysis and a Review of the Evidence" that the use of data to predict behaviour outperforms the intuitive (clinical) methods. Meehl's analysis

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proved that during comprehensive clinical assessments of mental health symptoms, humans tend to introduce biases while making decisions. Clinicians are hesitant to accept that mechanical means of collecting data and predictions are better than their own observations. However, automated prediction tools can be used for critical clinical information and avoid getting influences of psychological biases.

Webster dictionary defines Artificial Intelligence (AI) as "the capability of a machine to imitate intelligent human behavior". Before we delve deeper into how AI is used in marketing, let us first understand what we mean by intelligent human behaviour. Simple numeric computations like solving linear equations, numeric differentiation & integration, and business data processing are not intelligent human behaviour. Those problems that need inference based on knowledge, logical reasoning and predictions with uncertain or incomplete information are examples of intelligent human behaviours [Munakata, 2008]

Google's Voice Search is an example of a system that uses Artificial Intelligence. The Voice Search allows users to speak into their mobile phones or computers in their native language and doesn't insist on saying only the keywords. The Voice Search uses the power of Natural Language Processing (NLP) and Speech Recognition systems to figure out what is said, understand what the user meant and the consequent action that the user wants to happen. Once the speech of a person is understood, Google infers information about the context from the sequence of

conversations that have happened from this user in the past. With the geo-localization and the time of the day the question is being asked, Google customizes local content based on its prediction of user's intent.

Definition of AI for Marketing Solutions

Artificial intelligence for marketing solutions "is a method of leveraging customer data and AI concepts like machine and deep learning to anticipate the customer's next move and improve the customer journey" [Tjepkema, 2018].

The use of AI in marketing has gained significant importance in recent years. Targeted marketing campaigns have lost their appeal as consumers prefer being treated as individuals with specific requirements. It is all about predicting personal behaviours and providing personalized messages. A vast amount of data on individual consumer preferences are being collected by observing their habits when they are in a store, getting them to fill out questionnaires and their involvement in social media circles. The assimilation of the data and predicting their behaviours and attitude is not scalable in traditional marketing methods, with the marketer using personal experiences and time for analysis. Use of machines that can be trained to think and act like humans are becoming increasingly important for marketers to provide personalized marketing content to consumers. These marketing campaigns help deliver the "right message, to the right person, at the right time and in the right format".

Personalizing content either for a business to business (B2B) or business to consumer

(B2C) is highly effective than providing a static content, be it online or in-store purchase. Amazon was the leader in introducing the personalized experience in the online market. The company has collected a vast amount of data from its customers over time and is able to forecast the buying habits and preferences of online customers accurately. Amazon uses AI to identify and present the right product advertisements for its users when they log into its site.

This B2C experience is now extensively used by online traders like Alibaba for B2B marketing. Alibaba, the world's largest eCommerce market-place with $248 billion in transactions, more than both Amazon and eBay combined. Alibaba uses AI extensively to predict and present a compelling marketing campaign in its largest B2B E-commerce marketplace [Bernard, 2018]. During the Singles Day celebration in China, Alibaba uses AI powered algorithm supported by deep learning and NLP to recommend products to shoppers, while constantly communicating with the retails on the inventory needed based on the overall demand. Alibaba supports its eCommerce trading by using AI-powered Chatbot by serving over 3.5 million customers a day, Robots for packing as soon as the order is received and Drones for some deliveries.

Alibaba claims that over the last year, it has redone about a hundred superstores and another "1 million mom and pop shops across China into a state-of-the-art, digitalized store that uses AI. Big and small, these outlets buy all their goods through Alibaba's platform", thereby gaining over 30% cost reduction and increased profits. [Levine, 2017]

Need For This Paper
According to Louis Columbus in Forbes [Columbus, Feb 2018]:

- "84% of marketing organizations are implementing or expanding AI and machine learning in 2018".
- "75% of enterprises using AI and machine learning enhance customer satisfaction by more than 10%".
- "3 in 4 organizations implementing AI and machine learning increase sales of new products and services by more than 10%".
- "57% of enterprise executives believe the most significant growth benefit of AI and machine learning will be improving customer experiences and support".

The data above reflects the pervasive impact of AI across Sales and Marketing Solutions. While the adoption of using AI technologies across marketing is increasing, our extensive literature review didn't provide us the details of AI as a technology and its associated applications in the marketing solutions. The purpose of this review paper is to provide an overview of AI as a technology and describe how the newly emerging AI technology can be applied in marketing solutions. Our paper also describes how AI can provide unprecedented opportunities to the marketers to predict customer's next move and provide personalized and compelling customer experiences individually.

METHODOLOGY
Extensive literature survey was done to understand AI as a technology and how AI technologies are being used in Marketing

Solutions. The different elements of AI used for analyzing and predicting consumer behaviour for marketing was studied, their implementations in the marketing teams across companies were analyzed. The data on investments in AI for marketing solutions were gathered and appropriately documented as references.

A qualitative study (pilot survey) consisting of 12 eminent industry leaders was conducted to determine how AI technologies are being used in the marketing departments. The industry leaders were selected based on judgemental sampling, the size of the companies they work for range from startups to large multi-national corporations.

RESULTS AND DISCUSSION

The survey showed that the primary elements of AI used for marketing are:
1. Use of Big Data that reflects the consumer purchase habits and decision-making process.
2. Use of machine learning and deep learning for predictive analysis and modeling

The results also indicated that the primary applications of AI for marketing solutions are:

1. Identifying and acquiring high-value prospects
2. Customer Segmentation
3. Predicting customer purchase decisions
4. Dynamic Pricing
5. Create unique customer experience
6. Engage customers using chat bots

The results of the survey were then compared and correlated to our findings from the literature review and documented.

CORE ELEMENTS OF AI FOR MARKETING SOLUTIONS

AI is becoming ubiquitous. While we may think that the AI dominance is seen only in the last 2 years and its serious impact on us is a few years away, the fact is that AI is pervasive and is impacting all aspects of our lives every day. Starting from the smart phones that have become inseparable from us, web browsing, online purchases, our music/video libraries on Netflix and YouTube, our banking applications, our holiday travel planners, to our home security appliances, AI is driving important decisions on our behalf.

The key constituents of AI for marketing are:
1. Big Data
2. Machine Learning
3. Deep Learning
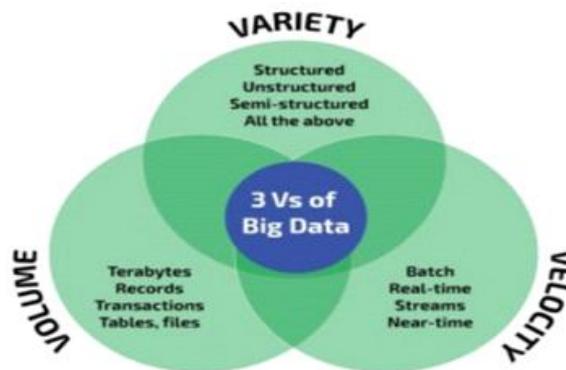
Source: Pranavathiyani, 2017

Figure 1: The 3-Vs of Big Data

1. Big Data for AI:

"Big Data refers to very large volumes of structured, semi-structured and unstructured data that has been collected from various sources for a longer period" [Rouse, 2014]. The data, which is very large in size can't be normally mined and managed in traditional database management systems. Big data is used by companies to predict customer behaviour and patterns for enabling key sales and marketing strategies using machine learning and other AI techniques. Big data has one or more of the following characteristics – high velocity, high variety and high volume as shown in Figure 1. Analyzing big data requires the use of sophisticated computer algorithms and AI is very often used for predictive and cognitive analytics of consumer behaviour. Businesses can effectively analyze the hitherto untapped data resources combined or otherwise with their existing enterprise data to gather new understandings resulting in faster and better decisions [IBM, Big Data Analytics].

1.1 Sources of Big Data:

Big data is generally collected over a period from various customer interactions like online purchases, social media like Facebook and Twitter, customer responses to questionnaires, medical records, mobile devices, sensors & devices like cameras installed in retail stores, transactional applications like point-of-sales, and world wide web. Most of the data that is mined are high volume and is generated in real time.

2. Machine Learning

Machine learning (ML) is a subset of AI. "It is the scientific study of algorithms and statistical models that computer systems use to effectively perform a specific task relying on patterns and inference, not using explicit instructions set" [Chaffey, AI through Sales Cycle]. An ML algorithm analyzes historical customer data and establishes the trends in the data, to create a prediction model.

Developing an ML algorithm involves building a mathematical model that can perform prediction behaviours based on historical data. The model is trained by feeding a large amount of data and their inferences. ML algorithm "learns" to recognize patterns, like the occurrence of a combination of words or specific words in a sequence for prediction as shown in figure 2. ML can be applied to a number of problems and sets of data. It can be used for object identification, converting text into speech, speech into text, identifying purchase patterns, and natural language processing. Depending on the specific technique used, a ML algorithm can improvise itself by adding multiple feedback loops that can train the system to understand its own mistakes. [Duin, Bakhshi, 2017].

Figure 2: Machine Learning model
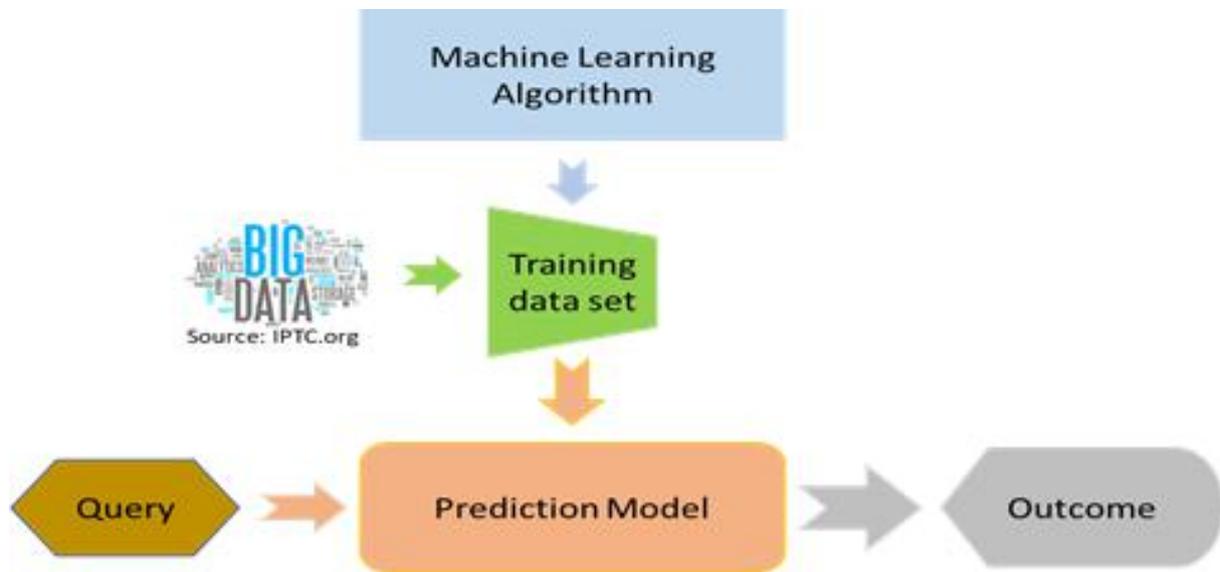
An example of using ML in sales & marketing is "segmenting customers and predicting their behaviour using AI" [Bonnie, 2018]. From the vast amount of consumer data, ML can be used to analyze consumers under various user bases to find their consumption patterns and correlations. Amazon's recommendation engine uses customer segmentation to personalize the marketing campaigns based on the pattern and behaviours of its customers. Young parents who normally buy baby clothing over Amazon are marketed to buy baby toys and cereals, whereas sports enthusiasts get personalized advertisements on shoes, and sports gear.

Machine learning by itself is not "intelligent". The algorithms merely perform what it is trained to do, like detecting an intrusion based on trained patterns. It doesn't understand what intrusion is or understand why intrusion is being identified. If there is a new intrusion, it is very likely that machine learning algorithms can't predict due to lack of training with the new patterns.

3. Deep Learning

Deep learning (DL) is an extension to machine learning, wherein intelligent decisions are made using layers of artificial neural networks. An example of DL is face recognition. In DL, the input data is transformed into a more composite and abstract representation at each level. In face recognition, the input can be a matrix of pixels. As we go through the layers, the pixels are abstracted, encoded for edges, composed and arranged for edges, nose and eyes encoded and finally the face in the image is recognized. It is important to note that the deep learn process will identify the features that will be optimized at specific levels on its own. [Wiki, Deep Learning]. Figure 3 represents an example of how deep learning can be used for drowsiness detection.

Figure 3: Drowsiness detection using deep learning
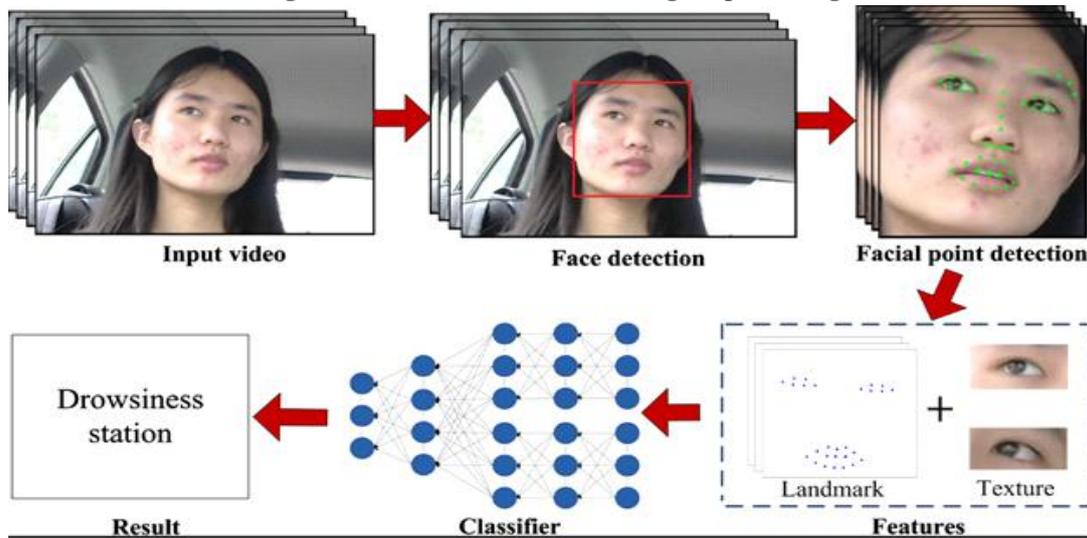
Source: SPIE digital library [Zhao. et. al. 2016]

Connecting Artificial Intelligence, Machine Learning, and Deep Learning

Figure 4 represents the relationship between AI, ML, and DL

AI is an all-encompassing concept that first came up. The idea here was to incorporate human intelligence into machines, wherein the machines resolved tasks based on a set of stipulated rules.

ML, which is a subset of AI enabled machines to learn by themselves based on the data set used doe training. By itself, machine learning doesn't have the intelligence to detect new algorithms and intrusions.

Figure 4: Connecting AI, ML, and DL

ARTIFICIAL INTELLIGENCE
AI is the broadest term, applying to any technique that enables computers to mimic human intelligence, decision trees, and machine learning (including deep learning).

MACHINE LEARNING
The subset of AI that includes abstruse statistical techniques that enable machines to improve at tasks with experience

DEEP LEARNING
The subset of machine learning composed of algorithms that permit software to train itself to perform tasks, like speech and image recognition, by exposing multilayered neural networks to vast amounts of data

DL, which is a subset of ML where artificial neural networks, algorithms learn from large amounts of data. Whenever DL algorithms perform a task repeatedly, it tweaks a little to improve the outcome, in lines with how human brains work and learn.

APPLICATIONS OF AI IN MARKETING SOLUTIONS

AI technology adoption by businesses is gaining momentum in the last 3 years. Organizations across all sectors are investing in AI to be ahead of the race in identifying and increasing their customer base, provide enhanced services, and improve the efficiency of their services and products. Technology giants like Google, Microsoft, Nvidia, Apple, Netflix, and Amazon are making large investments in AI, with an expectation that AI will drive the future of their businesses. These companies have been collecting customer data over a long time and have mined individual customer data for their preferences and habits. They are now using AI to harness their data, do predictive and cognitive analysis of the data for better business market share, enhanced experience, and profitability.

The impact of AI and ML is seen across the entire marketing life cycle. The top 6 applications of AI and ML for marketing solutions are detailed below.

1. Identifying and Acquiring High-value Prospects

Imagine a pizza store sending out discount coupons and attractive offerings on the mobile phone to the residents when there is a prediction of bad weather or power outage? AI provides the ability to reach out to potential customers before they search for products or services.

While there are several tools and techniques to qualify potential clients to support salespeople optimize their processes, none of them is an exact science. There is no way to identify from these tools whether the lead is real, if there is a purchase intention and if the customer being targeted is the decision maker in the purchase process. Sales personnel make the final judgement based on the outcome of the tool whether to pursue a lead or otherwise based on their experience [Jorgi, Conversica], which can at times not be an accurate judgement.

Angus Loten in The Wall Street Journal has described how sales departments are the most common business units acquiring AI technology [Loten, 2018]. Figure 5 shows how machines can replace salespeople in generating the lead and ensuring that there is a real purchase intent before handing off.

Figure 5: Using AI, bots can follow the leads to ensure purchase intent
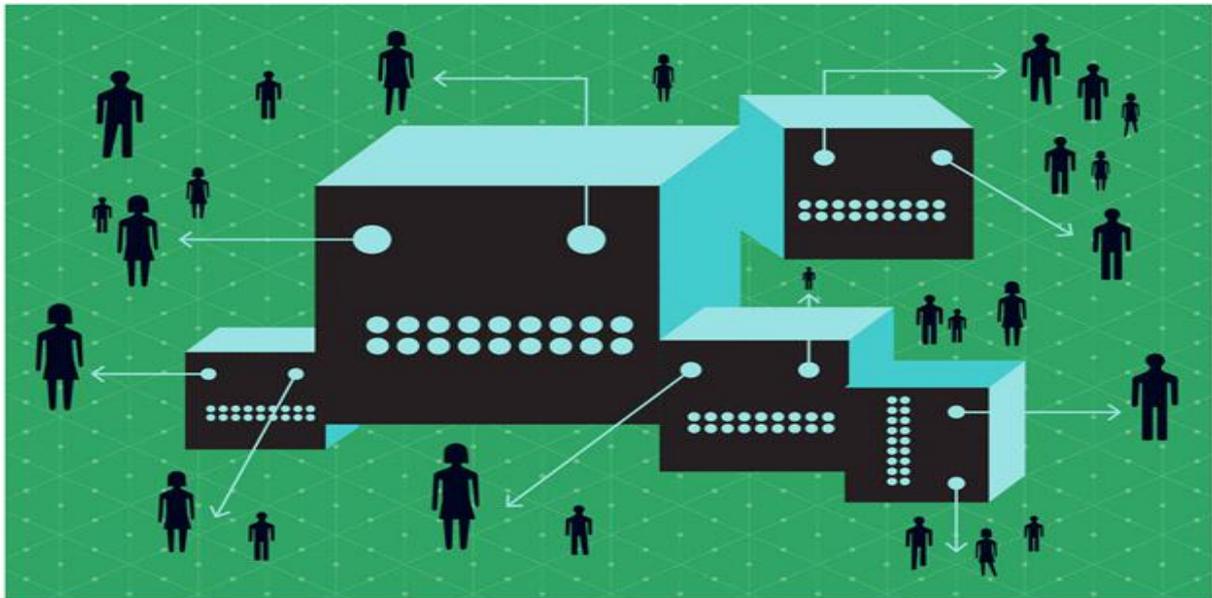
Sales departments are the most common business units acquiring AI technology. PHOTO: JOHN HERSEY FOR THE WALL STREET JOURNAL

Using AI will save salespeople time by evaluating if the leads are in the systems and their real purchase intentions. The system can gather the data from the content browsed or downloaded from the web site, stopped by the booth in a trade show or filled in a questionnaire. Once a lead is identified, the system can automatically follow through with the lead to gather interests, providing the necessary collaterals to create interest. Once the lead shows interest, which AI predicts has a purchase intention, the lead is immediately handed off to a sales rep. AI is now helping optimizing sales people's time and effort in working with real customers.

Gartner Inc. estimates that 30% of all business-to-business companies worldwide will employ some form of AI in at least one of their primary sales processes by 2020.

2. Customer Segmentation

The concept of one-size-fits-all approach to marketing is behind us. Customers, both B2B and B2C expect individual attention to support their purchasing habits, be it in the store or online. This is forcing marketers to identify ways and campaigns that can be tailor-made to individual customers. This doesn't necessarily mean that they get to use more marketing resources, instead, they should depend on AI technology to help them get an unbiased recommendation on customer segmentation.

By effectively segmenting customers, marketers can customize their marketing strategies to the individual preferences of customers. The customer segmentation model allows for maximization of cross-selling and up-selling opportunities. Customer segmentation helps improved customer service and increased customer loyalty and retention.

Figure 6: Customer segmentation helps business drive targeted marketing campaigns

Source: [Loomba, 2018]

AI technology for customer segmentation is very effectively used by companies like Amazon. Amazon has over the years collected key customer data that include customer's purchasing preferences, demographics and the frequency of purchases. Using AI, Amazon can segment its customers and target specific marketing campaigns to each customer segment.

3. Predicting Customer Purchase Decisions
The combination of increased penetration of the Internet and fast-paced growth of technology is changing the need and buying patterns of consumers. As of December 2017, the number of active internet users in the world is over 4.1 billion, of which, 3.3 billion are active users of social media [Statista, 2018]. Consumers now have access to a large number of data from across the world, compare and contrast the product with other similar products, seek opinions from others through personal circles or crowdsourcing, and can potentially create a huge impact about the product in the social media [Alzate & Torres, 2016].

AI has the flexibility in dealing with various types of data and has a high accuracy in making predictions on customer purchase intentions. The prediction process uses deep learning neural networks to continually improve its prediction accuracy.

Figure 7: Use of AI has become a need in predicting customer purchase decisions

Source: Nichols, 2016

Figure 7 represents how Amazon uses predictive analytics to offer anticipatory shipping to its customers. Amazon uses AI to predict individual customer purchase habits, their brand loyalties and their propensity to buy. It then targets its customers with promotions and advertisements based on the outcome of its predictive model. According to a new patent filed by Amazon, its AI algorithms uses predictive analysis of data to deliver products to customers even before the customers place their orders.

4. Creating Unique Customer Experience

AI can transform the very definition of customer experience by providing a customized, fast and hassle-free service based on the predicted behaviour of the customers. With the increasing complexity of business models, the high volume of customer data that is available and a higher customer expectation, the marketers can't cater to the customers effectively without the use of AI. Marketers can't make data-driven conclusions on customer preferences. Using AI, companies will be able to assess individual shopper inventories and their buying pattern to predict and deliver goods before the customers even think of ordering. This will greatly enhance customer loyalty to the business, providing the customers the attention, respect, and consideration throughout the customer journey.

AI power content curation provides an opportunity to personalize the messages for cross-selling opportunities. An example is that "people who bought 'X' also bought 'Y'". The more customers respond to such promotions, the more data is generated for accurate modeling and prediction of customer's purchase intentions.

5. Dynamic Pricing

Dynamic pricing is a concept of targeting special pricing and offers on products to convert customers to buy the products. In other terms, dynamic pricing allows entices customers who couldn't justify themselves to pay the cost of the purchase to make the purchase decision by dynamically altering the pricing structure of products and services.

AI's predictive models using machine learning can determine the traits that customer show to buy a product. Some customers convert without the need for an offer, thereby increasing sales and profit margins. The usual trend of salespeople to offer discounts to attract customers are not always correct in the case where customers see a value for the cost of the products and services. Hence undercutting due to intuition can create a situation of "race to the bottom", where constant price-cutting eats away profit margins.

The pricing of any product or service is determined by the intersection of supply and demand. AI models effectively predict the demand, thereby adjusting the prices in real time. Uber uses dynamic pricing extensively through the day in adjusting the prices. As the demand for cabs increases during peak hours, the prices are increased accordingly. Uber also predicts the specific areas where the demands peak and diverts its drivers to meet the increased demand as shown in figure 8. Using AI's machine learning, pricing is becoming intelligent and continually adjusted to changing demands, consumer behaviours, inventories as well as external influences like competition and supplies.

Figure 8: Uber's dynamic pricing based on customer demand

Source: https://www.uber.com/en-KE/blog/dynamic-pricing/

Other examples of dynamic pricing are electricity costs during peak usage periods or hotel costs during holiday seasons. The dynamic pricing using AI helps cater to the personalized needs of the customers. For example, two people browning for the same itinerary of an airline ticket can see completely different prices and discounts on their systems. The prices also change dynamically depending on how long the users are browsing the websites.

6. Engaging Users With Intelligent Chatbots

Most of all customer support activities are using chatbots to respond to customer queries. Chatbots imitate human intelligence by interpreting customer queries and providing appropriate responses. Chatbots are increasingly being used to provide customers a way to search for products or services they are looking for.

The chatbots are powered by AI's machine learning algorithm in their ability to answer open questions. These bots use natural language processing and are trained from historical data on customer support for accurate analysis. Chatbots also have the advantage that they are 24/7, doesn't go through fatigue and exhibits a consistent performance throughout the process. They respond the same way to customers who have different emotions at different times. They can also service multiple times at the same time, thereby reducing the wait time.

It is estimated that there are cost savings of up to 30% by using chatbots for customer service as shown in figure 9.

Figure 9: Over 30% savings in customer service using chatbots
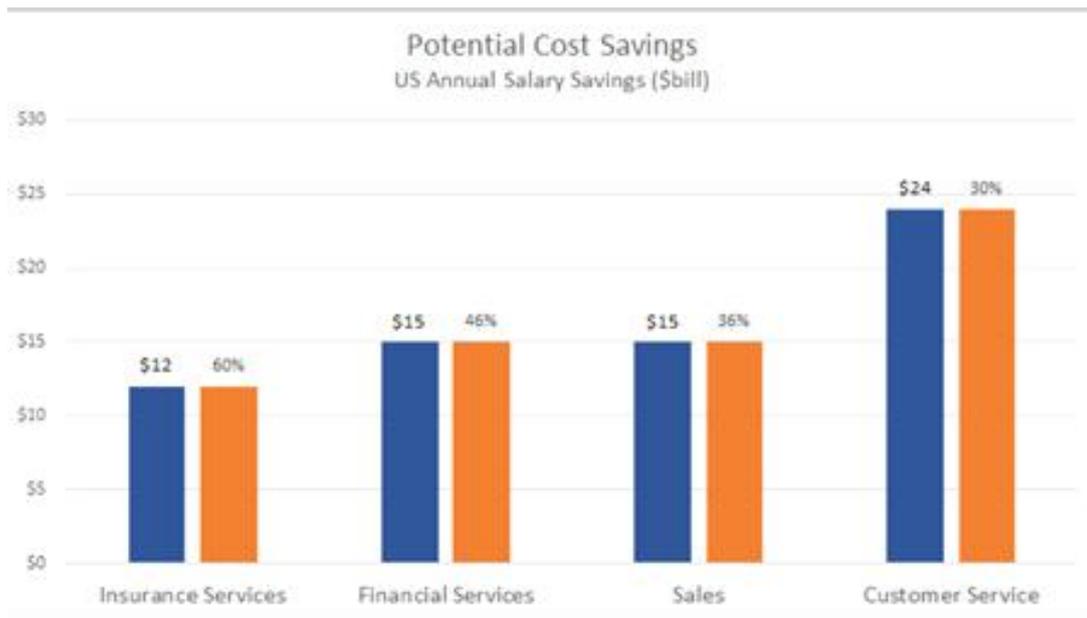
Source: BI Intelligence, The Chatbots Explainer, 2016

Chatbots are being increasingly used to take customer orders like in a pizza delivery service or in e-commerce transactions including handling returns. AI is empowering programmers to create highly efficient chatbots that can be trained to understand and respond to customer queries. With deep learning and neural network algorithms becoming active, very soon chatbots can learn iteratively based on the quality of service as perceived by the customers. Businesses can't ignore the potential of using chatbots for customer service and should plan appropriately to be competitive in the market.

FUTURE OF AI FOR MARKETING

Nvidia CEO Jensen Huang at the company's developer conference in San Jose, California said "Software is Eating the World, but AI is Going to Eat the Software" [Simonite, 2017].

The company plans to expand its AI architecture into everywhere: in servers, in PCs, in the cloud, in cars and in robots.

Mike Gualtieri from Forrester has in his November 2016 report titled "Artificial Intelligence: What's Possible for Enterprises In 2017" surveyed business and technology professionals has found that 58% of them are evaluating AI for their businesses [Gualtieri, 2016]. The results to his question on the biggest strategic/growth benefits AI will contribute to their organizations is shown in figure 10. 57% of the respondents believe that AI will help them improve customer experience and support, while over 40% of them believe AI will help them introduce compelling new products and services into the market.

Figure 10: Enterprise believe that the benefits of AI will be to improve customer experience and support

"What are the biggest strategic/growth benefits AI will contribute to your organization?"
(Please select up to three)

Improve customer experience and support	57%
Provide the ability to improve upon existing products and services	44%
Provide us with the ability to disrupt our industry with new business models, products, and services	43%
Allow us to develop new products and services	41%
Increase customer satisfaction and Net Promoter Scores	33%
Provide new revenue streams	22%
Increase customer lifetime value	20%
Increase revenue streams	18%
Reduce customer churn	10%
Other	3%
None	3%

Base: 598 business and technology professionals
Source: Forrester's Q2 2016 Global State of Artificial Intelligence Online Survey

As stated in The Wall Street Journal [Loten, 2018], the sales and marketing teams are adapting AI technology to analyze the vast amount of data they have accumulated for customers. The survey from Forrester research [Gualtieri, 2016] has shown that 46% of more than 400 companies have prioritized implementing AI in their sales and marketing teams.

Even though AI penetration in marketing solutions is increasing and marketers are seeking AI as a necessity than as an aid, the return of investment (ROI) in implementing AI for marketing solutions must be evaluated. It is also true that the AI usage in marketing solutions has been relatively nascent and once companies start adapting AI, more research on the effectiveness will fall out.

MANAGERIAL IMPLICATIONS

Our paper illustrates that AI technology will revolutionize the marketing solutions for consumers. Marketers will get benefitted by our research in understanding how the influx of AI can influence and support their business models. It is important that they start thinking about winning using disruptive technologies like AI to provide individualized service to their consumers. Even the AI technology companies get benefitted by the technological content and the empirical data provided by this study.

Academic institutes can dissipate the knowledge of AI amongst students. Our initial conversation with reputed institutions revealed that academic institutions don't have a good curriculum on this rapidly evolving

technology. Business schools should focus on specific areas to further research on the opportunities AI can provide. They should explore the models that companies should follow to take advantage of the explosive markets resulting from AI implementation.

LIMITATIONS OF THE STUDY

AI offers huge opportunities for marketers across every business segment. For the scope of our research, we conducted several interviews across various AI application areas related to marketing solutions, but we didn't do a deeper probe in any specific application.

Software implementation is always very expensive. With large companies and academicians investing significant resources in developing new AI algorithm, AI technology will continue to change, there by requiring further investment to keep the software updated. Our paper has not researched into the cost of implementation and sustenance of AI technologies.

We made corporate contacts predominantly in Bengaluru, which is cosmopolitan and has a diverse set of population in race, beliefs, ethics and cultural background. The variations in data, especially from tier 2 and 3 cities are not considered.

SCOPE FOR FURTHER RESEARCH

There is potential to take a deeper probe into each of the application areas. AI implementation is gaining momentum across every possible marketing segment, thus providing larger opportunities for further study and analysis.

The validity of this research must be expanded and tested across other functional areas and in cities outside of Bengaluru.

While the penetration of AI is increasing, more and more investment is being done in deep learning. The content of the paper can be used by academicians for class room purposes. The content can also be reviewed and tailored by businesses in implementing AI in their marketing solutions. The content in this paper can be enhanced by incorporating the return of investment data in implementing artificial intelligence.

One of the concerns we observed during our literature review and in the qualitative survey is that AI can potentially disrupt job opportunities, by creating efficient predictions, which otherwise would have needed human capital. AI's impact to human labour is an area that can be further pursued as a topic of research.

CONCLUSION

AI for marketing solutions is a game changer. Use of artificial intelligence for marketing solutions will become mandatory for businesses in the future. AI will save costs, provide an immersive customer experience through high-quality service and pricing. It also helps in generating new leads, retain existing customers and increased customer engagement. Marketing solutions will be driven by intelligent agencies and outcomes that focus on customers and business.

AI will shift marketers from using their experience and intuition towards personalized experiences based on individual customer preferences. AI will be the key goal in every playbook of the marketers, in companies big or small.

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Unidentified Macro-segments In Health Insurance Sector

Dr V R Uma* & David Wyant*

ABSTRACT

The focus of this paper is to demonstrate the relationship between one's experiences and shift in attitude towards health insurance which in turn leads to affirmative purchase behaviour. Though it is apparent that one's past experiences can change the attitude one holds, previous researches has overlooked the benefits of developing suitable frameworks that would help in developing appropriate marketing communication programs. The primary reason for interest is the under penetration of health insurance sector especially in heavily populated developing economies despite the awareness of its benefits. Insurers can develop specific promotional strategies to increase the demand for these products. The main objective of this research is to explore the reasons as to why individuals still choose to remain uninsured and does their experiences i.e. happening of the risk event causes a change in their attitude towards health insurance products. In this case risk event refers to illness episodes. These illness episodes can vary from simple viral fevers to major diseases like cancer, cardiac diseases etc. 1339 uninsured respondents were considered for the study. These respondents were categorized into five micro-segments based on their readiness to purchase health insurance product, which include, Ready to buy, Still need some time, Not ready to buy, Not sure and Conditional. These five micro-segments culminates into two macro segments based on the occurrence of illness episodes, that has caused financial burden on them. The two macro segments include the treated for major disease and not treated for major disease segments. This research finds that one's attitude changes depending on the severity of illness episodes. Occurrences of severe illness episodes change the perception towards health insurance products. Therefore the insurers should consider behavioural segmenting patterns than the traditional demographic segmentation patterns.

KEYWORDS: health insurance, uninsured, micro-segment, macro-segment, illness episodes

INTRODUCTION

Despite the rising illness episodes and spiraling health expenses still people decide to stay uninsured. This has also led to impoverishment among many households. Health insurance still remains an underpenetrated market in most of the developing and under developed countries.

Health insurance is viewed as a prerogative of the Government towards its citizens. However, practically it is not possible for a country to provide health cover to all its citizens through Government funding alone. Therefore, in many countries the private insurers are also roped in to achieve universal health coverage. It is observed that in

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developing economies which are heavily populated, the insurance penetration is very low notwithstanding the fact that there is plethora of insurance products available that offer coverage to wide range of diseases. In India, Health insurance is offered by General Insurers. Interestingly, the Insurance Regulatory and Development Authority of India (IRDAI) allows standalone insurers to operate only in this sector. There are 5 Standalone insurers operating in the health sector that offers only health insurance products. In an effort to push this market the Government of India also brought about tax reforms. The tax exemption ranges between Rs 25,000 to Rs 50,000 depending on the age and the extent of coverage. It is also seen that the public insurers mainly operate in the rural sector and the private insurers on the urban sector.

Currently, insurers offer individual, family floater and group policies. For individual and family floater policies 'age' is considered as the key variable to segment this market. The lesser the age the lesser is the premium paid. Age is considered as the key factor under the premise that as one grows older the tendency to succumb to illness is higher. On the contrary, among younger individuals the probability of illness episodes is lesser. Although the insurers may perceive this segment to be a profitable one but the fact is younger individuals tend to be unenthusiastic towards health risks. As one grows older the tendency to become conscious towards health risks are higher. Further, with the rise in lifestyle diseases and obesity, it is time that insurers should look beyond segmenting the market based on age.

The market for health insurance is asymmetrical. Although there are too many products on the supply side, the demand appears to be weak. It is imperative that the insurers balance both the demand and supply side. Despite, the increasing level of awareness the market remains largely untapped. Are the insurers myopic to the needs of the market? Despite the tax exemptions to promote this market, still the demand appears to be stagnant. However, how many of the salaried class come under tax bracket is a point to ponder. The main problem could be attributed to the segmenting pattern followed by the insurers. Thus, instead of developing products for insignificant segments, the need of the hour is to identify ideal segments to operate. Devise strategies according to those segments. As mentioned earlier, insurers have been concentrating only on demographic patterns of segmentation either on age, income or location. As health episodes can create adverse effect, it would be ideal to segment the market based on illness experiences undergone by individuals and their family.

Health episodes are unexpected events that can happen in any household. Even if any one of the member is affected by a severe disease that requires a major surgery, the experience could be traumatizing for the entire household as well. It is not only the person inflicted by disease would undergo traumatic stress but the entire family as well. Moreover, the experience remains ingrained in the minds of the family members even after the episode ends. Irrespective of whether the episode ends happily (when the treatment becomes successful) or sadly (when the treatment fails) the effect could be long lasting. Apart from affecting the family morally, sometimes the episode could lead to severe financial drain. The household could take a long time to recover from this financial drain. At times, the

household disposes of all its assets to meet the financial expenses that it becomes impoverished later. Thereby, the household never recovers at all. If the illness strikes the only bread winner of the family, the situation becomes even worse in the absence of health insurance.

These adverse past experiences leads to the creation of autobiographical memories (Kulkofsky and kim koh, 2009) that reminisces not only the contexts but the facts (Conway, 1990) of particular events. Individuals tend to reminisce their past continuously. Watt and Wong (1991) arrived at 6 categories of reminiscences. However in this context three categories will be more appropriate that shall include, integrative, instrumental and transmissive. Individuals continuously make life reviews, recall their past experiences to solve current problems and eventually share their memories with their future generation.

In India, the health insurance market is segmented on the basis of income. So clearly in all respects only demographic segmentation patterns have been followed by the insurers. Also homepage of all the insurers would actually include tax as the benefit. The pertinent question to ponder is whether people buy insurance for tax benefits or for wellness.

Insured individuals stay healthier compared to uninsured. Uninsured individuals go for medical treatments only when the contingency arises. On the contrary, insured individuals would go for regular health check-ups due to insurance coverage. (Bernstein Chollet, and Peferson, 2010). There is a huge potential for the insurers to garner this market. Even today in most of the

developing economies like India, the public sector concentrates more on the rural areas and the private players on the urban areas. (Gupta 2007). However, to achieve universal health coverage both public and private insurers should work complementary to each other (Sekhri and Savedoff, 2005) (Bhatta charjya and Sapra, 2008) and not as supplementary.

India and China share similar demographics in terms of the size of the population, however, the latter has grown exponentially in achieving universal health insurance coverage compared to the former. (Einhorn, 2010). Though there are many State Government funded schemes like Aarogyasri in Andhra Pradesh, (Savedoff, William, Ferranti, Smith, & Fan, 2012), SEWA in Gujarat (Renson, 2002) and ACCORD in Tamilnadu (Devadasan, Ranson, Van Damme, Criel, 2004) still the frequency of availing these schemes is very less which could be due to unawareness and limited varieties of these products. (Venkateshwarlu, 2016). Further the Central Government schemes do not operate in all the cities. They operate only in restricted cities through their own facilities and networked hospitals which could be both public and private. But health care utility is based on quality (Malaney, 2000). Most of the workers who are insured under these schemes stay in the workplace itself. Where the family members live in non-implemented areas, owing to personal cost that they would otherwise incur for transportation and lodging, they prefer taking treatment in their place itself outside the scheme. Further other anomalies include long waiting period, providing low quality drugs and unruly behavior of the hospital staff has made these schemes less popular. (Dash & Muraleedharan, 2011). Again availing health

care facilities from private hospitals means incurring huge out of pocket expenses. The healthcare costs have manifold to a larger extent (Vaishnavi & Dash, 2009) due to adoption of advanced technologies by the hospitals.

It is not possible to make health insurance mandatory in a country like India as most of the population still works in the informal sector. Government intervention as in other countries like Columbia, Argentina, Brazil and Chile (Jack, 2002) would have least impact on the penetration of this market. There is a huge market in India, which still can afford private insurance but still decides to stay uninsured. Health insurance by itself is an inconspicuous product (Mirela & Culina, 2006) the purchase of which is determined by the attitude (Carvalho & Cesar, 2007) one has towards it. Only a risk averse person will as a precaution decide to stay insured on the contrary, others will realize the importance of insurance (Palm & Hodgson, 1992) only on the happening of risk. Past experiences are vital to understand the gravity of certain situations. Perceptions towards a particular product can change on the happening of unforeseen events. Such is the case with illness episodes. Unless and until there is an exposure towards health episodes that has caused grave financial loss, people would not realize the importance of health insurance. This study seeks to explore whether there is a change in the perception of uninsureds on the happening of health risk that has led to serious financial loss. The present study considers health experiences as a key factor to segment the market. The first objective of the study is to explore the perceived motives behind staying uninsured by each of the micro-segments. The second objective is to find out which of these micro-segments were severely affected financially due adverse health

effects. The third objective is to form macro-segments for the insurers to operate

METHODS AND DATA:

Study Location: The study was conducted in the State of Tamil Nadu, which is one of the highest contributors to the GDP of India. All private and public insurers operate in this State. Further, the State also houses innumerable corporate hospitals. Despite, availability of good medical facilities, still the health insurance market remains underpenetrated in this State. Cross-sectional data of respondents belonging to highly populated districts of the State was considered for the study.

Scale Components: The inclusion criteria for the respondents to be a part of this survey, is that they should not possess any forms of health insurance. The first question in the scale which was dichotomous was 'Do you have health insurance?' Only the respondents who answered 'no' were allowed to participate in the survey. The next question, the participants had to answer was on their likelihood of procuring health insurance. This question had five specific categories which include 1) Ready to buy 2) Still need sometime 3) Not ready to buy to all 4) Not sure and 5) Buy based on certain conditions.

Eight items were included in the scale to understand the perceived motives of the micro segments to stay uninsured. These items were rated in a 5 pt likert scale ranging from strongly disagree to strongly agree (from 1 to 5). The eight items were - 1) Inadequate funds 2) Do not want to insure 3) Did not feel the need 4) Other areas of investment 5) High Premium 6) Less aware 7) None approached 8) Not taken by friends/relatives.

To find out which of these micro-segments were financially affected due to adverse health conditions, two items were included in the scale. The two items were 'Unable to pay medical bills' and 'Treated for chronic illnesses'. Both these items were dichotomous (yes/no).

Sample: 1500 questionnaires were distributed out of which 1449 were received. Out of this only 1339 questionnaires were filled completely. The participants were between the age group of 22 to 53 years. Most of them were working in private concerns that were not providing health insurance schemes and some were running small businesses like owning a shop etc., The participants were not enrolled in any of the Government schemes as they did not meet the eligibility criteria.

ANALYSIS

Out of 1339 respondents, the Ready to buy micro-segment comprised of 150, the Still need some time comprised of 310, Not ready to buy comprised of 510, Not sure comprised of 255 and Conditional micro-segment comprised of 114. Kruskal Wallis test was conducted to find out if perceived motives varied across these micro-segments

Table 1: Variances on perceived motives to stay uninsured

Perceived Motives	Chi-Square
Low Salary/Shortage of funds	30.8**
Do not want to buy	56.6**
Did not feel the need	15.3**
Other areas of Investment	43.8**
High Premiums	9.098
Less aware	20**
None approached	44.8**
Not taken by friends/relatives	16.3**

Note: Asymptotic Significance **$p < 0.01$ @ df=4

From Table 1, it is obvious that 'High premiums' was not statistically significant at p<05. Hence, it was eliminated from further analysis as it is clear that the respondents of all the micro-segments perceived in a similar manner that the premiums charged by the insurers were high. The study was carried on with the remaining 7 items (Inadequate funds, $\chi2 = 30.8$, do not want to buy $\chi2 = 56.6$, did not feel the need $\chi2 = 15.3$, other areas of investment $\chi2 = 43.8$, less awareness $\chi2 = 20$, none approached $\chi2 = 44.8$, not taken by friends or relatives $\chi2 = 16.3$) that were statistically significant at p<0.01 with df = 4.

To explore their intent towards the purchase of health insurance, these 5 micro-segments of uninsureds were further compared against each other through Mann Whitney U Test.

Table 2: The mean ranks obtained through Mann-Whitney U Test (Only those values that were statistically significant are shown here)

	Low Salary/ Shortage of Funds	Do not Want to buy	Did not Feel the need	Other areas Of investment	Less awareness	None approached	Not taken By Friends/ relatives
Ready to buy - Still need some time	247.47 222.29	ns	ns	204.63 243.02	ns	ns	ns
Ready to buy - Not ready to buy	377.24 316.75	262.42 350.52	ns	256.20 352.35	ns	ns	294.81 341. 00
Ready to buy - Not sure	235.82 183.69	ns	ns	ns	ns	220.02 192.99	ns
Ready to buy - Conditional	149.48 110.15	ns	ns	124.51 143.01	142.05 119.94	154.07 104.11	ns
Still Need some time - Not ready to buy	433.12 396.75	356.47 443.34	ns	377.16 430.77	ns	ns	ns
Still Need some time - Not sure	301.88 260.05	ns	ns	ns	ns	295.33 268.01	ns
Still Need some time Conditional	224.18 180.75	ns	220.96 189.48	ns	226.81 173.58	232.65 157.71	221.39 188.33
Not ready to buy Not sure	ns	405.13 338.74	398.71 351.59	407.59 333.83	ns	ns	ns
Not ready to buy Conditional	ns	327.96 243.35	323.36 263.90	322.21 269.06	324.85 257.26	331.84 225.96	323.71 262.34
Not sure Conditional	ns	192.29 168.69	ns	ns	199.31 152.99	201.21 148.74	193.02 167.07

Note: 'ns' denotes 'not significant'

On comparing the mean ranks (refer table 2), we find that the ready to buy micro-segment exhibited high mean ranks in the low salary/shortage of funds. Thus it is quite clear that the readiness to buy health insurance product is very high among the respondents in this micro-segment but due to inadequacy of funds they were not able to purchase. Though, the still need sometime micro-segment exhibited their inability to purchase health insurance products due to shortage of funds (Table 2) however they also varied with other micro-segments in other areas. They varied with the 'ready to buy' segment on their preference to invest in other areas. Also when compared to the 'refused to answer' and 'conditional segments' they felt that so far none had approached them to buy health insurance. When compared to the conditional segment, they differed in many respect. They felt that their earnings were low, none had suggested, awareness was low, not taken by friends/relatives and did not feel the need to take health insurance.

The 'not ready to buy segment', do not want to buy health insurance products at all. This is vivid from the fact that they varied across all segments in this particular variable.

Table 3: Effect sizes of Z values obtained in Table 2
(only for statistically significant values)

	Low Salary/ Shortage of funds	Do not Want to buy	Did not Feel the need	Other areas Of investment	Less awareness	None approached	Not taken By Friends/ Relatives
Ready to buy							
& Still Need some time	.09	ns	ns	.14	ns	ns	ns
& Not ready to buy	.14	.21	ns	.22	ns	ns	.11
& Not Sure	.23	Ns	ns	ns	ns	.12	ns
& Conditional	.27	Ns	ns	.13	.15	.33	ns
Still Need Sometime							
& Not ready to buy	.08	.19	ns	.11	ns	ns	ns
& Not sure	.13	Ns	ns	ns	ns	.09	ns
& Conditional	.16	Ns	.12	ns	.2	.28	.12
Not ready to buy							
& Not Sure	ns	.16	.11	.16	ns	ns	ns
& Conditional	ns	.2	.13	.12	.15	.24	.14
Not Sure							
& Conditional	ns	.11	ns	ns	.21	.23	.12

Note: 'ns' denotes 'not significant'

Though the effect size seems to be small (refer Table 3) it really exists, as we can see the variance across all the segments. The next uniqueness is their intention to invest in other areas. This is also very evident from the variance exhibited across all other segments. Further compared to the 'ready to buy' and the 'conditional' segment, they also felt that none had approached them so far. Though the effect sizes are small, still we find the occurrences of these variances across all segments which cannot be ignored. The Refused to answer segment varied only with the conditional segment. They varied with the conditional segment on not wanting to buy and that none approached and their awareness level was also low. They also felt that their reference group had not insured.

The 'Refused to answer' and the 'Conditional' segment did not vary much with other segments. It can be due to the fact that the variables in the construct were not adequate enough to depict the variance. Therefore we eliminate these two micro-segments for further analysis from the study.

The effect size for Z values obtained from Mann-Whitney U test was calculated using Cohen's r i.e., $r = Z/\sqrt{N}$ where N represents the total sample size of both the micro-segments considered for comparison and Z as mentioned earlier is the value derived from Mann-Whitney U test. From effect sizes as evident from Table 3, though seems to appear small but still we find the occurrence of the variance throughout. Therefore it is evident that the attitude towards purchase of health insurance differed among these micro-segments. Each micro-segment had their opinions in not purchasing health insurance products.

OCCURRENCES OF HEALTH INCIDENCES AND THEIR IMPACT:

As pointed out earlier, attitudes are formed by experiences. These micro-segments were further analyzed to find out whether past experiences i.e., occurrences of illness episodes affected their intent. The statements used to measure health incidences include Unable to pay medical expenses during the last 12 months, Increased out of pocket expenses due to health expenses during the last 12 months, Not able to meet the basic necessities of life due to health expenses during the last 12 months, Other expenses also increased hence not able to attend to health during the last 12 months and Treated for a major disease like cancer, heart disease, Kidney etc. Spearman's correlation was used to measure the inter-correlation among each of these micro-segments. From Table 5, among the ready to buy micro-segment, the respondents were unable to pay medical expenses during the last 12 months due to being treated for major disease. Either they themselves were treated for major disease or it could also be their family member. Due to incidences of major disease they were also unable to meet basic necessities. Other expenses also increased that they were not able to attend to their personal health. This increased the out of pocket expenses that they were not able meet basic necessities but the r value was weak as it is less than .29 (Refer to Table 4).

Table 4: Spearman's Rho correlation among the ready to buy segment and health incidences

	Unable to pay medical expenses	Increased out of pocket expenses due to health expenses	Not able to meet the basic necessities of life due to health expenses	Other expenses also increased hence not able to attend to health	Treated for major disease
Unable to pay medical expenses	1.000				
Increased out of pocket expenses due to health expenses	.193	1.000			
Not able to meet the basic necessities of life due to health expenses	.319*	.005	1.000		
Other expenses also increased hence not able to attend to health	.475**	.070	.434**	1.000	
Treated for major disease	.386**	.176	.183	.393**	1.000

*.Correlation coefficient significant at .05 level (2 tailed)

**.Correlation coefficient significant at .01 level (2 tailed)

Among the Still need sometime micro-segment (Table 5) we find that the treatment for major disease has led to inability to pay medical expenses, which in turn led to a situation where they were not able to meet their basic necessities. Further, with increase in other household expenses they were not able to attend to their ill health. As the out of pocket expenses increased they were not able to meet basic necessities.

Table 5: Spearman's Rho correlation among the Still need sometime and health incidences

	Unable to pay medical expenses	Increased out of pocket expenses due to health expenses	Not able to meet the basic necessities of life due to health expenses	Other expenses also increased hence not able to attend to health	Treated for major disease
Unable to pay medical expenses	1.000				
Increased out of pocket expenses due to health expenses	.193	1.000			
Not able to meet the basic necessities of life due to health expenses	.319*	.005	1.000		
Other expenses also increased hence not able to attend to health	.475**	.070	.434**	1.000	
Treated for major disease	.386**	.176	.183	.393**	1.000

*.Correlation coefficient significant at .05 level (2 tailed)

**.Correlation coefficient significant at .01 level (2 tailed)

Among the not ready to buy micro-segment there was an inability to meet medical expenses as the other expenses also increased. Further, this has also impacted the basic necessities of life. We also find a positive correlation between increase in other expenses and treatment for major disease. Similarly we find a positive correlation between inability to meet medical expenses and increased out of pocket expenses however, the r value is very weak as it is less than .19.

Table 6: Spearman's Rho correlation between the Not ready to buy micro-segment and health incidences

	Unable to pay medical expenses	Increased out of pocket expenses due to health expenses	Not able to meet the basic necessities of life due to health expenses	Other expenses also increased hence not able to attend to health	Treated for major disease
Unable to pay medical expenses	1.000				
Increased out of pocket expenses due to health expenses	.116	1.000			
Not able to meet the basic necessities of life due to health expenses	.257**	.319**	1.000		
Other expenses also increased hence not able to attend to health	.289**	-.036	.259**	1.000	
Treated for major disease	.297**	.061	.071	.003	1.000

*.Correlation coefficient significant at .05 level (2 tailed)
**.Correlation coefficient significant at .01 level (2 tailed)

On observing the three segments on the occurrences of health incidences and its financial impact, we find that all three micro-segments had incurred medical expenses in the last 12 months. However, it was noticed that the ready to buy respondents had incurred heavy financial loss due to occurrence of major disease either for themselves or their family member. This is very evident from the relationship depicted through the correlation values (Table 4). We find that the respondents due to treatment for major disease were unable to meet the medical bills, basic necessities were not met and further there were other expenses also due to which they were not able to attend their personal health.

The still need sometime segment (Table 5) also incurred medical expenses in the last 12 months but not as severely as the ready to buy segment. It is noticed that there has been a treatment for major disease due to which they were unable to pay medical bills during the last 12 months. However, the least affected was the 'not ready to buy' segment. They were least affected or not affected because of the treatment towards a major disease. Therefore this segment was not financially affected due to treatment towards major disease. It can be the reason as to why the 'not ready to buy segment' was not keen to buy health insurance as they have not been affected much because of health incidences. Therefore we may conclude that treatment towards a major disease has an impact in the purchase of health insurance products.

FORMATION OF MACRO SEGMENTS:
All the respondents under these 5 micro-segments were regrouped into 2 macro-segments based on whether they (or any of their family members) were treated for any major diseases. Accordingly, 1339 respondents were re-classified under two major segments 1) Treated for major disease and 2) Not treated for major disease.

Table 7: Relationship between 'not treated for disease' segment and health incidences
Impact of health incidences on the not treated for major disease segment (N=988)

	Unable to pay medical expenses	Increased out of pocket expenses due to health expenses	Not able to meet the basic necessities of life due to health expenses	Other expenses also increased hence not able to attend to health
Unable to pay medical expenses	1.000			
Increased out of pocket expenses due to health expenses	.101**	1.000		
Not able to meet the basic necessities of life due to health expenses	.304**	.296**	1.000	
Other expenses also increased hence not able to attend to health	.236**	.028	.171**	1.000

*.Correlation significant at .05 level (2 tailed)
**.Correlation significant at .01 level (2 tailed)

From Table 7, the correlation coefficient or the r values calculated on the health incidences among the not treated for major disease macro-segment though statistically significant depicted a weak correlation with all the items as the r values range between 0.09 and 0.39.

Table 8: Relationship between 'treated for disease' segment and health incidences
Impact of health incidences on the treated for major disease segment (N=351)

	Unable to pay medical expenses	Increased out of pocket expenses due to health expenses	Not able to meet the basic necessities of life due to health expenses	Other expenses also increased hence not able to attend to health
Unable to pay medical expenses	1.000			
Increased out of pocket expenses due to health expenses	-.050	1.000		
Not able to meet the basic necessities of life due to health expenses	.549**	-.028	1.000	
Other expenses also increased hence not able to attend to health	.528**	-.030	.602**	1.000

*.Correlation significant at .05 level (2 tailed)
**.Correlation significant at .01 level (2 tailed)

From Table 8, we find that the r values range from .49 to .69, which means the relationship ranges from moderate to strong. Therefore we find that the people who were treated for major disease were financially impacted to a larger extent. They were not able to afford medical expenses and also were not able to meet the basic necessities. Further other expenses had also increased due to which they were not in a position to attend to their personal health also.

Table 9: Relationship between the 'treated for disease' segment on their intention not to buy health insurance based on the Out of pocket expenses

	Do not want to buy	Increased out of pocket expenses due to health expenses
Do not want to buy	1.000	-.131[*]
Increased out of pocket expenses due to health expenses	-.131[*]	1.000

*.Correlation significant at .05 level (2 tailed)

Table 10: Relationship between 'not treated for disease' and the purchase intent – 'not to buy' health insurance based on the Out of pocket expenses

	Do not want to buy	Increased out of pocket expenses due to health expenses
Do not want to buy	1.000	.392[**]
Increased out of pocket expenses due to health expenses	.392[**]	1.000

**.Correlation significant at .01 level (2 tailed

On comparing Table 9 and Table 10, it is quite evident that as the out of pocket expenses increases due to occurrence of health episodes the insureds' original purchase intent also changes. The whole attitude towards the product gets reversed. We find a negative correlation among the treated for disease respondents, which means, that, as the out of pocket increased on treatment towards disease their hostility towards health insurance decreased. Therefore we may conclude that people realize the importance of health insurance on happening of a catastrophic risk in this case a major disease.

CONCLUSION:

Segmenting is not a process of dividing the market into smaller segments rather it is identifying macro segments based on homogeneity, hence, it becomes easier for the marketers to devise and position the products better. Further, it becomes less economical for the insurers to operate in smaller segments. Hence, identifying major segments based on the homogeneity among them is pertinent for the insurers. The homogeneity in the present study is whether the individuals (or their family members) were treated for major health episode that led to huge financial crises or whether they did not face such critical situations at all. Accordingly, 2 major segments were identified i.e., treated for a major disease and not treated for major disease. Therefore, it is vital that insurers segment the market based on past experiences of the uninsureds.

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Reinventing "Value" For Business Endurance – A Case Study Of Indian Telecom Market

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ABSTRACT

This case study has been developed to understand the way in which the competitive market forces influence the positioning strategies of companies and the "value" proposition of organizations. The case is about a unique business situation created with the entry of Reliance Jio into Indian mobile telecom market. On its disruptive market entry, Reliance Jio completely rattled the strategic orientations of the telecom operators and perhaps, for a while, most of the competitors lost business balance with market uncertainties that were being unfolded. The strategic response from the competing firms was imminent by the telecom players to keep their present customers engaged as Jio in first six months had successfully captured 100 million subscribers. Leading players like Airtel spearheaded the process of reinventing the value proposition to counter the Jio impact. It was a major strategic task with huge business consequences. The case systematically analyses the market conditions and strategic reinvention of the value proposition of top telecom players Airtel, Vodafone, Idea to counter the market changes inflicted by the entry of Reliance Jio.

The public sources like newspaper articles, company websites, and magazines case study were used for developing the case.

KEYWORDS: *value proposition, Ad campaign, strategy, competitive advantage, branding.*

1. INDIAN TELECOM MARKET AND CHARACTERISTICS

One of the biggest strength of India is its size coupled with good economic progress leading to the creation of significant market opportunities for most of the products. In particular, response to Telecom industry, because of the growing demand along with the changes in other market characteristics, competition intensity also increased due to the entry of major telecom players. Indian Telecom sector became commoditized, and it is the only market in the world with more than 10 active players (ET, Nov 07, 2012).

This increase in competition also increased the choices for consumers thereby growing their expectation levels. The mobile consumer was pampered than ever before. The increased competition unfolded better options for consumer and had made the telecom market a buyer market. Under these

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changed market conditions, the organizations focus towards their value creation process becomes more critical forcing them to understand the customers from every possible perspective. This case precisely analyses the value creation and communication strategies of leading telecom players as a response to market impact created by Reliance Jio.

The case highlights the appropriate communication strategies besides creating value proposition as communication plays an essential role in capturing and retaining the consumers. For this case, four leading competitors in the market have been considered.

The following chart depicts the competition along with the market shares. The most significant player Airtel has a market share of 22% followed by ten other companies to compete for the remaining 78% market. The competition is indeed high.

Graph 1: Market share of mobile network operators as on 1 march 2017

Source: IBEF

2. KEY FACTORS THAT INFLUENCE CONSUMER DECISION MAKING?

The product is just a product for the marketer, but it is the bundle of benefits which acts as customer solution. Customers look for this "value" in a product. i.e., the consumer perceived benefit over the cost incurred in buying a product.

The purpose of choosing a network solution provider may differ from individual to individual based on the usage pattern and purpose. There are also other demographic factors influencing the selection of a network provider. However, to find the key factors affecting the purchasing of a telecom network based on priority, a primary research was carried out, and the following results and observations were revealed. The Primary data was gathered through a structured questionnaire, with a sample size of 200 and the following data shows the expectation of consumers from a telecom service provider.

Table 1: Customer response towards priority of expectation from network service provider

Expectation	Rank					Responses
	1	2	3	4	5	
Network connectivity/calls	180	20	-	-	-	200
Download speed	10	30	160	-	-	200
Data pack 3G/4G	8	146	22	20	4	200
Value added services	-	4	16	150	30	200
Service support	-	-	46	30	124	200

Source: Primary data

From the above table it is clear that the main expectation from a network service provider is for network connectivity/calls, as majority of them gave first rank, followed by data pack, download speed; value added services and service support. These are the important benefits the consumer would expect from a network provider.

3. DESIGNING VALUE PROPOSITIONS BASED ON CONSUMER "WANTS":

According to Philip Kotler, the term "Value" in marketing, also known as customer-perceived value, is the difference between a prospective customer's evaluation of the benefits and costs of one product when compared with others. The value may also be expressed as a straightforward relationship between perceived benefits and perceived costs:

Value = Benefits / Cost.

The basic underlying concept of value in marketing is human needs. (Source: Wikipedia)

The value proposition is a promise of the value that is to be delivered, communicated, and acknowledged by the customer. It is also a belief that a customer carries about how the value (benefit) will be delivered. Creating a value proposition is the heart of marketing strategy. (Kaplan, pg. 10)

Developing a value proposition is centred around a review and analysis of the core benefits that an organization intends to deliver to its prospective customers and other stakeholders outside and within the organization. It is even a positioning of value, where Value = Benefits - Cost (cost includes economic risk) (Barnes, pg. 28)

Table 2: Meaning of Value proposition

Value Proposition	All Benefits	Favorable Points of Difference
Consists of:	All benefits customers receive from a market offering	All favorable points of difference a market offering has relative to the next best alternative
Answers the customer question:	"Why should our firm purchase your offering?"	"Why should our firm purchase your offering instead of your competitor's?"
Requires:	Knowledge of own market offering	Knowledge of own market offering and next best alternative
Has the potential pitfall	Benefit assertion	Value Presumption

Source: Wikipedia

It is this value, which has to be created and communicated to reach the minds of consumers to create a market. In a high competitive market, it becomes crucial for companies to reinvent the value proposition in such a way that the consumers are not grabbed by the competitors. With the help of the below analysis about the value propositions by the telecom companies, we can understand how companies create and communicate the value propositions in a competitive market.

4. VALUE PROPOSITIONS OFFERED BY MARKET LEADERS

In the following paragraphs, the value proposition offered by the selected telecom companies has been analyzed along with their positioning statements.

4.1 AIRTEL

Airtel, entered in 1995, is one of the largest and oldest operators of telecom services in the country. It holds the major share in the telecom market. The main value proposition offered by Airtel is always "good network connectivity."

To highlight the said value proposition, some of the recent television commercials carried by the brand has been analysed below.

Advertisement One

Storyboard: A girl is riding in a bullock-cart with a friend through a forest in Ettimadai, near Coimbatore. They reach crossroads and the driver wants to know which turn to take; his wife replies—after checking the GPS on her mobile—and Girl and friend are left wide-eyed that Airtel 4G works even in such interiors

Objective: To convey the message that network is available even inside a remote village

Impression: Utilitarian, With Airtel get the network anywhere

Target Audience: Women and rural markets

Advertisement Two

Storyboard: Few Kids discuss what all a Smartphone should be able to do. They all give their opinion towards the Smartphone, and its capabilities like it should have speed like a rocket, safeguard the phone, give a solution to any problem. There is a message saying a Smartphone can be the smart when it has the smart network. i.e., Airtel.

Objective: To sensitize about purpose /advantage of using Smartphone and how good network matters in a Smartphone.

Impression: Utilitarian, Your Smartphone becomes complete with Airtel network.

Target audience: Next Generation kids and parents.

4.2 VODAFONE:

Vodafone is also a major competitor in telecom market who entered India by taking over Hutchinson India in 2011. The Vodafone has always positioned its offering with a good network as well as value added services, especially known for its Zoo Zoo Ads. Some of the value propositions by Vodafone are analyzed.

Advertisement One

Story board: The famous association of Hutch/Vodafone Pug is back, and the ad portrays a boy along with the pug beating the drum on which it is written Supernet 4G. There is a background message saying join the world's largest network.

Objective: To make people recall the brand and communicate about 4G offer

Impression: Emotional, Celebrating Vodafone's 4G presence

Target Audience: All age group

Advertisement Two

Storyboard: Vodafone came up with series of "super" associated campaigns with super-dad, super-brother, super-son, super-fan to

associate with "4G SuperNet". Following with this, the latest storyboard has an old couple looking for route maps, live streaming on Facebook, holidaying with the tag like make most of now with the strong data network. The ad also features the younger generation facilitating the usage

Objective: To make people understand the usage of network for several purposes especially socializing

Impression: Emotional, Utilitarian, and Educative

Target audience: Younger and Elder generation

4.3 IDEA

The idea is yet another major player in the market that was founded in 1995. They are well known for their value propositions that ensure that the brand name and the positioning message are always combined. They focussed on the mere purpose of using a phone. Some of the value propositions are analysed.

Advertisement One

Storyboard: A foreigner promotes a university, their courses, and placements. A boy in the audience quickly types about the university, reads the review, and gets to know that it is not a recognized university.

Objective: To convey advantage of the internet and its usage along with the offering by "Idea".

Impression: With internet get to access and know the facts, do not get fooled.

Target audience - Youth

'Idea Internet Network' seeks to empower youth with power of mobile technology

Idea spoke about how internet can change our lives. It gave the message in such a way that

Similarly, there were many other ads that included such social problems, and how the general public may get cheated, and the primary solution for all such cases is searching information over the internet. The ads had children, youth, rural consumers, a common man, in their ads and hence it targeted different sections of society with another important message saying that you can access internet on your phone anytime, anywhere.

with phone and internet one can achieve their goals and need not wait for anything.

4.4 RELIANCE JIO

Shah Rukh Khan promotes Jio welcome offer
Click here to enlarge

2016 was a prosperous year for all the people of the country because they could get unlimited calls and data free. The ad campaign of Jio was such that the purpose of subscribing jio need not be explained to the consumers, for the reason that it was offered for free. Jio hence used publicity through mass media and the message was fast spread across the country, and people started subscribing for Jio. The ad campaign used only the term "Jio" which itself meant that life to the fullest of your life. The ad campaign had people flying with a balloon on which there was Jio mentioned. It was only by the end of December there was a TV commercial which carried the message about using Jio for free until March 2017.

5. COMPETITIVE RESPONSE FOR JIO'S ENTRY

Out of all the above value propositions, Jio took the price based value proposition by offering their services free of cost, followed by minimum charges applicable, as compared to that of the competitors. Jio's value proposition was well accepted by the market. As an outcome, Jio could capture 100 million subscribers, and the number is gradually increasing. Jio once again through its price based value proposition proved that India is a price sensitive market.

It was imminent that other telecom service providers had to work on the "price aspect" **and redesign their value propositions. Some of the news headlines by major Competition in the telecom industry**

Source: Economic Times (Telecom)

Source: Economic Times (Telecom)

The above two pictures tell about the tariffs and offer given by various telecom operators. It was interesting to see that after Jio entered the market, the other telecom operators started making a steep decrease in the price of their offerings and also the value propositions. All the telecom companies were now using price-based value proposition as used by Jio to attract consumers. Jio forced other companies to bring down the price. The other competitors have no choice than re-designing their value propositions to fight for their market share, or else are sure of getting obsolete.

CONCLUSION:

Though Airtel, Vodafone, idea used path-breaking promotions through their value propositions, Jio could still capture their market share reasonably high in a short period by its "price based value proposition." Though Jio entered late to the telecom market, it changed the whole equilibrium of the market as well as the consumer expectations. Jio through its disruptive strategy was successful in disrupting the whole idea of telecom network and is slowly changing the consumer behavior in using mobile phone networks. One can use Jio as the best example to understand the price-based value proposition and branding strategies. Jio - named from a Hindi exhortation to 'live on' has successfully reached the minds of people and there is always brand association as "Free," which carries a positive impression in the minds of the long consumer way. Though other companies are pitching in now and reducing their tariff rates and few are merging with other company to gain competitive advantage, Jio has created a positive expectation and hoped in the minds of consumers. By its continuous effort, Jio successfully reached 100 million subscribers in just six months which took many years for others. As value is a benefit over cost, Jio could successfully give maximum benefit with calls, SMS, data, other value-added services, customer support all for free of cost. Now min cost of availing all these services.

Now, other companies are offering the same priced based value proposition, by cutting down their rates.

Internet was still a luxury affair for most of the people especially for the weaker section of the society. People who were economically backward, it was still a dream for many. Jio came in as a surprise gift for people who had the intention of getting internet subscribed free of cost, and for others, it was an opportunity to make free calls and all other associated services. People who already had subscribed to other telecom service providers started using Jio as their second connection. People who did not have a smart phone as Jio's offer was compatible only with the smart phones, bought one, to enjoy the "unlimited offer." Though Jio entered into the telecom industry late, it could manage to get hold the attention of the people by offering the services for free and also make them subscribed for the same. Since it was offered for free, service was utilized by all sections of the society. It is a vegetable vendor or a tender coconut seller or a small construction worker, Jio made it easy for people to think of subscribing to internet by almost all walks of life, especially the economically backward people as it was an all in one service provider including TV, movies, Music, chat, payment wallet, and many more. Jio's branding as "Unlimited and free" was like a thoughtless purchase as people had nothing to lose.

There is an enormous opportunity for mobile network operators in India, where Smartphone usage has ballooned, and services like mobile payments and online entertainment have become commonplace. It is very interesting to observe the market further to see the efforts by big giants to attract and retain the customers and sustain their business.

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Developing Reflective Practitioners Incorporating Faculty Research Into Management Education Curriculum

Dr. Padmini Ram*, Mr Ajay Kumar* and Ms. Sidra Zafar *

INTRODUCTION

The future of management education is considered bleak in India by some top executives who cite instances of management students who are seeking admission in foreign universities and low level of internationally published research papers as evidence for the same (Datta, 2016). The dissatisfaction and criticisms of management curricula are not limited to industrialists. Most scholarly articles, as well as practitioners, disparage the programmes in plain terms as "students learning the wrong things in the wrong ways, often producing people who can talk about practice rather than people who are competent practitioners"(Hoidn & Olbert-Bock, 2016). There might be others who disagree; however, the need to rethink our education models cannot be dismissed. Educationists around the world are discussing, exploring and planning what the future of university education might be like. Trends are moving away from discipline-oriented learning to interdisciplinary, problem-oriented teaching. Schools, especially those following the IB curriculum, are doing away with "subjects" and bringing in "units of inquiry". Similar tendencies are seen in university curricula. We are combining geography, demography, economics, sociology, urban planning, architecture, to figure out the problems ailing our cities or other issues such as migration or an ageing population. Students of literature are now being employed by policy analysts as we increasingly find that the language that is used to frame the problem seems to direct the policy responses. Depending on whether slums are framed as being crime infested or as an entrepreneurial hub determines how the governments deal with such issues. In imagining what our future schooling should look like, B-schools cannot be far behind. Universities are rethinking curriculums, setting up new research agendas and figuring out what student-interactions should be like. We present this paper, in that context.

The paper is divided into three sections. The first section will talk about three relevant topics in management education and the need to focus our curriculum on those aspects. The second section will focus on pedagogy, by scrutinizing our current knowledge about how learning works and what is effective teaching. The third section will elaborate on some of the steps we have taken at the School of Business Studies and Social Sciences and tie in those with the concepts that were discussed in the two prior sections.

RETHINKING THE CONTENT IN MANAGEMENT EDUCATION

Research on rethinking the management education curriculum has many facets to it.

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Management education, unlike some of the other classical disciplines, does not have a firm basis in a particular ontological and epistemological stance. If anything, it uses pragmatism as its ontology and epistemology. Some (Pratt, 2016) refer to it as "analytical eclecticism", which enables methodological synthesis and allows for inter-paradigmatic shifts in management studies and international relations. This also means that the substantive and practical relevance of what is being taught keeps changing. The content is just one aspect of re-imagining management education. However, changing the entire curriculum overnight can lead us into a blind alley. Therefore, what we see is that there has been a shift in terms of including big-data analysis, automation and the resulting technology disruption, but some key areas have remained a staple in the curriculum – focus on entrepreneurship, human skills, and research methods. These are the areas that the paper will discuss further.

ENTREPRENEURSHIP
Entrepreneurship is considered to be the driver of change and growth in an economy (Jack & Anderson, June 1999; Gorman, Hanlon, & King, 1997). Understandably then, this has led to business schools around the globe incorporating the study of entrepreneurship into their curriculum. While there are still unanswered questions about what entrepreneurship actually means and if it can be taught (Jack & Anderson, June 1999), there is no question about whether or not it should be part of the B-schools' curriculum. There is some evidence to suggest that formal education, in fact, inhibits entrepreneurship (Gorman, Hanlon, & King, 1997) by setting limits on the acceptable behaviour of managers and executives (Ghoshal, 2005). Ghosal, further states, that

by legitimizing some actions and not others, the management education shapes the "intellectual and normative order" with influences decision-making within and outside the business environment Case study based approach where students tend to analyse different situations using similar principles may reinforce this behaviour.

By questioning the ways in which entrepreneurship education can be taught, (Jack & Anderson, June 1999) consider various issues and caution against universities programs turning into a "production line for the creation of low-value SMEs". They argue for a need to develop what they call, "reflective practitioners" who have high levels of analytical ability and critical thinking.

HUMAN SKILLS IMPERATIVE
While human skills in project management is not an unknown concept, (Pant & Baroudi, 2008) research is on the evident lack of prominence given to soft skill training within university education. While there is an emphasis on the need for developing soft skills in project management, students have limited opportunities within their course structure to develop such skills, such as maybe a 4-week internship or a group assignment. Even when there is provision for soft skills training, it is often limited to the presentation or interviewing skills.

The kind of competencies that are considered critical for project success includes strong interpersonal communication wherein they can network with outsiders, build rapport, develop a shared understanding of the project working in a team with different technical competencies and cognitive aptitude. Often times, most students would be working in their own teams with fellow students

studying the same course and being trained in similar technical skills. Management training should enable students to integrate themselves seamlessly into teams of varied skill set, comprehend the situation as well as their team members to be able to "dynamically integrate appropriate leadership behaviours" (Pant & Baroudi, 2008).

RESEARCH METHODS

We live in a knowledge economy, where information is currency. Sadly though, the proliferation of data is making it harder to distinguish worthy information from all the false information or propaganda that is published. A course in research methods where they are able to create good quality data leading to new knowledge and discern quality information as consumers of this knowledge economy is crucial to making sound decisions.

Research methods have now become a core subject in almost all management curriculum. However, issues persist with regards to both relevance and rigour.

Hoidn and Olbert-Bock (2016) found that students seemed to have "only a limited understanding of scientific methods and restricted expertise in gaining evidence-based knowledge." With heavy reliance on "case examples, unscientific textbooks, non-research-oriented magazines" students were employed in companies that were "theory-abrasive" preferring practical experience to scientific knowledge for problem-solving. They recommend "pluralism in knowledge-production forms and a more holistic view of competence development in management

education" to address the pedagogic challenges with regards to teaching research methods (ibid.).

Burgoyne and Cooper (1976) discussing the choice of methods in management education mention that other than lectures and films, the usual options were case studies, business strategy games or projects. As most management students choose a career in business rather than academic research, they often label courses on research methods as irrelevant and tedious (Weybrecht, 2017; Edwards & Thatcher, 2004).

Lamenting the decreased value of research in management education, (Jone L. Pearce and Laura Huang 2012) discuss that despite the publishers and editors' requirements to clearly state the practical implications of research, an increasing proportion of management research has little or no practical relevance. They account this to the difficulty in producing an actionable research article that is also theoretically relevant. Identifying actionable research, they insist is a question of relevance not of rigour. They provide examples of research questions that would satisfy both theoretical and practical relevance, such as "When and how have individuals succeeded in changing institutions? In building support for your change program, is it more important to develop the support of as wide a set of people as possible or identify the minimum necessary coalition and direct your energy to deepen the support of that smaller set of supporters?"

Similar concerns have been voiced by key actors in the Indian Industry and B-School

environment. Mentioning a discussion with Vishal Sikka, CEO Infosys, the Dean of Indian School of Business (ISB) Rajendra Srivastava, remarks that one of the grave oversights in management education has been the overt focus on teaching students how to solve problems, rather than teaching them how to identify problems that are worth solving. There are several things that can be improved but figuring out which ones to pick is a contribution that b-schools need to focus on (Arakali, 2016).

Charles Kettering, the head of research for General Motors, is known to have said, "a problem well-stated is a problem half-solved." This, of course, holds true for in many instances. Knowing how to identify a problem, is however complicated, especially in business and social sciences. Social problems face the challenges of conceptualization and definitions, lack of environmental controls, and dynamic nature of human society, all of which often obscures the causal factors of the problem, if any.

In order to apply these concepts, we need to first understand how learning works. The next section deals with the pedagogical aspects and summarises the current understanding of how new knowledge is acquired.

HOW LEARNING WORKS?

We have borrowed the heading, "How learning works" from the book by (A. Ambrose, Bridges, DiPietro, Lovett, & Norman, 2010) titled the same. This is a book that talks about applying the science of human learning to college teaching. There are three critical parts to what is considered the science of learning:

i.Learning is a process; however, it can only be measured as a product (say a test paper) in student performances.

ii.Learning involves a change in knowledge, beliefs, attitudes and behaviour, which has long-lasting impact on how the student thinks or acts, and the decisions they make.

iii.Learning is not something that is done to students, it is what the students themselves do. It depends on how the students interpret and respond to their experiences and stimuli.

Learning works in many ways. Our prior knowledge, how we organize the information we receive, our motivations, practices, targeted feedback all heighten or hinder our learning.

One of the learning principles is that "to develop mastery, students must acquire component skills, practice integrating them, and know when to apply what they have learned." This requires reflective learning, being able to identify shortcomings in their approach and try alternate strategies that may to a more effective one (A. Ambrose, Bridges, DiPietro, Lovett, & Norman, 2010)

Marzano (2007) in the Art and Science of Teaching, deals with pertinent questions relating to the effective instruction. Some of the questions, such as how teachers can help their students effectively interact with new knowledge, deepen their understanding, generate and test hypotheses about new knowledge, and communicate high expectations, are those that most educators grapple with. There are several proven

strategies to address these issues, from goal setting to critical inputs, from active processing techniques to reciprocal teaching to non-linguistic representations. Those are all strategies we use. However, beyond such strategies, there is a new development at the School of Business Studies and Social Sciences, CHRIST, that we want to elaborate on as it addresses several of the above-mentioned pedagogical challenges.

INCORPORATING FACULTY RESEARCH INTO MANAGEMENT EDUCATION CURRICULUM

Incorporating faculty research into management education falls into the foray of what is now known as "research-led teaching". While there is some ambiguity about what "research-led teaching" is and how to define it, early definitions revolve around using "teacher's disciplinary research to benefit student learning outcomes" (Trowler& Wareham, 2008). It is not to be confused with the research on pedagogy or using research to better teaching and learning practices.

Research-led teaching can be achieved in several ways:
1) Develop an entire module or curriculum based on the research that the faculty is engaged in; the universities will have to exercise caution in this case so that research is not tailored to fit teaching needs.

2) Using students as active researchers and involving them in co-production of knowledge, wherein the extent and nature of student involvement in research activity is negotiable

3) Enhancing faculty knowledge so that they become research-active academics, who teach the relevant and up-to-date material.

The University of Cambridge's Undergraduate Research Opportunities Program me (UROP) or research-led teaching of Russell Group universities can be considered best practices where students get to work on live research projects of their faculty as members of their project team. However, these are cases where only select students get to participate.

There are similar initiatives at CHRIST. At the Kengeri and Hosur road campuses, the computer science department has brought out faculty-student research that has led to successful publications in quality journals. This year, the Department of Chemistry has introduced similar programmes. They started by asking their faculty to advertise their research interests and speak to students about it. Then the students were sent out a google form asking for their preferences with regards to research interests and the guide. The faculty we interviewed told us that the only drawback so far seemed to be that some faculty had more students than others.

Similar preferences were sought from the students at the Bannerghatta campus, however, the modus operandi differs from one cluster to another. Media Studies cluster has a similar process but with each faculty having an upper limit of ten students. The upper limit is decided on the number of students divided by the number of the faculty. The student selection is on a first come, first serve basis. Naturally then, some students might end up not working under a faculty of their choice. In Economics, the students are asked for their preference through an online form, and then the allocation is made at the cluster level in a joint meeting of all faculty.

Apart from these, there are two other programmes that we have developed at CHRIST that are more inclusive. These have not been developed for incorporating research-led teaching per se, but they certainly provide a platform to do so. The first one is called Open Electives and the second one which was introduced this year at the School of Business Studies and Social Sciences on Bannerghatta campus and is called the Common Core. Before elaborating on these two programs, it is worth mentioning that the Bannerghatta campus of CHRIST has been developed as a research-focused interdisciplinary campus. This is reflected in the courses that are offered on this campus and in the faculty profiles. Such a context definitely makes it conducive for developing innovative practices in teaching-learning.

OPEN ELECTIVES

The open elective is an accredited course that is offered across CHRIST University in different campuses. This is scheduled after the regular working hours and includes a wide variety of courses depending on the interests and skills of the faculty offering the course. The key criterion for the courses is based on the set minimum enrollment that reflects the interests of the students as well. It is based on a composite classroom concept with students from more than one grade level and discipline, who may share a common interest. This is, however, co-curricular and not part of the prescribed curriculum.

Some of the courses on offer are Gender And Popular Culture; Understanding Globalization and International Trade through Writing and Films

COMMON CORE

Common core is a new programme that is part of the curriculum for the current students. While the grade levels are the same (they are all first-year students), it is based on the interdisciplinary concept. Common core addresses the earlier questions about relevance and rigour as the courses have been designed under two large themes: *Globalization, Society and the World, and Technology and Life.* An array of courses engaging with these issues from various disciplinary perspectives is made available for students to choose from. Having an umbrella theme ensures that the courses offered are pertinent in the contemporary world.

There are 14 functional courses, with an enrollment of 846 students. Some of the courses on offer are Institutions and Informal Economy, Politics and Literature, Advertisement Psychology, Economics of Corruption, and Encountering Histories. Business cannot operate in a social and political vacuum, and so management education cannot be devoid of these perspectives. However, it is equally impractical to offer unlimited core programmes where they attend courses on everything from psychology, economics, literature, history to political science. All the while ensuring that everything they learn is current and new frontiers.

The common core, therefore, provides a feasible arrangement. By introducing courses that are based on faculty research, one can expect to work on contemporary and relevant issues (as the faculty researcher would have

had to justify the relevance of the project in their grant application). As part of the research project, the faculty would have to undertake a literature review that would ensure knowledge of new frontiers and trending areas in their field. It also provides a better understanding of the problem when it is discussed in class as students coming from different disciplines approach the issue from varied theoretical lenses.

To give an example, our course on institutions and informal economy is based on the major research project that our faculty is currently engaged in. So, for a session on critique of rational behavior in economics as a starting point for institutional economics, the students of psychology bring in behavioral aspect to the understanding, students of literature raised issues of determinism vs free will, to students political science and history brought in the idea of structural constraints, and students of business studies spoke about plurality of what rational might represent in different contexts. Students learn about other disciplinary perspectives based on their interest from their peers in a classroom setting that is facilitated by a teacher. They learn to work in multidisciplinary teams for their group evaluations and class workshops, where they are all brainstorming to resolve the same issues but with people who do not speak the same disciplinary language.

Similarly, students in this course are involved in drafting a survey questionnaire, conducting the survey, tabulation and to some extent rudimentary analysis. Drafting the survey questionnaire was one of the assessments for the class, wherein they had to take complex theoretical concepts such as information asymmetry or bargaining power and operationalize these to be expressed, understood and measured in layman terms. For this task, the class was divided into six groups, each of which had students from different disciplines. The major research project on which this common core module is based is a study of the interaction between formal and informal institutions at Ragi Kana, which is an informal weekly market. Having drafted the survey, the faculty will go through all six surveys, give individual feedback, discuss them in class, and then combine them to form one questionnaire. This is the one which the students will use to collect data on at Ragi Kana. The data thus collected will be used for writing research papers where the class will be collectively acknowledged. This is a point that was discussed on the very first day of the session, and is part of the course plan.

The Centre for Teaching and Learning, which is tasked with improving teaching practices and learning experiences at the university conducted a survey recently (starting 13th August 2018) in an attempt to get some preliminary data. The students have only been enrolled in these common core courses for three months now and hence, this analysis can be treated as initiation feedback. This data is from the anonymous feedback of 504 students. The online form is active and is still accepting responses.

Figure 1: Students' overall experience/satisfaction with their courses.
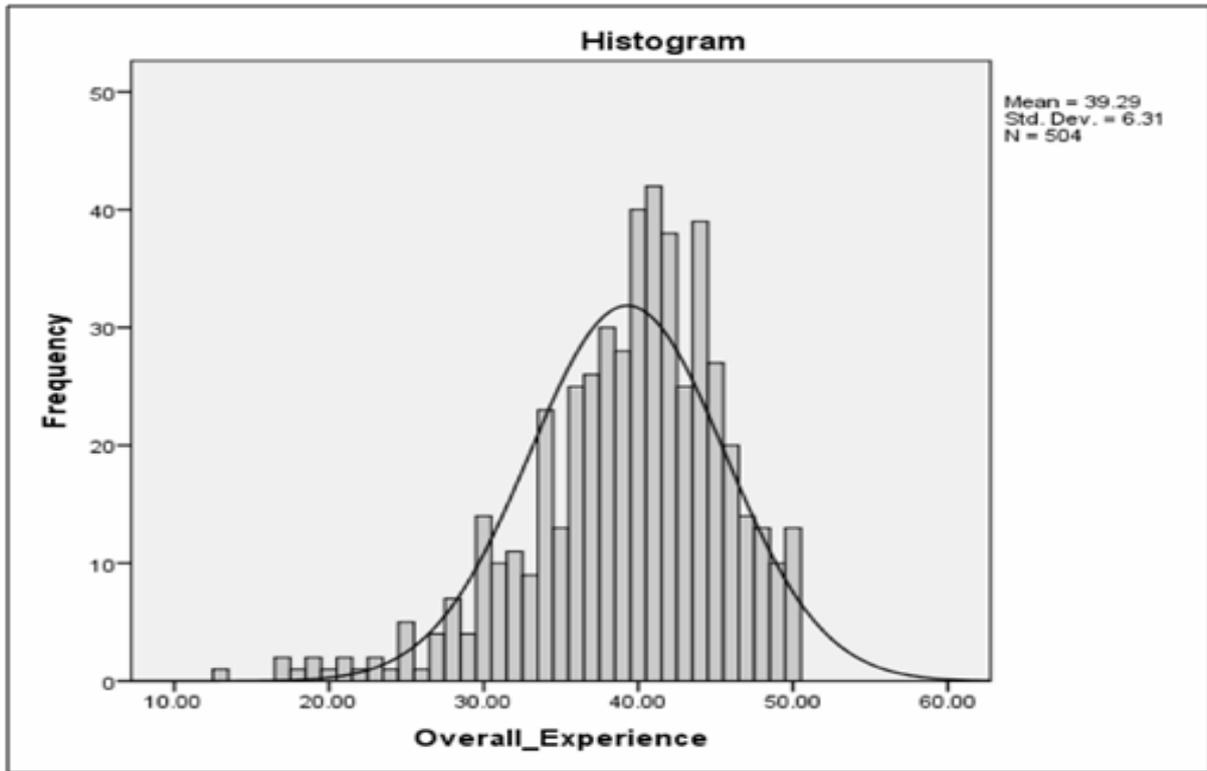

Figure 2: Students' overall satisfaction with their courses in terms of experience categories.
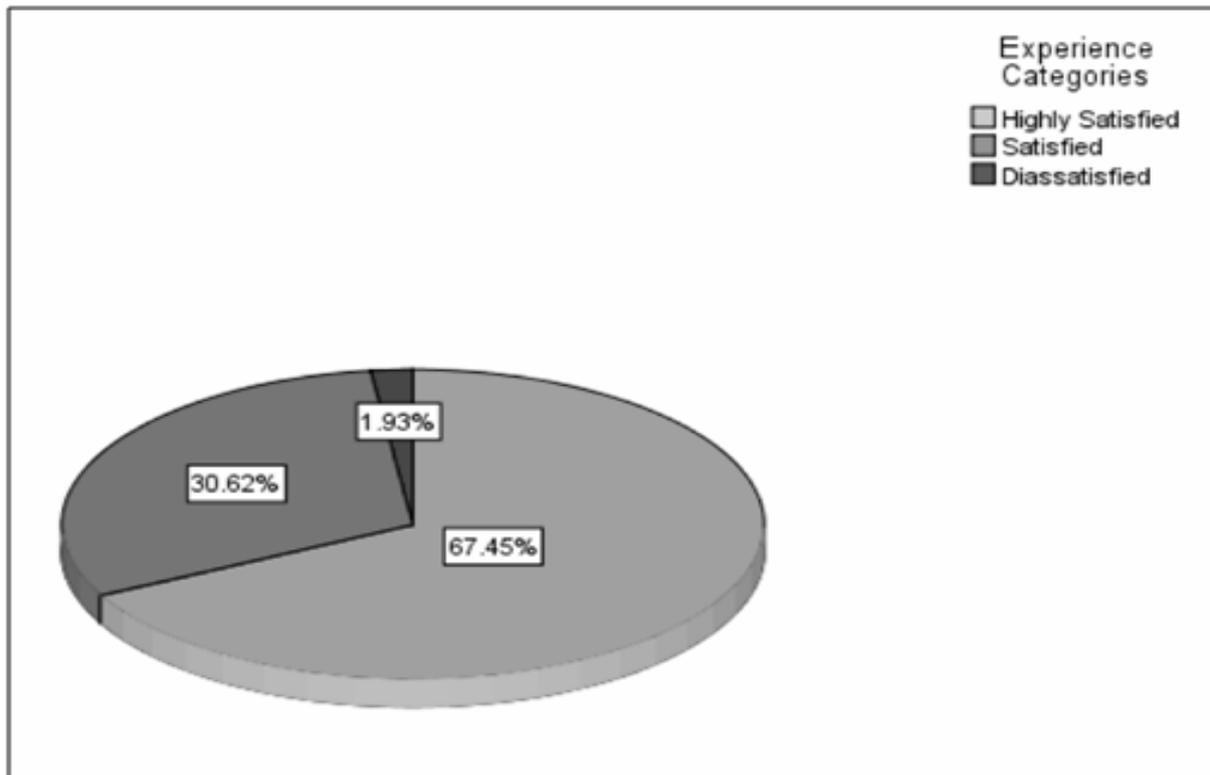
With over 67 per cent being highly satisfied and nearly 31 per cent satisfied students, the common core can be termed successful with reasonable confidence. The satisfaction level for individual courses will, of course, differ. The following table presents the feedback for one course on Institutions and Informal Economy. The table provides the data in terms of all the questions asked, with a rating from 1-5 where 1 is "strongly disagree" and 5 is "strongly agree".

Table 1: Students' Feedback on the Common Core - Institutions and Informal Economy

Questions	N	Mean (Rating from 1-5 where 1 is "strongly disagree" and 5 is "strongly agree")	Std. Deviation
The course is meeting my expectations for the interdisciplinary approach.	31	4.16	.820
I understand and grasp all concepts	31	3.77	.884
The themes discussed in class are difficult for me to comprehend.	31	3.03	1.169
I enjoy the opportunity to discuss critical topics with students from varied disciplines	31	4.03	.795
The course has made me think from an interdisciplinary perspective	31	3.90	.870
I could engage in more meaningful conversations after taking up this course.	31	3.90	.831
The teacher is knowledgeable to clear all my doubts.	31	4.68	.599
The course is contradicting my beliefs and value systems.	31	2.90	1.350
I could clearly visualize the framework within which my CC sessions are proceeding.	31	3.68	1.045
Most of the times, the classroom discussions are vague or irrelevant to me	31	2.06	.892

As with the student intake, the courses that were popular will most likely be offered again, whereas others might need some calibration in terms of either content or delivery, or both. Issues are likely to emerge, as with any new development, but those will have to be addressed as and when they arise.

CONNECTING THE DOTS

Steve Jobs, the then CEO of Apple Computer and of Pixar Animation Studios, on June 12, 2005, delivered his Commencement address at Stanford University, which was titled, "connecting the dots". The speech was largely about how the varied seemingly unrelated aspects of his life, such as taking a course of calligraphy led to the first computer with beautiful topography and various fonts and scripts that were later introduced in windows. He maintains that it is impossible to connect the dots looking at the future; it has to be made in hindsight. In the meanwhile, one has to make choices based on one's interest and instinct. Our take away from this speech is that watertight disciplinary boundaries, perhaps, hinder more than they augment learning. In providing an interdisciplinary research-based background, the university is providing a platform for critical multi-perspectivity learning that certainly has a place in management education.

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Post-crisis Management With Afocus On Communication In Volkswagen Emissions Scandal

Prashant Mishra*

ABSTRACT

On September 18, 2015 diesel cars manufacturer the Volkswagen (VW) Group was accused of equipping the cars with a cheating software'defeat device' that reduced the values of NO2 and other emission gases to acceptable levels while in reality, they were much higher than that. There have been immensefinancial losses, shares have lost value, and the reputation of VW has suffered substantially among consumers and other stakeholders. In this paper, the crisis management strategies of the company, focusing mostly on the aspects of crisis communication have been reviewed. Situational Crisis Communication Theory (SCCT) has also been studied. The communication behavior of the company and various stakeholders is analyzed in response to the crisis situation, through review of research data and literature survey of the research papers and articles. From the literature, it was found that the evaluation of stakeholdersof VW Group's post-crisis managementwas on a modest level and there has been a match between the selected response strategy of the companyand the strategy suggested by the SCCT.

KEYWORDS: *Situational Crisis Communication Theory, Volkswagen Emissions Scandal, US Environment Protection Agency, crisis responsibility, crisis communication strategies*

1. INTRODUCTION

A case that dominated news headlines for months in Germany and across the globe is the Volkswagen Emissions Scandal. VW Groupis a German automobile manufacturer that produces around 12 car brands, which include VW, Audi, Seat, Skoda, Porsche, Lamborghini, etc. It is one of the largest car-makers in Europe (The Group, 2014). The VW scandal became public on September 18, 2015 when the US Environment Protection Agency (EPA) published a report with reference tothe cheating software and diesel dupe in certain VW diesel engines (for

instance, of the type EA189). The EPA wanted the VW Group in the United States of America (USA) to take all necessary action and rectify the situation.

1.1 Volkswagen Emission Scandal

Volkswagenwas hit with a huge penalty in the US for the emission scandal and faceda financial loss of about 18.2 billion Euros,which inevitably cut down 30,000 jobs (Times, 2016). The damage to the reputation of the company remained substantial. It was also withdrawn from the WRC class to cut costs after it hadwon the world championships several times (WRC, 2016).

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The VW Group had builta strong reputation over the years and was well-known for its potential and honesty (Griffin & Fombrun, 2015). Reputation is an intangible asset foranorganization (Coombs, 2007; Coombs & Holla day, 2006). It helps in determining credibility among the consumers, the commitment of employees towards the company, and a better financial performance (Fombrun & van Riel, 2004). However, crises like the VW emissions scandal can impair the rapport of the company, bringing negative outcomes (Coombs, 2007 a). When a company earns bad rapport whether it is the effect of a scandal or a crime, it becomes difficult for a business to be conducted (Coombs, 2007; Coombs & Holladay, 2008).

Since the emissions scandal outlines several issues such as falling shares and declining sales, it was regarded as a crisis for the car manufacturer and created thesevere problem in the automotive industry of product recalls (Geier, 2015; Birchall & Milne, 2009). In an attempt to compensate for the emission violation, a voluntary recall was issued by VW as a public apology.

Furthermore, with VW executives setting out to deliberately and criminally breaking the law, the VW emissions scandal became an especially severe crisis (Vizard, 2015). The research outside North America is less and agreater insight into international crises is required to resolve the issue (Lee, 2004; Coombs, 2014). Therefore, a brief evaluation of the VW emission scandal would enhance the field of crisis communication research and would present the corporation with valuable facts and data about how crisis communication can be applied to save the reputation of an organization from a crisis (Coombs, 2007a).

1.2 The Importance Of Business Reputation

With the crisis, VW sacrificed the reputation for what it stood in the market. The damage of reputation does not limit to a brand but spreads to the portfolio brands as well. Any type of organizational crisis can be a threat to the operations; production might need to be altered and product recalls to be implemented. The degree of recovery entirely depends on how well an organization addresses the problem and resolves the internal issues. The rise of digitalism has led to a heightened perception of the values that people, nations, and companies signify.It would bode well for an international organization to not knowingly trifle with the 'corporate social responsibility (CSR)' that is borne upon it. It has been witnessed that breach of law or low-grade production can endanger the reputation of a multinational company for the media is keeping a hawk's eye watch for even the slightest infractions which could cause severe repercussions for an organization's reputation.

1.3 Introduction to Crisis Communication

Crisis communication is a special wing that deals with the reputation of an individual and organization. The crisis communication process is divided into three phases: (a) pre-crisis, (b) crisis response, (c) post-crisis. The pre-crisis phase works on prevention and preparation while the crisis response phase is a time when the management responds to the situation; the post-crisis phase prepares for the next crisis.

During the time of disaster, the organization must fulfill its ethical responsibilities rather than focusing on its rapport. Business firms hire aCrisis Communication team to help overcome tough timesfor the company and

maintain the reputation as well as position in the market. It is significantly important to focus on the key points of a crisis in association with the brand and products so as to provide the best resolution post-crisis.

The scholarly discussion on crisis communication suggests that crisis planning has the potential to diminish the incidence and intensity of the crisis. Generally, companies and organizations build response strategies on the basis of crisis planning methodologies. Meng (1992) observes that a crisis can be activated by a trigger event related to performance in public relations, for instance, caused by unethical actions. When an organization fails to deliver expected results, CSR challenges turn into a crisis, resulting in a reputational crisis (Friederike Schultz & Stefan Wehmeier, 2010).

2. THEORETICAL FRAMEWORK

The SCCT was developed by Coombs (2007) in order to provide solutions to a variety of crisis types by serving as a mechanism which would guide the response strategies to be taken up. The components of the model are shown in Figure 1.

Figure 1: Crisis situation model of SCCT
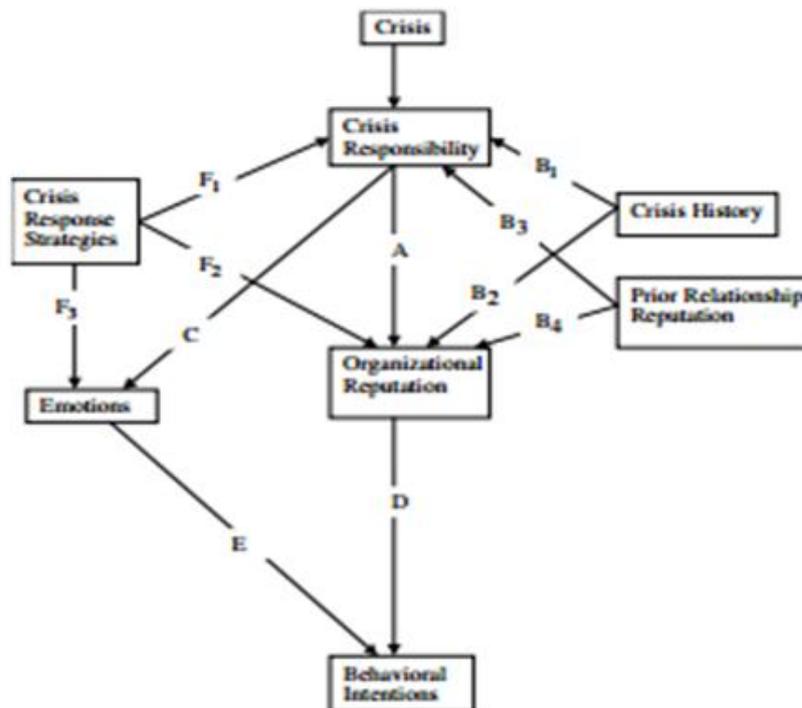
The Situational Crisis Communication Theory serves as an evidence-based framework which provides specific response strategies in the face of differentcrisis situations. Organizational reputation refers to the reputation of the brand among the stakeholders and its protection during the crisis. During the crisis, situation trust is the main attribute that is at stake and is responsible for threats to the reputation of the organization (Coombs, 2007). Crisis resolution demands companies to adopt operational, commercial, financial, or labour-related decisions, and good communication management to keep its image clean and safe from the irreversible damage. The initial crisis responsibilities (attribution) including crisis history and prior relational reputation help crisis managers to predict the level of reputational threat and public response in relation to the crisis. In addition, crisis responsibility also explains to what extent any central organization can be held responsible for a crisis. It also points out the injuries of the people, losses of property, product failures, etc. Thus, crisis response strategies refer to the strategies that can be applied by the focal organization to resolve a crisis.

Crisis communication strategies directed towards the stakeholders, including employees, customers, authorities, traditional and social media audiences form an important part of this component of crisis response. Crisis prevention and management plan helps in minimizing the impact of difficult situations there by preparing them for worst-case scenarios. Another strategy is to provide financial compensations for customers who have suffered financial losses, injuries, etc. The provision to grant compensation to customers in product or services failure point towards the focal organizations' positive intentions whereas an apology given to the stakeholders shows the organization's acceptance of responsibility for its actions as well as failures and efforts to listen and engage with stakeholders.

In Figure 1, emotions indicate the emotions of the stakeholders which are raised by the occurrence of the crisis and behavioral intentions refer to the behavior of the stakeholders directly or indirectly towards the focal organization in the case of a crisis. Again in Figure 1, the arrows indicate the causal and other relationships between the various components [see (Coombs, 2007) for further information].

When it comes to involvement, an organization can be said to be involved in a crisis in three sign if I cant ways: (i) it can be a sufferer [the victim cluster in (Coombs, 2007)], (ii) it can be engrossed in numerous unintended accidents (accidental cluster), and (iii) it can be involved in events that could have been stopped by the organization (preventable cluster). A typical instance of the first cluster is when a sudden earthquake or terrorist attack occurs, damaging the infrastructure of an organization. Unintentional accidents may manifest in the form of technical-error accidents and in the final cluster, an organization intentionally places people at risk, takes inappropriate actions, or violates law / regulation. The VW emission scandal case is a clear example of this third cluster.

The evolution of a crisis takes place during a certain period of time (Dougall, 2008). According to Dougall (2008) and

Meng(1992), five stages of a crisis can be identified which include: early, emerging, current, crisis, and dormant. These stages follow each other in time with growing intensity, with one stage turning into the following one until the crisis falls into the last dormant stage. At the same time, issues continue to spiral out of hand for the focal organizations at the centre of the crisis. Social media is one of the most fertile grounds for the spread of issues. This platform provides consumers, competitors, and activists vent complaints and concerns. This process spreads information, rumor, and speculations more rapidly and amplifies messages very quickly (Coombs, 2002). Therefore, social media can be instrumental in leading an issue from an early to the crisis stage with the great rapidity with animmediate high media attention. From an organizational perspective, the immediate formulation of response strategies prevents the further spread of news on the issue much before it reaches the crisis stage (Dougall, 2008). This activity is referred to as preventing the crisis. If these strategies are applied before an issue turns into a crisis, they can prevent it from reaching the full crisis stage, thereby decreasing reputational and financial losses for the organization. In the alternate scenario, if a para-crisis is neglected and not checked in the initial stages, it could result in giant financial losses requiring a prolonged recovery.

In the present study, the aforementioned theoretical concepts are examined by using the SCCT as groundwork (Coombs 2007a). SCCT is one of the best theories for understanding the components of a crisis to apply proper cris is communication and save the reputation of an organization from getting damaged (Coombs, 2007a).

3. THEORY

This research study will observe the crisis response strategies used by the VW Group to analyze the recommended stratagem of the SCCT model. The under-mentioned hypotheses on VW will be (dis)confirmed throughout the research paper. The hypothesis assumes that one unethical step can negatively impact the reputation of the company. However, it is very important to respond clearly after a crisis which can diminish the negative impact on the post-crisis reputation. The worse VW evaluates the emission scandal, the worse will become the reputation of the corporation. As more people will feel sympathetic about the brand in the context of the emission scandal, the reputation of the VW group inevitably increase.

Hypothesis: The response strategy proposed by the SCCT complements the selected response strategy of the organization.

4. THE VOLKSWAGEN CRISIS IN THE LIGHT OF SITUATIONAL CRISIS COMMUNICATION THEORY

Let us take a brief look at the responsibility aspects of SCCT, i.e. attribution issues. The organization VW it self has to be blamed for the faulty consumer product and this case clearly belongs to the preventable cluster. It could have been possible to avoid problems (if detected early) with a more rigorous leadership and internal communication. The VW Group, the famous car manufacturing company has only itself to blame for cheating on the emission rules with the help of illegal devices. VW faces unlimited fines and criminal charges for deceiving environmental tests. However, this problem could have been avoided with more rigorous leadership and internal communication. This case clearly

belongs to the preventable cluster. With a more rigorous leadership and internal communication, the problems could have been avoided or detected early enough.

The emissions cause an environmental hazard and implicitly pose health problems for a wider population. The products used for testing violate the environment norms enforced by the local authorities. VW purposely designed and employed the cheating software in the car engines. It was not a mistake; rather some designers or production plants did this deliberately.

Volkswagen formulated a strategy, which was to refute the problems for as long as possible. As discussed, the nitrogen oxide (NOx) emission released by the auto mobiles was denied by the company for almost a year before the US environment authorities made it public in September 2015 and the company had to publicly admit that they used unethical software to test the environment and violated the Clean Air Act (Zhang et al., 2016). They apologized to the stakeholders for the harm caused to them and admitted that the deceptive software development was started way back in 2006 (NDR, 2016b). The CEO of VW, Martin Winterkorn, resigned from his position as he was aware of the software evidently since May 2014 (NDR, 2016b). It was quite evident from the reports that since spring 2016, Audi gasoline and diesel engines were using deceptive software for environmental testing. Some models of Audi were intentionally programmed with turbocharged direct injection (TDI) diesel engines to activate their emissions controls only during laboratory emission testing and to meet US standards during regulatory testing. With the help of such unethical means, VW Group was able to clear the

carbon dioxide (CO2) emission test. The software was used to suppress the real CO2 values, thereby lowering figures in testing situations, while they produced higher NOx in real-time driving. The engines emitted NOx pollutants up to forty times that what was actually allowed in the US. The use of this devious software was found in an Audi car during summer 2016 by the California Air Resources Board (CARB). According to *The Washington Post* the issue was published by CARB relying on the Bildam Sonn tag Report (in German) from November 4, 2016. So, it is comprehensible from the aforementioned report that it was the over all strategy of VW to use the devious software till the time they were not trapped and once caught, they would admit their fault. From the chronological record of events, it became clear that the top-most management was aware of the use of fraudulent software for NOx at the end of August 2015 and probably much earlier (NDR, 2016 a).

Ordinary car owners were quite unaware of the cheating software employed in the VW and Audi cars. So as to reveal its existence a sophisticated emission test series was required. During this time, the US EPA used their power and stepped in the VW case to uncover the scam. The environment authority played an important role in the development of the crisis and uncovering the truth. In addition, the VW crisis continues after 24 months. The VW Group suffered considerable financial losses of around 18 billion dollars thereby affecting the well-established company for years. However, it is left to be seen how long does it take for the company to recover its reputation among the consumers in the coming years.

Also, the VW diesel scandal is classified as a transgression relating to the internal-intentional dimension of the SCCT matrix. The trigger event was the development and installment of illegal software in automotive products, which was imposed by internal and intentional forces. VW deliberately placed the public at risk/harm. The management of VW announced the most expensive reformation process in the history of the firm. There was felt a need for change on account of the damage that the scandal had unleashed on the operations. Every individual consumer suffered from the loss in the value of the car they bought. Moreover, the damage to the general public has increased because of the environmental harm (due to an increase in the emissions). Therefore, the damage of the VW emissions scandal is severe. Nonetheless, due to the excellent quality of products until the date of the emissions scandal and that the image of the firm as a German car manufacturing company was commendable; its per for mance history could be described as positive. The latter evaluation leads to 'Mortifcation' or 'Ingratiation' of the optimal strategies in response to the victims as well as non-victims, respectively. The timeline of the cris is began on September18 with the USEPA claiming that in more than 4,75,000 cars sold in USA, VW had installed software that enabled the company to scam one mission tests. On September 22, 2015, VW admitted that 11 million diesel vehicles worldwide were fitted with such deceptive software.

The car brand appointed new chief executive officer (CEO) and commissioned an external investigation by the US law firm Jones Day. On October 8, 2015, the US executive, Michael Horn, affirmed before Congress and expressed an apology for the same and put the blame on 'a couple of software engineers'.

This event indicated the first approach to ward VW's crisis communication strategy and the apology can be regarded as a mortification strategy. The VW Group attemptedat winning the forgiveness of victims and non-victims, as well as accepted their scam mistake.

As a result, the research hypothesis associated with the VW case is confirmed. The response strategy that was suggested by the SCCT complements the selected response strategy of the firm.

5. CONCLUSION

This study makes an integration of attributions like crisis communication, image restoration, and post-crisis reputation. The emission scandal requires VW to embark ona fully sensible crisis management solution that is characterized by a highly responsive and purposive communication strategy to recover the trust of the public. VW was fairly warned by the US environmental agency regarding the scam. Regardless of what accounted for its decision, VW should have focused on the research findings and should have quickly employed corrective measures before the EPA's investigation.

Volkswagen should have made more efforts towards covering up instead of preventing the crisis. In other words, the failure of managing and supervising issue swiftly led VW into the biggest scandal in its history. It is logical that VW Group was busy with its internal restructuring during the initial days when the scandal broke out. It was expected from the company to distance it self from the outgoing management, so as to indicate seriousness in handling the crisis and restoring public assurance for the company. However, it took over a week for VW to correspond to the

action plan and address technical matters of the affected cars by providing online service for customers to enquire about the cars. The slow response shown by VW in reaching out the affected customers shows the cautious approach adopted by the organization in drawing the action plan to assure shareholders and employees about its business plan.

However, this cautious approach was ill-advised as it infringed upon the right of customers to be updated about the crisis and its remedial measures. Moreover, being vigilant should not reduce the ability of VW to be prompt in satisfying its customers, particularly the sense of loss and violation of trust they share. VW can be given credit for its thoughtful apology despite the delay in the response. The firm apologized for breaching the trust of the general public and assured full assistance in the inspection of the scandal. VW in corporated appropriate measures in place by responding to its wrongdoing despite the fact that investigation was still on going at that time and conveyed consistent messages through its top brass. The VW scandal demonstrates that no business is guarded against the crisis. That is what crisis communication is all about. It is very important for a company to stay in the know about every issue and be acquainted with possible threats or opportunities at hand and immediately employ corrective measures to prevent issues from rising into a crisis.

It is very important for an organization to remain cautious while preparing responses and action plans that are required to be balanced with promptness thereby reducing the growing distrust of the customers. Today, with technological advancements the information is shared out very quickly, enabling customers to discern their purchases.

Finally, it is vital for the top management to claim responsibility, ensure full cooperation, and deliver consistent messages during the crisis. VW is considered as a good example in this relation. It is anticipated that the VW Group will soon recover from this crisis with the realization of its promises. Since a good reputation results from good performance, it is necessary for it to be communicated appropriately to the public.

Numerous issues could turn into crises when activators like social media discourse, electronic word-of-mouth, or other triggers occur. Before an event turns into a real crisis, it is very crucial for the company to opt for effective measures to shield and shelter the reputation of the focal organization. If proper measures are not taken, crises can bring an extremely negative impact on organizations causing financial and reputational loss. To prevent the crisis to emerge, organizations must use the power of communication. By paying an adequate amount of attention at the early stages of a crisis, it would be easy to protect the proper functioning of a focal organization, which needs continuous monitoring of public opinions expressed on social media platforms.

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Kitchen Process Outsourcing - Case Study

Dr. Sumanth K* & Dr. Kiran Gangaiah*

INTRODUCTION

An organization would like to automate or outsource redundant tasks to experts who can efficiently and accurately deliver the required output. Knowledge Process Outsourcing was one such industry which grew with this basic principle. This enables organizations to invest time in innovation and spend quality time in core business requirements. Indian kitchens are probably moving in the similar direction. Business opportunists have identified many processes in Indian kitchen which are scalable with sustained revenue generating sources and assured ready market. Ready to eat, heat and eat, instant food etc. have been very fascinating and successful market opportunities. Though the idea was to reduce the effort in the Indian kitchen, replacing homemade fresh food with packed or instant food to be used regularly in an Indian consumer's kitchen is challenging even today. Readers of this case can easily connect with this scenario where preference over homemade food is more than the packed or instant foods.

Pillsbury Chakki Fresh Atta was introduced in the year 1998 by General Mills. A step backward was a saga of purchasing quality whole wheat grains, cleaning and drying it in hot sun, finding a flour mill as near as possible, standing in the queue, all this was to get the fine grinded atta (flour). Packed flour to Indian kitchen was introduction of convenience. Today likes of Aashirvaad have become Rs. 4000 Crore worth a brand[1] acquiring new markets at the rate of 16% to 17% of CAGR[1]. Another indispensable part of Indian kitchen is ginger garlic paste which has gained a lot of traction across the country. Such products have got introduced every now and then and have had a long run in the National and International market. These kinds of products have built confidence in large scale, small scale and rural industries as the market has a wide spread and scope.

It is important to clearly understand the difference between ready to eat, instant food kind of products and ready to cook products that are available in the market today. RTC i.e ready to eat is commonly referred to all the packed foods. In this case study products like Idlidosa batter, Vada batter and coffee decoction are the best examples that needs to be kept in mind as the scope for this case discussion. This case is completely based on such products which is expected to change the Indian kitchen processes, consumptions habits and patterns and art of cooking!This kind of a business model canbe named as Kitchen Process Outsourcing though hardly found in the literature.

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BACKGROUND

Indian values, culture, and gastronomical needs of the consumers increases the verity and diversity of foods. Eating habits change in every state sometimes even every town has a unique cooking preference and taste. Indian cooking practises or processes are generally lengthy and expect time and effort to result the right taste. But Indian socio-economic conditions have changed over a period. Higher per capita income, urbanization, shift from joint families to nuclear families, growing percentage of working women etc. has changed the dynamics in the Indian kitchen. The change has however not shifted the consumer's preference but asks for the traditional or homemade taste. Quality benchmark of taste is always referred to " as cooked by a mother" or "grandmother's recipe". Advertisers have been exploiting this emotional element to convince Indian consumers.

Indian cooking style is labour intensive, but advancement of technology has still managed to keep up the expectation on scalability and constant quality. The concept of ready to cook food was developed by the United States military to be consumed by the soldiers as on-the-go food items where organised food facilities were not available[4]. Today's young working class expects everything to be quick but quality conscious and ready to cook food plays an important role in such consumer's daily life. When the businesses are shifting gears to meet the needs of Millenia's, cooking process is bound to change and in India, traditional taste does not seem to be vanishing soon.

Kitchen Process Outsourcing is a phrase that is hardly found in the literature but unknowingly every kitchen has one or the other process outsourced since a long time. In Chennai a southern state of India, is an evidence where small scale entrepreneurs were selling batter at Rs.10 where start-ups like iD fresh foods with massive capital backing had to reengineer the strategy of selling batter in that market[3]. Prior to the success story of Pillsbury Chakki Fresh Atta or Aashivaad Atta most of the Indian consumer of wheat flour was in search of the best grinding mill but it's a different experience today. Similarly, products like idli batter have tasted success in the overcrowded packed food market (Instant foods). Ready to cook market is pegged to be at Rs 275 crores in 2018 and expecting to hit Rs 300 crore in 2019 says founder of iD fresh foods[2,3]. "The ready-to-cook product market is on a steep rise in the top cities. Bengaluru, Hyderabad, Chennai etc have a large migrant population of professionals and are the largest market for these products. Once a good delivery model is set up, these products become household names and families become dependent on them for their daily meal," said Sreedhar Prasad, partner at KPMG in India[3]. India's ready to cook food market is estimated to reach $382.06 million by end of 2017[4]. It is important to observe that such products are not new in the market. These products were earlier produced in the informal sector and now getting packed, launched under a brand, marketed well and trying to gain market share aggressively in a formal set up.

INGREDIENTS OF SUCCESS

Process flow chart of cooking can have the following stages. Every consumer of food expects the dish to be fresh and these days its expected to be made of organic ingredients as well. As said earlier, it is time consuming, labour intensive and it's an art as considered by many. Not all are good cooks to set ingredients right!
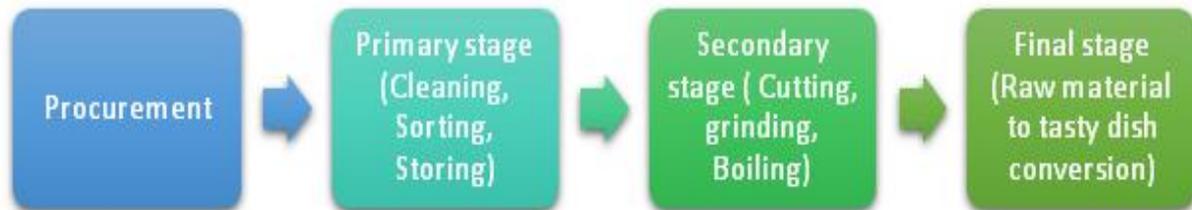
In such a health-conscious market, processed and packed food is perceived to have preservatives and cause health hazards. Many existing instant foods with imposed long shelf life is finding it difficult to convivence the consumer over the perception that prevails. Ready to cook products are ideally those which pull out processes from the kitchen and provides ingredients that are ready for the last stage of cooking as mentioned in the above illustration. So ideally the products that seeks purchasing decision and execution of final steps to convert the ready ingredients to a tasty dish are the next successful products that we can experience in the market. iD, Nandini, Hallimane, Assal and many more have come up with products which are ensuring kitchen process is outsourced by providing ready ingredients.

Milk as a product has a very short life span. If milk can be processed, packed and transported to the end customer, then there are many products that can be sold which are cooking ready. Businesses should only emphasis marketing strategies to change the perception and align towards health, freshness and effortless followed by setting up a hygienic, robust and sustainable supply chain. iD fresh foods as an example was able to convince the customer that their products do not have any preservatives, ready to cook, available at the nearest retail outlet and this narrative was followed by its competitors as well. Working class did not hesitate to try and product never found a comfortable place on shelf but reached Indian kitchen.
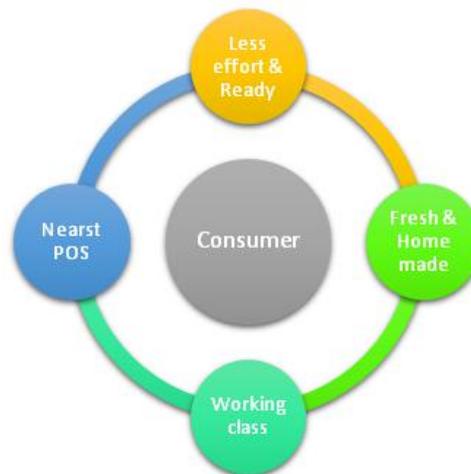
CONSUMER'S LOOK OUT

A focused group discussion was conducted to study the major factors that are considered by a consumer who is a regular consumer of ready to cook product (ready to cook- as explained in the context of this case study). Focused group consisted of a working woman and millennials in the age bracket of 18 years to 36 years. This group consisted of 13 members. All the group members are regular consumers of Idly or dosa batter. This product is on its best run rate of sale month on month, hence the choice of the product for discussion. Following questions were asked and theme of answers are explained.

Why don't you prepare batter yourself? – This question was asked to check if effort and time makes the difference in a consumer's buying decision. Don't you think preservatives impact your health? – this question was asked to validate health consciousness and awareness about the contents of the product. You can grind a cheaper batter at home, your opinion? – This question was to judge what is consumer willing to pay for?

All the respondents believed that grinding batter at home involves effort and investment of time. Millennials would like to concentrate on what next and working class wanted to utilize time better. Products are gaining traction in metro cities where travel time is a major concern, opportunity to save time, utilise time better is always looked for. Buying a packet of ready batter which claims to have no preservatives was the reason to buy. Ideally a batter grinded at home can be used for a couple of days if stored in the right condition. All the brands in the market have a smaller shelf life which is just the way a homemade batter is. When a brand claims to have no preservatives and expects to have similar shelf life, consumers believe it to have no preservatives. Rather consumers were expecting the product to be prepared in a hygienic environment as the brand is well known in the market. During the discussion it was also observed that cooking is a passion and not everyone needs to have it. So, a consistent out put was always a challenge. If someone who is an expert can get the required ingredient ready, why not buy it and cook a tasty dish at home? This emphasises the fact

that if consistent, quality and a product that can add value in a consumer's life style, consumer is willing to pay for the same. The discussion can be summarised in a way that it has set a value proposition for Kitchen Process Outsourcing. Schematically the following can be a value proposition for new product introduction in this segment.

THE FUTURE STATE OF BUSINESS

Considering the above as core value proposition, Indian kitchen, Indian culinary has many opportunities to tap and deliver such products mixes. Few proposed products could be ready dough for various rotis that suites Indian taste. Cooked Daal could be an option to look at. Grinded masalas for gravy recipes and the list can go on regionally and nationally. Start eco system will not need much time innovate in this market. If a South Indian Vada batter can be sold in an innovative package by iD fresh foods, expecting many such product line up by competitors is just a matter of time.

The rural market may not respond well to such products currently, but it is a source of affordable manufacturing for all of it that can be sold in the urban markets. Manpower, resources, skill and logistics are in fairly good shape in the country which need not be a hinderance today. Business scalability is very much possible as the products and markets have outperformed. Social entrepreneurship can also lead to cost effective way of addressing the large demand in this labour-intensive and capital-intensive industry. Kitchen process outsourcing is an industry to be nurtured if sustained supply chain is set up, quality healthy product mix is designed and marketed right. Consumer is ready to pay for it.

CASE USAGE

This case can be used to understand the following scenarios:

New product introduction and Value proposition of the product. Collecting Voice of customer and understanding cultural, regional differences and expectations. Importance of innovation without diluting emotional and traditional quotient. Sustainable supply chain to feed the demand. Social entrepreneurship model leading to inclusiveness of rural sector of the country.

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Psychological Contract Concept & Model

Anil Kumar Patro*, Prof. Bill Stroube* & Dr. S. Manjunath*

ABSTRACT

Various empirical studies have shown that the work culture and the work environment have changed globally including India where the economic environment underwent significant challenges following the inception of liberalization in 1991 and other reforms inviting increased domestic and foreign competition. This in turn resulted in significant move from traditional line management organization to recent matrix management organization due to changing nature of jobs, downsizing, globalization, outsourcing, restructuring, cost optimization, technological innovation, automation, business cyclicality and changing customer expectations.

These organizational challenges made a change in the psychological contract concept focusing on the employee-employer relationship, encompassing expectations (pre-Rousseau period definitions), promises and obligations (post-Rousseau period definitions) between employer and employee. An enduring and mutually beneficial employee and employer relationship can be achieved by mutual promises and obligations, so that different objectives for mutual betterment of both parties can be attained.

The psychological contract concepts are well established in the west but gaining prominence and attention in India recently on fulfillment or non-fulfillment of mutual expectations, obligations and promises between employer and employees relationship i.e. the assumptions about what each of them need to offer and are willing to deliver based on various issues being surfaced between both parties in the relationship.

The psychological contract theories recapitulates about the association between an employee and it's immediate supervisor or manager who represents the employer. Both parties in this association demonstrate the hidden, unspoken and unwritten mutual expectations, promises and obligations, which can not be measured. We have taken major efforts to thoroughly understand the concept of psychological contract including its definition, evolvement, contents, prominent psychological contract conceptual frameworks (Denise M. Rousseau, 2000 and Davie E. Guest, 2004), prominent psychological contract models (Venn Diagram & Iceberg Diagram), psychological contract breach / violation and its consequences. This study aims to explain psychological contract concept in a simple manner, enabling employer, business and human resource professionals to re-visit their employee engagement practices from the psychological contract perspective leading to the determination of attitude and behavior of employees.

KEYWORDS: *Psychological Contract, Employment Contract, Psychology, Organization, Conceptual Framework, Venn Diagram, Iceberg Model, Employee, Employer, Relationship, Breach, Violation*

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INTRODUCTION:

In 1991, after the inception of liberalization and other reforms inviting increased domestic and foreign competition, the economic environment in India witnessed significant challenges. This in turn resulted in significant move from traditional organization to recent functioning of the organization in terms of nature of jobs, downsizing, globalization, outsourcing, re-structuring, cost optimization, technological innovation, automation, business cyclicality and changing customer expectations made a change in the attention to the psychological contract concept focusing the relationship between two parties in the employment relationship in the corporate world.

The concept of psychological contract is well established in the west but gaining prominence and attention in India recently on fulfillment or non-fulfillment of mutual expectations, obligations and promises between employer and employees relationship, i.e., the assumptions that each of them have and are willing to provide based on the working relationship between both parties in the employment.

The idea of psychological contract was known from 1960s and can be understood from the work of Argyris and others during 1960 to 1965. Argyris (1962) described "psychological work contractas an implicit understanding between a group of employees and their foreman". Building on Argyris's (1960) work, Levinson et al. and Schein further summarized in their work during 1962 to 1965 that "the notion of a psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectation of him". Various researchers from

1960 till 1989, described psychological contract having involvement of mutual expectations in the relationship between two parties whereas Denise M. Rousseau and other researchers after 1989, focused on the psychological contract viewpoint involving mutual promises and obligations in the relationship between two parties. According to Denise, psychological contract is "an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. A psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given and thus, an obligation has been created to provide future benefits". It's only in 1990s, psychological contract became more well-known concept for studying employee behavior in the changing employment relationship.

Accordingly to Calo (2006), "psychological contract has attracted the attention of many in the human resource domain. This interest was based on the results of employee commitment and job satisfaction among the employees in the well-established psychological contract. On the other hand, negative effects among employee attitude and behavior were mainly because of poorly established psychological contracts, in turn leading to disengagement in work and high levels of attrition". George Chris teen (2010) found that "psychological contract is for medeven before the commencement of employment and develops further throughout the course of employment. Both the employment relationship and the psychological contract grow eventually and are established over time". However, Gautier Chantal (2015) concluded that "the psychological contract becomes potent when it is warranted on a willing concept.

Therefore, it reveals the incentives that workers may receive in return for their employment".

OBJECTIVE:

The psychological contract concept captured renewed interest at India and the organizations are making their efforts to understand this concept and work in a direction to formulate policies and practices to get employee's commitments so as to respond to increased pressures and challenges in changing circumstances. Hence, this paper's objective is to comprehend the psychological contract models and the consequences if the psychological contract is violated or fulfilled. This study intent to explain psychological contract concept in a simple manner, enabling employer, business and human resource professionals to re-visit their employee engagement practices impacting the state of psychological contract (delivery of the deal, fairness and trust) leading to the determination of attitude outcome such as organizational commitment, work satisfaction, work-life balance, job security, motivation and stress and behavior outcome such as attendance, intention to stay/quit, job performance, organizational citizenship behavior, which are achieved through brilliant psychological conceptual frameworks and models.

RESEARCH METHOD:

Exploratory research methodology is followed which provides insight on understanding the psychological contract concept with diagrams and examples to explain the concept clearly after reviewing the secondary data and literature through journals and internet search engine.

LITERATURE REVIEW:
Psychological Contract – Definition & Evolvement:

The idea of psychological contract emerged in the year of 1960s based on the studies of Argyris but this concept became popular only in 990s based on research elucidations of Rousseau. Some of the prominent definitions of psychological contract presented below for better understanding of the concept:

"Since the foremen realize the employees in this system will tend to produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foremen which might be called the "psychological work contract. (Argyris 1960)"

"A series of **mutual expectations** of which the parties to the relationship may not themselves be dimly aware but which nonetheless govern their relationship to each other. (Levinson et al. 1962)"

"An implicit contract between an individual and his organization which specifies what each **expect** to give and receive from each other in their relationship (Kotter, 1973)"

"The notion of a psychological contract implies that there is an unwritten set of **expectations** operating at all times between every member of an organization and the various managers and others in that organization. (Schein 1980)"

"The term psychological contract refers to an individual's belief regarding the terms and conditions of a reciprocal exchange

agreement between the focal person and another party. Key issues here include the belief that a **promise** has been made and a consideration offered in exchange for it, binding the parties to some set of **reciprocal obligations.** (Rousseau 1989)"

"An employee's beliefs about the reciprocal **obligations** between that employee and his or her organization, where these obligations are based on perceived **promises** and are not necessarily recognized by agents of the organization. (Morrison and Robinson 1997)"

In summary, the pre-Rousseau definitions of psychological contract from 1960 to 1989 emphasized the belief of mutual expectations, whereas post-Rousseau definitions of psychological contract after 1989 stressed on the belief of mutual promises and obligations. Therefore, psychological contract can be concluded as a set of beliefs about mutual expectations, promises and obligations between employee and it's employer in the relationship.

Psychological Contracts Contents:
The distinction between the transactional and relational psychological contract contents have been proposed by various researchers. The transactional psychological contract contents are generally overtly available, which consist of specific exchanges of thin scope that are basically economic nature of transactions such as pay for a particular level of performance. "However, relational contracts are considered as trust and belief in good faith and fairness and involve exchanges with longer-term time frames such as the exchange of employee commitment for job security (Rousseau 1990)".

PSYCHOLOGICAL CONTRACT: CONCEPTUAL FRAMEWORK

Psychological contracts conceptual framework are based on variety of perspectives. The early scholarly works of Argyris, Levinson, Price, Munden & Solley (1962) are mostly based on **emic perspective** where psychological contracts are applied within a culture having focus on the local individual contents. The later scholarly works of Denise M. Rousseau and others after 1989 are mostly based on **etic perspective** where psychological contracts are used in various cultures, involving two parties in the exchange to compare transactional contract or relational contract or combination of both contracts. This is achieved by using a usual structure through a variety of situations. According to Guest & Conway (2002), David E. Guest adapted slightly different framework of psychological contract, "the perception of both parties to the employment relationship, organization and individual, of the reciprocal promises and obligations implied in that relationship". Presenting below two of the prominent psychological contract conceptual frameworks:

Psychological Contract Conceptual Framework:
Denise M. Rousseau (2000)
The psychological contract conceptual framework of Denise M. Rousseau based on the belief that it can be applied across cultures where the focus is on generalized contents and accordingly it is called **etic perspective.** Psychological contract are evaluated by using standard scales to review "transactional" or "relational" contract when their employers generally are **etic in nature,** applying a common framework through various situations. According to Denise M. Rousseau (2000), "there are four types of psychological contract as shown in the figure below":

Transactional contracts are focused on specific, economic exchange and narrow duties that are for short-term or limited duration. **Transitional contracts** are not specific or not guaranteed that are cognitive mind-set based on the outcome of organizational changes. **Relational contracts** are focused on longterm or openended employment relationship having mutual trust and loyalty for mutual benefit, showing economic success for the organization and career growth for employees.

Figure : "Types of PsychologicalContracts"

Source:"Denise M. Rousseau (2000). Psychological Contract Inventory Technical Report"

However, **balanced contracts** are focused on specific employment relationship with career development, performance support and external marketability that are mutually beneficial for long-term duration.

"Denise M. Rousseau (2000) further broke down each psychological contract dimension into conceptually homogeneous components that produce the scales demonstrating high convergent and discriminant validity, as shown in the figure below:"

Transactional contracts are narrow and short-term. **Transitional contract** consists of mistrust, uncertainly and erosion of expectations.

Relational contract includes employee stability and loyalty. Finally the **balanced contract** includes career development, performance support and external employability.

Source: "Denise M. Rousseau (2000). Psychological Contract Inventory Technical Report – University Professor at Carnegie Mellon"

Psychological Contract Conceptual Framework: David E. Guest (2004)
David E. Guest included the organization and individual along with the reciprocal promises and obligations implied in the employment relationship. According to David E. Guest, "to analyze and explore the contemporary employment relationship, a conceptual framework was built around the concept of the psychological contract, and it is

understood that the psychological contract has to be extended so that more importance is assigned to the context and also to the state of the psychological contract, in tegratingthe notion of fairness and trust that lie at the heart of employment relations".

Guest's conceptual model classifies the state of the psychological contract with inputs and outputs that explains the existence or non-existence of psychological contract. The attitudinal and behaviourial outcomes of the model are shown on the right hand side of Guest's figure below:
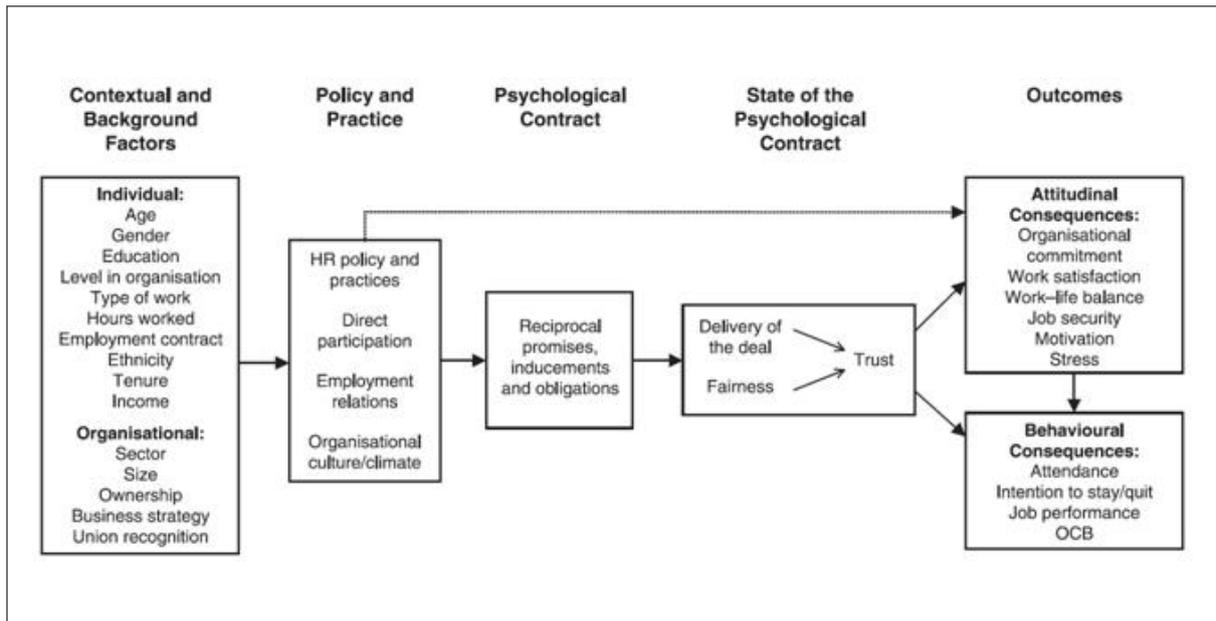

Figure : "A framework for applying the psychological contract to the employment relationship" Source: "David E. Guest (2004). The psychology of the employment relationship: An analysis based on the psychological contract. Applied Psychology - An International Review, 53 (4), 541–555"

According to Guest ad Conway (2004), "employees attitudinal and behavioral consequences are dependent upon the employers' people management of psychological contract"

PSYCHOLOGICAL CONTRACT MODELS:

The cadence for maintaining mutually beneficial enduring employee and employer relationship is to abide by mutual promises and obligations to achieve different objectives for mutual betterment of both parties in today changing environment. Various empirical studies have demonstrated that the ever-changing work culture and environment with respect to psychological contract call for the right treatment of both parties in the employment relationship as listed below:

Work Culture & Environment	Before 1980s	After 1980s
Operating Model	Working from office/factory with the team	Option of working from home with virtual team
Organization Structure	Line management	Matrix management
Customer Support	Dedicated onsite customer service & support	Call centers & online customer support
Manufacturing & Service	In-house	Outsourcing
Job/Employment	Job/Employment for life	Job/Employment for 2 – 3 years
Employment rights & contracts	Few rights with written employment contracts	Many rights with unwritten psychological contracts
Employee Awareness	Low & isolated	High & well connected

Presenting below two of the prominent psychological contract models that provides a simplified explanations of the complex employee and employer relationship from psychological contract perspective:

Psychological Contract : Venn Diagram Model:

British logician and philosopher John Venn (1834 – 1923) formulated Venn diagrams in 1880. The Venn diagrams explains the complex perspectives of the psychological contractincluding the external influences and also the interactions between two or more related areas in a very simplified way on the figure on the right-hand side.

"Figure - Psychological contract model through Venn Diagram (Source : www.knowledgebrief.com)"

"The above Venn Diagram represents the all sorts of situations (i.e. visible contract and psychological contract) where two or more related areas (i.e. employee, employer and market) interact or interrelate which provides a simple interpretation of the factors and influences operating in the psychological contract as under:"

● Visible Contract (VC) – This elucidates the written employment contract obligations between employee and employer such as salary, roles & responsibility, employee rights, obligations of both parties plus all other rules and regulations what both parties needs to follow

● Psychological Contract (PC) – On the other hand, theories associated with psychological contract talk about the relationship between two parties (employee and it's employer) and also demonstrate the hidden, unspoken and unwritten obligations between both parties where the account of relationship reference (R) between employee and market includes the other external factors with a visible contract (VC) with the employer which is written and transparent. Similar way, the relationship reference (R) between employer and market also includes the other external factors with a visible contract (VC) with the employee which is written and transparent. All the other sections are subject to perceptions until/unless clarified between parties. Finally the point at which all the three sections (employee, employer and market) meet is called the psychological contract that is hidden, unspoken and unwritten set of obligations among parties subject to their own perception.

Psychological Contract : Iceberg Model:

The Iceberg model of psychological contract is derived from the Iceberg theory (sometimes known as the theory of omission) formulated by the American writer Ernest Hemingway in 1923. "Ernest conceived that a story's deeper meaning should be implied with its shine and not seen on the surface (Darzikola, 2013)", that is, the 90% hidden iceberg should give the stress on the 10% visible on the surface, ensuring the importance of the hidden portion to completely subsidize the visible portion. The iceberg diagram below explains the psychological contract in a very simplified way showing the iceberg above the water level as visible contract (VC) between both parties such as work by employee and pay by employer and the iceberg below the water level as psychological contract (PC) between both parties that is hidden, unspoken and unwritten:

psychological contracts 'iceberg' model

work pay

time/hours
effort/ideas
performance
results
commitment
loyalty
mobility
supervision
innovation
management
drive change
leadership
sacrifice/tolerance
risk/investment

security
safety/care
training/dev
recognition
qualifications
workspace/equip
promotion/growth
responsibility
life-balance/well-being
interest/variety/travel
flexibility/tolerance
status/respect
benefits/pension
control/influence
ownership/equity

employee 'inputs'   employer 'rewards'

The employee inputs or what employer needs for both visible contract (VC) and psychological contract (PC)shown on the left side of the iceberg whereas the rewards provided by employer or the needs of the employeesfor both visible contract (VC) andpsychological contract (PC)shown onthe right side of the iceberg

The employee inputs and the employer rewards above water level (black arrows – 10% of the iceberg) are generally visible, written and well -acceptedto both parties whereas the employee inputs and the employer rewards below water level (blue arrows – 90% of the iceberg) are mostly hidden, unwritten and perceived differently by both parties. This metaphor very well fits with it's definition of psychological contract.

With success, maturity and experience, the iceberg at the top (red arrows) upsurges(bringing invisible perceived factors into the visible agreed contract)

PSYCHOLOGICAL CONTRACT BREACH & IT'S CONSEQUENCES:

Research evidence shows that there will be intense negative effect on the employee commitment if there are psychological contract breaches or violations than non-fulfillment of employee expectations. This may lead to low employee morale, job dissatisfaction, employee losing trust on employer etc. and accordingly the employee may exhibit various outcomes such anger, dissatisfaction, betrayal, exit, voice, silence and destruction/neglect. In the same way, the employer may lose trust on employee's capability and employer may also initiate several actions such as counseling, voicing, silence, demotion, warning, termination etc.

Meyer and Allen's (1991) "Organizational commitment comprises three dimensions: affective commitment (reflecting employees' affective dependence, identification and involvement in organizations and reflecting employees' willingness to stay in organization as their affection to organization), normative commitment (reflecting employee commitment to stay in organizations as their sense of social responsibility and obligation) and continuance commitment (reflecting employee commitment to stay in organization based on utilitarian consideration)". According to Rousseau (1995), "organizational commitment is obtained by the fulfillment of psychological contract".

CONCLUSION:

Sparrow's (1994) findings suggest, "the world is becoming far more competitive and volatile than ever before, causing firms to seek to gain competitive advantage whenever and wherever possible. As traditional sources and means such as capital, technology or location become less significant as a basis for competitive advantage, firms are turning to more innovative sources. One of these is the management of human resources"

Efficient management of human resources is a substantial challenge for today's corporate managers, which in turn has avital function in addressing the employee and employer relationship duetomany unwritten or informal understandings between both parties based on an employee's perceptions and interpretations of the communication and promises from his or her employer.

Increased domestic and foreign competition has resulted in significant move from traditional organization to recent functioning of the organization to encounter the changing expectations from employees, employer, shareholders, market and customers. Hence, both parties in the relationship must work together to meet each other's mutual expectations, obligations and promises in order to remain competitive in today's changing business scenario by achieving common goals and objectives.

In conclusion, It is absolutely necessary for both parties to follow a fair process, clarify mutual expectations, transparent leadership, lead the change management, sell ideas to each other, empathize each other's sentiments, communicate openlyand transparently, involve employeesand manage expectations. In addition, it is mandatory to honor each other's commitments as under:

● Employees must pledge their hard work, support company's image, adherence to office timings, maintain office discipline, loyalty for the company, stretching beyond office

hours when company is in need, get the skills upgraded, be polite to clients and co-workers and be always truthful.

● Employers must have aptitude to offer pay for performance culture, opportunities for career development, recognition for employee's innovation or new idea, continuous feedback on performance, benchmarking compensation and benefit practices, safework environment, job security, fair treatment and consistent communication on company's strategy and performance.

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