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*A Peer Reviewed Research Journal*

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# **aWEshkar**

A Peer Reviewed Research Journal

S. P. Mandali's

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

**Vol. XXIII Issue II**  
**September 2017**

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## Editorial

Dr. Meeta Pradhan,  
a family friend on a holiday  
here from UK mentioned this amazing  
'new' term, which is common back  
home.

She explained...

Duvet... means blanket  
(...the one we use to protect  
against chills and cold)

Day... means uh, uh...  
but of course, Day.

We have heard of headaches,  
fever, gastric problems  
certified by our doctors  
to take a 'break' from work.

In UK, one can go to a doctor  
and if s/he diagnoses your condition  
as one of mental stress and overload,  
s/he prescribes a – **DUVET DAY**.  
And, hey presto, one day off  
recovering from work  
and other mental pressures.

Really, makes a lot of sense.  
For, in the workplace 'mental' balance  
is of utmost significance for maximising creativity,  
peak performance and giving our best.

All managers love to have  
teams who are both physically and mentally fit!  
Continuously working under pressure  
(official and unofficial) leads to breakdowns.

### Giving a fix of training programmes on **How to overcome stress?**

is only a part of the solution.  
Maybe a concept like 'Duvet Day'  
gives some time off from  
'dictatorial bosses',  
sneering team members,  
uncooperative  
departmental folks, faulty  
systems or uncommunicative  
communication channels.

Sometimes one needs to stay away,  
to recharge and rejuvenate  
and once again face the workplace!

are  
you all  
wondering  
what is  
**Duvet  
Day**



**Dr. (Ms.) Ketna L. Mehta, PhD**  
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'Nano Thoughts on Management'



# Guidelines for Authors

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# Sustainability Key Driver For Business

Niranjan Khatri\* & Sriram Kuchimanchi\*\*

---

### Introduction

The Indian hotel sector growing at 8% is at the brink of a rapidly evolving hospitality industry, with the democratization of domestic travel and shifting customer demographics. This period of lull is perhaps the best time for hotels to adopt sustainability, which is quickly becoming the competitive advantage of the future.

Sustainable hotels are considered as industry leaders and are perceived as ethical, responsible and more trusted service providers to their conventional counterparts. In a market study of travelers in the Asian subcontinent, it was found that 66% of Asian travelers were happier staying at environmentally friendly hotels and vouched to stay there again. 62% of the travelers said that they would even pay 10% more than other hotel rates. Today's conscious global travelers are found to connect better with consciously responsible hotel brands.

The hospitality industry is probably the most dependent and affected by climate. That being said, it is ironic that less than 20% of Indian hotels have adopted sustainability practices. While leaders of most hotel today are aware of the need for adopting sustainability, often a strong vision and a roadmap to achieve is absent.

Today, many leading hotel chains in India have taken sustainability stewardship as a key focus area. However, a large percentage of non-chain star hotels in the country are yet to jump on the bandwagon.

Sustainability is not only a matter of necessity but also an avenue to realize financial, social as well as branding potential for hotels of any size.

While sustainability encompasses economic, environmental as well as people impact, this article is focused on resource consumption analysis. A few popular 5-star hotels in Bengaluru shared data with us, which led to the following observations.

### Identifying Problem Areas

Measuring operational costs as part of overall revenue at hotels is the first step towards change. Based on our analysis and findings, there were no surprises and it was found that energy and fuel hogged the largest chunk of operational expenses across all hotels as shown in the Graph-1 below. Close to 25% of the operational expenses was on energy and fuel. Though there was a marginal dip in energy consumption year on year (from 2014 to 2016), the average expenses remained more or less the same. Also, quite interestingly, it was observed that, for many hotels there was a weak correlation between room occupancy and energy consumption. These hotels were

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\*Niranjan Khatri is Founder of iSambav a sustainability training organisation, Bengaluru.

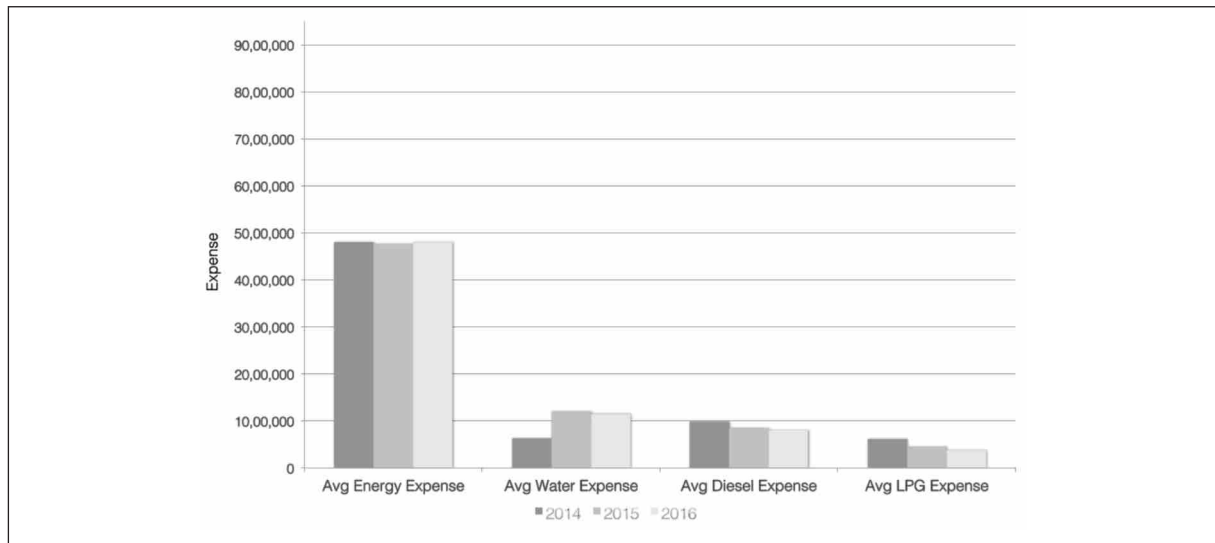
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\*\*Sriram Kuchimanchi, CEO of Smarter Dharma a social enterprise operating in the field of social and environmental sustainability.

(Courtesy: [www.fhrai.com](http://www.fhrai.com), Nov. 2016)

found to have high-energy consumption during idle time (i.e. low occupancy). The hotels that had a strong correlation

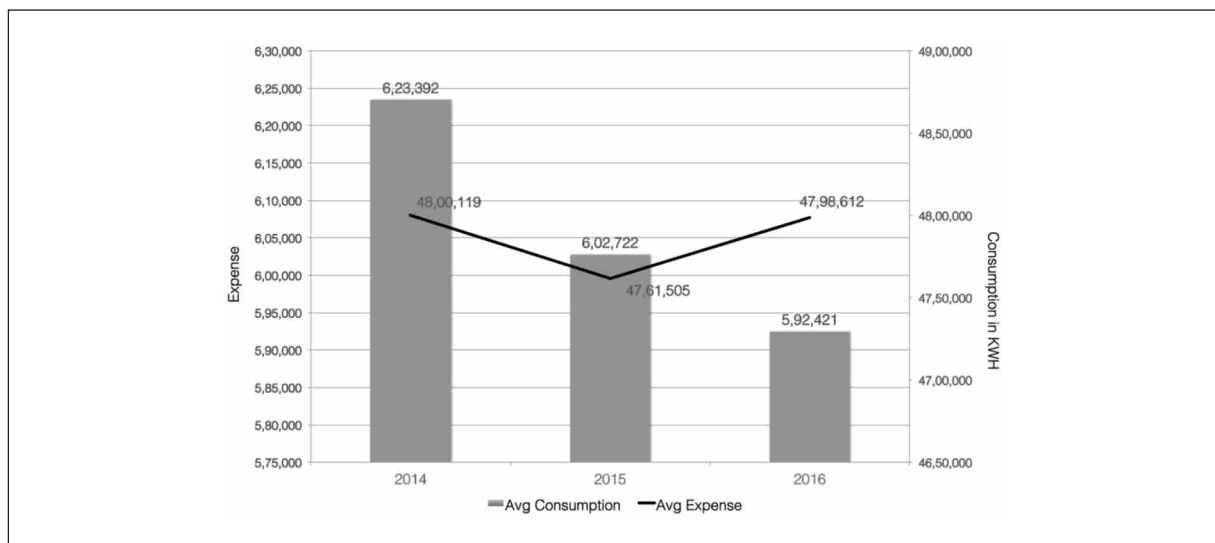
between occupancy and energy consumption were the ones with structured energy plans.



Graph-1

Graph-2 below shows data from a popular 5-Star hotel in Bengaluru and we found that, even though energy consumption reduced year on year, the expenses increased from 2015 to 2016. This was because of the revised energy tariff, which

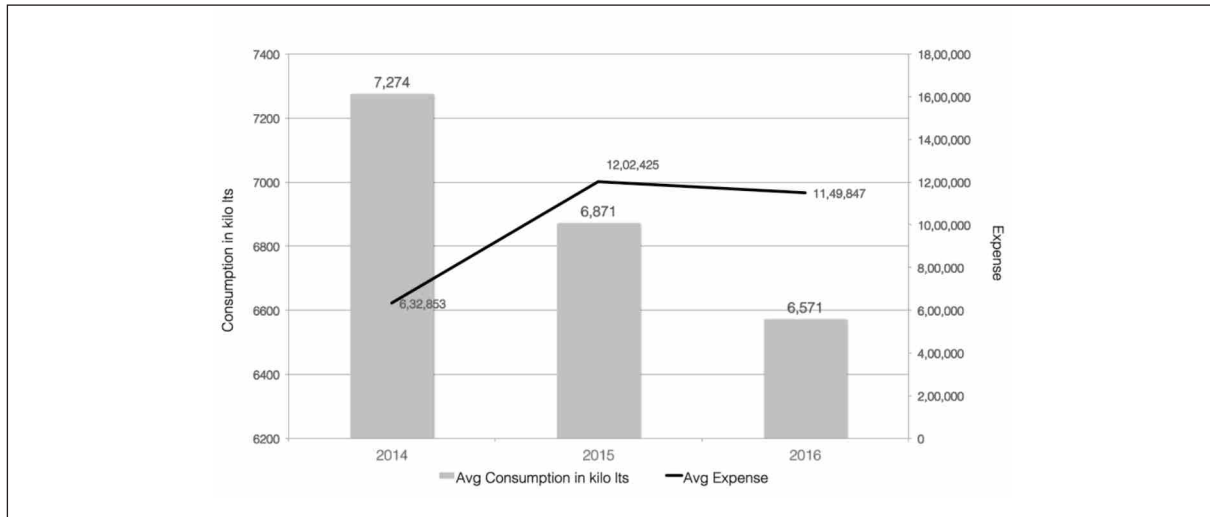
goes up by nearly 48 paisa per unit on an average every year. This tells us that reduction in energy consumption needs to be substantial to make a dent in the expenses. Therefore, focused energy optimization plans are the need of the hour.



Graph-2

Water expenses vary depending on the city and its water availability. However on an average, water bills account for 10 - 15% of a hotel's operating costs. In Graph-3 below, we see data from a popular 5-Star Hotel in Bangalore. Though there was a dip in water consumption year on year, due to revised

tariff rates in 2015 (doubled), the expense went up from 2014 to 2015. Again, this goes to show that to make a significant dent in the water expenses, hotels would need more focused Water Management Programs.



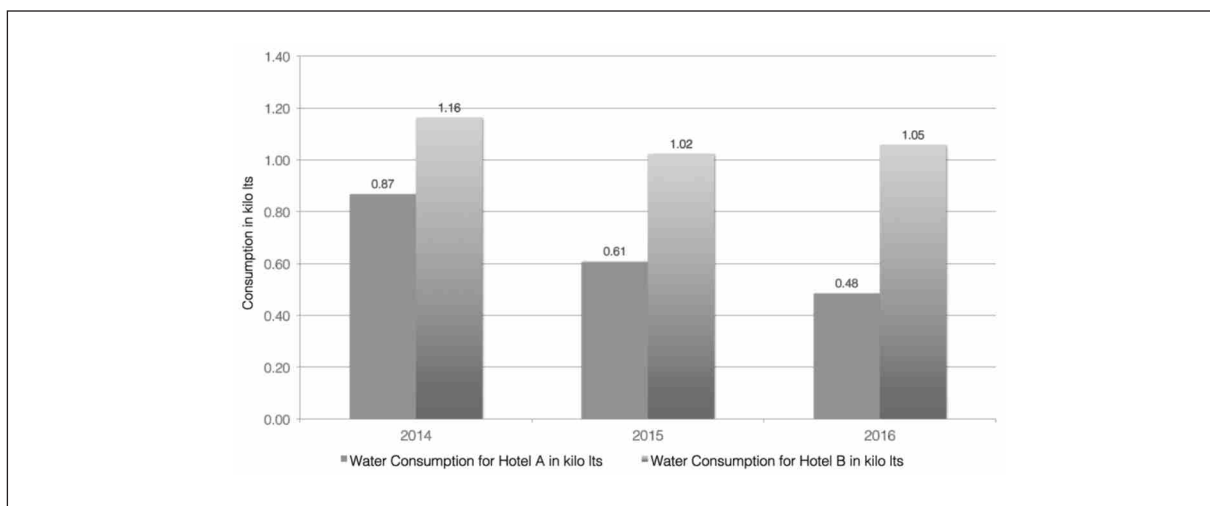
Graph-3

### Making A Difference: Structured Sustainability Programs

Graph-4 compares water consumption per room per day in two different hotels. Hotel A is the one with a managed program around resource consumption while Hotel B does not. We see that Hotel A has consistently reduced its water consumption

through targets that have been set via the managed program.

What clearly stood out for us from a lot of our analyses is that - hotels with Structured Sustainability Programs and that are Green certified are the ones that did better than hotels without consistent monitoring and management of the resources.



Graph-4

Now, effective resource consumption is only a part of a Structured Sustainability Program. To hit a strong triple bottom line, hotels also need to look into developing a Planet Conscious Brand and building on Adaptability. Below is a brief on all aspects of such a program.

Efficient building design based on various certification programs (IGBC, LEED, ECOTEL, EarthCheck etc.) during the primary stage of construction plays a key role in ensuring optimized resource consumption. While we do not recommend any specific certification our findings reveal that a structured approach driven by certification or by engaging an organization bringing this expertise would be the most effective way.

HVAC efficiency and selecting right kind of energy efficient equipment and appliances also help in optimizing energy efficiency. Similarly, upfront design of Water and Waste Management systems can go a long way in reducing demand and expense of water.

Resource Management tied in with targets based on a Carbon Management Plan is an essential part of improving operational efficiency.

Hotels developed on buildings that were not constructed using the Green Building Standards, require interventions to optimize resource consumption. In such cases, where the building is already constructed, some interventions may not be possible due to structural limitations (for example: no space for creating storage for capturing rain water). Yet there are many other interventions that are feasible and must be looked into. Low flow showerheads and aerators for faucets being some examples of low cost and easy to implement interventions.

Focusing on Process efficiency changes, training and awareness with internal and external stakeholders feed into building a Planet Conscious Brand. With an increasingly eco-conscious customer base, engaging with customers, informing them about the hotel's efforts around sustainability will have them returning time and again. This would have a positive impact on the topline while realizing gains on the bottom-line.

Developing Agility and Adaptability is paramount in ensuring that the triple bottom line stays strong. One of the ways to build adaptability is by continuous measurement, not just of resources, but also every aspect and outcome of sustainability related actions. Measurements will provide vital information to adapt and innovate interventions. A Sustainability Hospitality Policy with all Stakeholders taken into account can also help create a roadmap that keeps the effort alive and productive.

The next section covers how technology can aid us in developing a Structured Sustainability Program.

### **Getting Ahead with Technology**

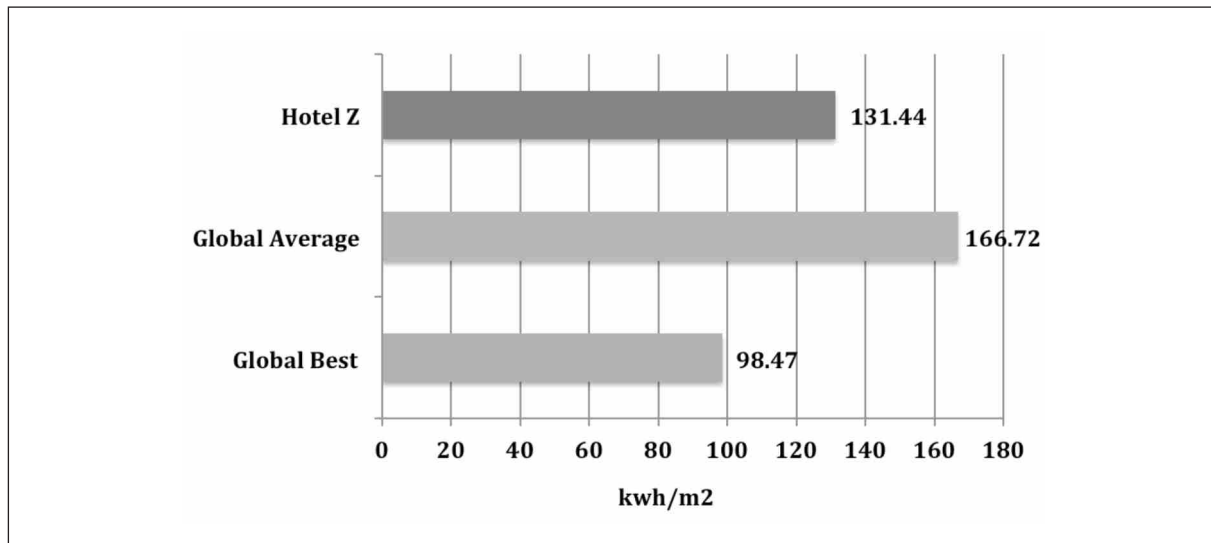
Technology is a huge aid to sustainability, whether through infrastructure improvements like the 'Internet of Things', operation sensors, all the way to data analyses and carbon management software tools like Con-Serve. Con-Serve is a data management system that helps hospitality businesses reduce carbon emissions, identify inefficiencies and saving costs. Data analysis using the Con-Serve tool also gave us better insights into how most hotels were performing.

### **Assessing Potential and Opportunity**

Con-Serve analysis on resource consumption revealed hotels, which were

doing better than the global average, but fared worse when compared to the global industry best. Which means, there's always potential to further tap into innovative

ideas and solutions and be more operationally efficient and a tool like Conserve helps ascertain that gap.



### Road Ahead

With UN General Assembly declaring 2017 as 'The International Year of Sustainable Tourism for Development', this is the right time for hotels to jump onto the Sustainability bandwagon and be more

conscious towards the triple bottom line. This is a unique opportunity to build a more responsible and committed hospitality sector that can capitalize its immense potential in terms of economic prosperity, social inclusion, peace and understanding, cultural and environmental preservation.

\*\*\*\*\*

### QUOTES

*"INTUITION is a reminder of the power of the human spirit"*

**John Holland**

*"We are stronger than we think. We have emotional, spiritual and even physical resources at our disposal. We may get knocked down, but we don't have to stay down."*

**Steve Goodier**

## INDIAN ETHOS

### Customers and Humans

#### Suresh Lulla\*

---

My American visitors. Frank and Annetta, had moist eyes. We had hosted them for their stay in Mumbai at the most prestigious hotel in South Bombay, and were all set for a meal at the Indian restaurant.

Frank a Catholic of Italian origin, and normally very talkative, just could not find words. Annetta, also a Catholic but of Red Indian descent, maintained a dignified silence in the majestic lobby.

They had just experienced the soul of India. In turn, their souls were completely moved.

Frank finally narrated that after the day's proceedings at Qimpro Convention, Annetta was the first to return to their room. When he opened the floor ten minutes later he found her sobbing with uncontrollable tears. On inquiring, she pointed to the picture of Mother Mary that she had placed at her bed side in the wee hours that morning.

Mother Mary was now sitting on a micro carpet with a rose and candle besides her. This was in India. Incredible India.

The two had called their dedicated butler to inquire and thank who did this? The butler simply smiled and pointed to a shy housekeeper in the background.

This story was repeated by Frank, an extraordinary Quality trainer from the Juran Institute, at workshops and conferences across the world.

A few years later I was requested by the management of that hotel to facilitate their efforts on business excellence. More specifically, to help them understand the criteria for their clone of the Baldrige. The Chairman had mandated the implementation of these criteria by every company in the group. I believe stories are a great way to connect to any business model or criteria.

So while there was an outpouring of stories from the Property Head and his team, I also chipped in the Frank and Annetta story.

Although they all appreciated my contribution, they were not surprised. I was simply explained that this was the Group culture.

Here was I helping to harvest a best practice; there was Frank proclaiming in to be a global best practice; and here was the hotel simply accepting it as a habit .

#### Lessons Learned

1. Customers are humans; they have unstated emotional needs
2. Understand the sensitivities of customers
3. Ordinary employees can delight customers
4. Transformation starts at the top
5. Adults like stories, not sermons
6. Defining an organizational culture is difficult
7. Walking the habits reinforces the culture

---

\*Suresh Lulla is Founder & Mentor, Qimpro Consultants Pvt. Ltd. (Excerpted from his book 'Quality Fables')

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# Being a Grateful Designer

**Sudhir Sharma\***

---

### Introduction

These do apply to all professionals, But I think being grateful is Indian ethos as well, bringing being grateful to the cut throat and super aggressive professional life is an alternative way of being happy and being content with life. It is almost being meditative.

To be a happy and content designer, one should cultivate the habit of being grateful for every good project that comes to you, and to continuously think of its benefits. We know that expressing thanks can lead to a healthier, happier and less-stressed lifestyle.

Designers are always surrounded by stress-inducing problems that they are trying to solve; gratitude can be a huge stress buster for them. How do we, as designers, be thankful for each thing that contributes to our lives?

Here are six habits that could help you cultivate gratitude on a daily basis.

### Write

Create a journal / blog of your learnings and positive outcomes from every project. This is particularly good for designers as they tend to focus more on the negatives of a project. Keeping a gratitude journal can reinforce positive thoughts. Credit people/ things / processes / writers who have helped even in small measure. However, don't avoid the negative. Writing about the positive does not mean you ignore your difficulties; take them head on and write about the lessons you've learned from dealing with them. Remember,

your former challenges can be your strength in coming times.

### Connect with other designers

Gratitude is the emotion of friendship. Meet your peers, share your work, listen to them and their stories. Talk about your inspirations. Thank your team often. Recognise the value of your team.

### Use social media

Inspiring pictures and messages on social media can be very powerful. Use them and share them to get closer to your community. Social media can connect empowered designers in a very positive way. Interact with other inspired professionals.

### Value small projects

Engage often in small projects that take a few days and offer quick results; do them even if they are not as profitable. These projects boost your faith in design. They provoke feel-good feelings and bring teams together.

### Volunteer

Everyone needs help in getting things done; designers can offer help in many ways. Extend help often without expecting anything in return. You will create a positive design karma cycle. Use your talent to solve non-design problems.

### Travel

Traveling changes perspectives. Observe nature, cultures and different processes. This is where you only provide the input and do not have to stress about the output. Travel has been proven to clear your mind and reduce stress, both key components in setting yourself up for gratitude.

---

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## LEARNING CURVE

### Education needs to be our focus and how!

**Rimmi Joneja\***

---

Albert Einstein said ' If you judge a fish by her ability to climb a tree, she will believe all her life she is stupid. Our education system designed on this belief is in no way enhancing a child's ability but downgrading it.

Our children thus being brought up in such a system to be more like robots their creativity sense of belief killed at the stage when precisely need grooming, nurturing and attention from parents and children.

The early age of any child is the time to grow learn as Dr. Howard Gardener advocated. Let's as teachers parents remember this and focus on grooming nurturing. Post this age is just repetition how much we try.

School system doing exactly what it shouldn't do. Children grow up as robots machines, I saw a video which sued the school system it's stake holders to the court to accept this belief, so very true.

To add to the story ultimately we have killed the research mind with thinking. In many students true research is depleting. Innovation is the victim, true innovations discoveries missing. We are the land of Aryabhatta, Abdul Kalam, have lost our ability by developing a dead curriculum incapable students. It's a wake up call, to start train teachers like other countries teachers are the highest paid community.

Selection training teachers to start most

important. Training needs to be a continues ongoing process.

Planning Designing a class needs to be a focused time consuming task. Few colleges pay for planning to a teacher. Everyt time new thoughts ideas innovations must happen. Delivering methods to be planned differently to ensure each child gets to learn his/her ways and gets a chance to explore and discover with teachers.

Focus needs to prepare students for the future not the past, that's what we seem to be doing!

Building research capability has not been as now. Our education must prepare our kids for that. Corporates IITs already been complaining regarding quality of students been deteriorating. Corporates forced to run classes for just hired students, back to school!

So much needs to be redone undone! Those who are responsible for designing curriculum have themselves never taught.

A child from slums learns himself has topped while the most privileged hardly pass. Basic processes need streamlining. A widow maid's child most talented struggling for his caste certificate, mother made to run from pillar to post.

Education needs to be easily available for the future generations.

---

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# Change Is Not The Only Constant

Shahnaz Pohowala\*

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There is a lot to be said for changing with the times. We grow up, change schools, switch jobs, get married, move to another country, get old. All this requires huge adjustments, in our lifestyle and in our mindset. Resisting change or being unwilling to move out of our comfort zone, can severely hamper our growth as human beings and as professionals.

Yet, there are 3 things that we should not let change, no matter where we are and what we do.

### **Don't let the wonder-bug in you die.**

When I was a kid, I thought human babies came from the same eggs that baby chickens came from. I was convinced that the only reason I didn't have a sibling was because my parents didn't pay enough to the egg vendor to get us a baby. Of course I later wisened up to the stork story, but the point here is the innocence of childhood. As children, we are so spontaneous, and curious, and trusting, and non-judgmental. We believe in fairy tales and in Santa Claus. We say what we mean and mean what we say. We love deeply and unconditionally, and express our displeasure with equal candor. It is rightly said that if you want the truth, ask a child. Children are awe struck by the wonders of nature – How do clouds float in the sky ? How do birds fly ?

Where do flowers get their colours from ?

Then life happens. We grow up and all these miracles cease to excite us. We take nature for granted and push its wonders to the outermost recesses of our conscience, where even devils dare not tread. We weigh our words and measure every move, to make an impression. We mouth polite niceties without meaning a word. We kill our natural curiosity because some misguided souls made us believe that only idiots ask questions. We become cynical and selfish, looking for and pushing our own agendas in our dealings with people.

Meanwhile, the innocent, trusting child within is stifled to a slow painful death.

### **Don't compromise on your principles.**

How many times have we done something we don't quite believe in ? I think most of us can put our hands up here. Sometimes its to protect our own interest, sometimes for our families, sometimes for our jobs. White lies, cover-ups, marketing savvy, are all considered acceptable and part of life. But if you are severely compromising on your values, take a pause and ask yourself if it's worth it. Most times the answer will be No. The recent scam of call center employees booked for impersonating the US IRS is a case in point. Some of them tried to justify

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that they needed the job. Some said they intended to quit once they received their salary. But now all of them are behind bars

and most likely facing criminal action. This is one job they could have done without.

### THE VOICE

There is a voice inside of you  
That whispers all day long,  
"I feel that this is right for me,  
I know that *this* is wrong."  
No teacher, preacher, parent, friend  
Or wise man can decide  
What's right for you—just listen to  
The voice that speaks inside.



#### **Don't forget your roots.**

What we are today is all thanks to our past - good, bad or ugly. Those with an ugly past may well rise above it, but even they have to acknowledge its role in shaping their lives. Many of us have risen from humble beginnings, where less was more. Our parents probably sacrificed many comforts just so we could get a good education. So what if we didn't have a car or a new dress for every birthday party ! There are people who are embarrassed about where they lived in their childhood, just because they can now afford a sprawling sea facing house. Or those who migrate abroad and turn up their

noses at the "crowds" and "filth" in their country of birth. I am all for bettering our circumstances as we become more successful in life. But cutting away from our roots is a sure way of losing balance. Roots are also the people from our past – teachers, friends, neighbors, bosses, colleagues, who taught us all that we know today, who stood by us when we faltered, who encouraged us to reach for greater heights.

Change is a process of letting go of the old and embracing the new. Do it with open arms, but don't lose the core.

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## LEARNING CURVE

### Is Interest A MUST For Learning ?

**Dharmendra Rai\***

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Here is YUUUUGE myth about learning

If a person doesn't find something interesting he won't or can't learn it

Yes . It is a myth !

Most teachers, parents & trainers think that interest helps learning.  
They think “how can we better engage students with this stuff. How can we make them want to learn ?”

It is true Interest in a subject helps learn it. People have things they can do to cultivate interest & engagement . There are ways to increase motivation to learn

But here is a surprise

A little foundational learning can actually foster the development of interest & that 's a good reason to stick it out through early frustration

#### **Recap :**

If you find something uninteresting but still want to learn it, stick it out through early periods. Its worth the grind.

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## CASE STUDY

# Brand War “Patanjali Vs Global and Domestic FMCG Rivals”

Indu Mehta\*

### ABSTRACT

When reports came out that Patanjali Ayurved Ltd(PAL), promoted by Yoga Guru Baba Ramdev, has recorded gross revenues of Rs.2500 Crore (around \$380 Billion USD) in fiscal 2015, With Trade analysts ruling out Patanjali just as fad, many of the big player FMCG companies are discussing the strong Patanjali brand in their board rooms. Patanjali is also called the Indian Body Shop.<sup>1</sup>

PAL, along with the yoga institution, Patanjali Yogpeeth, was founded by Baba Ramdev along with his associate, Acharya Balkrishna, an Ayurveda practitioner, in 2006. While Ramdev focused on yoga, Balkrishna developed Ayurveda medicines. Gradually, PAL started manufacturing food items and cosmetics, and today, has its headquarters and manufacturing unit at the 100-acre Patanjali Food and Herbal Park at Haridwar, Uttarakhand, employing 6,500 people. The gross revenue figures for FY15, ₹2,500, was no flash in the pan.

PAL had registered turnovers of ₹1,200 crore in FY 14, ₹850 crore in FY13, and ₹450 crore in FY12, according to figures from the Registrar of Companies quoted by websites. The 2015 figure compares with Emami's ₹2,217 crore and Jyothy Laboratories' ₹1,481 crore (much older companies, founded in 1974 and 1983, respectively).<sup>2</sup>

In a report, Credit Lyonnais Securities, a foreign stockbroking company, expressed amazement over PAL's success: — Wish you were listed.<sup>3</sup>

**KEYWORDS:** Ayurveda, FMCG, India, Yoga

### Introduction

#### Ayurveda Market in India & Patanjali's Glaring Entry 4

Indian health care industry has undergone a paradigm shift due to people's inclination to Ayurvedic/Herbal therapy in order to get rid of the various adverse post treatment effects of Allopathic medication. Having a brilliant future in India as a business venture, its business prospects amounts to a \$20 billion

ready market and its gigantic growth rate would make it a \$5 trillion market worldwide by 2050. The total size of the Indian Ayurvedic market is INR 50 billion and it is growing substantially at a rate between 10-15 percent. Indian Ayurved industry is currently perceived as investment worthy by prospective investors since firstly, it is recession proof and secondly, it reaches out to a larger chunk of target consumers across all income groups.

1 <http://economictimes.indiatimes.com/industry/cons-products/fmcg/how-baba-ramdev-has-built-a-rs-2000-crore-ayurvedic-fmcg-empire-plans-to-take-on-multinational-giants/articleshow/47657636.cms>

2 <http://www.mbacrystalball.com/blog/2016/01/15/patanjali-case-study-how-ramdev-created-fmcg-business/>

3 [http://www.business-standard.com/article/markets/wish-you-were-listed-patanjali-ayurved-clsa-115082800265\\_1.html](http://www.business-standard.com/article/markets/wish-you-were-listed-patanjali-ayurved-clsa-115082800265_1.html)

4 [http://www.indusedu.org/pdfs/IJRESS/IJRESS\\_711\\_60974.pdf](http://www.indusedu.org/pdfs/IJRESS/IJRESS_711_60974.pdf)

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The long and successful runs of several brands in this field like Dabur (launched 1884), Amrutanjan (launched 1893), Himalaya (launched 1930), Baidyanath (launched 1917), VICCO (launched 1952) etc proves the viability of Ayurveda as a growing business opportunity. According to ASSOCHAM, the Indian herbal industry is likely to double from Rs 7,500 crore to Rs 15,000 crore by 2015.

Initially, Apart from franchised outlets & distributors, Patanjali products got placed now in the shelves in Reliance Retail, Big Bazaar, Hyper City and Star Bazaar. At present Patanjali Ayurved Limited have four manufacturing units in Haridwar have a capacity to process 1,000 tonnes of raw materials, rolling out 500 products in medicine, food and cosmetics and toiletries. Baba Ramdev using his strategy of mass customization<sup>5</sup> and content marketing<sup>6</sup> a turnover of Rs 1200 crores resulted in 2013-14. Patanjali curtailed its expenditure on advertisements compared to 20 - 30% spending by leading FMCG big shots of their sales on advertisements. In comparison to giant multinationals Patanjali's products happened to be cheaper by at least 30 per cent due to direct sourcing of raw materials from the farmers with the aim of economic empowerment of farmers in terms of employment generation through promotion of Swadeshi goods.<sup>6</sup>

Moreover, tendency to lead a hygienic and healthy life style drives the Patanjali products to achieve phenomenal popularization. In addition to the distribution network of franchised outlets & distributors Baba Ramdev made his Patanjali's products available at e-commerce site.<sup>7</sup>

5 [http://www.business-standard.com/article/management/d-mart-beats-the-goliaths-113071000948\\_1.html](http://www.business-standard.com/article/management/d-mart-beats-the-goliaths-113071000948_1.html)

6 [http://www.business-standard.com/article/management/the-patanjali-effect-116020800204\\_1.html](http://www.business-standard.com/article/management/the-patanjali-effect-116020800204_1.html)

7 <http://www.livemint.com/Companies/hLEBBx17cFY5rPjTjmIP9O/The-Patanjali-story.html> 8 <http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg->

## Where it all began: Evolution of Patanjali<sup>8</sup>

The Patanjali saga began with a humble setup linked to India's best export to the world. Yoga back in 2003, a relatively obscure channel called “Aastha TV” opened its early morning slot for Baba Ramdev, who would appear every morning on television, clad in a saffron dhoti, bare-chested, twisting and twirling his body to eye-popping angles, while elucidating on Yogic rituals. Earlier known in limited circles for his free yoga lessons, his easy-to-follow breathing techniques based on his learning's from several scriptures, combined with his earthly appearance and catcalls on black money gradually made him a spiritual rock star of sorts.

While Baba was busy with his histrionics on and off screen, his close associate Acharya Balkrishna harboured a dream of amalgamating the yoga guru's popularity and his knowledge of ancient Ayurveda with best of breed technology. Thus was born PAL, which began manufacturing medicinal products and, slowly but steadily, ventured into segments like dental care, cosmetics, and food products.<sup>9</sup>

Today, Baba Ramdev starts his early morning with Anulom Vilom Pranayama (a breathing exercise) which is broadcasted on a national TV channel named Sanskar. After an hour of yoga, he very subtly promotes the importance of Ayurveda products and in turn his toothpaste-to-ghee portfolio of brand Patanjali. The company today has more than 400 products in FMCG category and around 200 products in form of pharmaceuticals directed to people across all age-groups.<sup>10</sup>

## Patanjali Empire

Baba Ramdev's business empire includes Patanjali Ayurved (FMCG), Patanjali Gramudyog (agricultural products) and Divya Pharmacy (Ayurveda medicines) in addition to a yoga research centre, a multi-speciality hospital, a food park and a cosmetics manufacturing unit. Patanjali (FMCG) clocked more than 2000 Cr of sales in 2014 and is estimated to reach 20,000 Cr of sales by fiscal 2020.

Incidentally, he holds no stake in Patanjali Ayurved, 92% of the shares are held by his confidant Balkrishna and rest 8% by Scotland-based NRI couple Sunita and Sarwan Poddar.<sup>11</sup>

## Patanjali Portfolio

There are 2 companies registered under Patanjali Ayurved

1. Patanjali Ayurved Limited with CIN U24237DL2006PLC144789 and Registration no 144789 which has an authorised capital of Rs 500 million. This company is registered in New Delhi and is obviously the consumer facing part of the Patanjali Group.
2. Patanjali Ayurved Private Limited which is registered as an Indian non-government company with CIN U52311KL1995PTC009012 and Registration no 9012 with an authorised capital of Rs.1 million. This company is registered in Ernakulam, and no doubt is the Ayurvedic B2B arm of the Patanjali Group.

An NGO has obvious benefits since under the Income Tax Act NGO tax exemption and tax benefits are available to Donors for

the donation made to a NGO through 12A, 80 g, 80GGA, 35 ac (i & ii), (i & iii), 80CCC, 80U, 35 ac, 115A, 115AB, 115AC, 115AD, and 115D for charitable purposes.<sup>12</sup> (See figure 4: Decryption of PAL)

Baba Ramdev owns Patanjali because of his yogic prowess. (The Yoga Sutras are one of the most important texts in the age-old Yoga philosophy written by the Sage Patanjali in about 400 CE). Baba Ramdev has already gained recognition as one of its most respected modern proponents. And Acharya Balkrishna owns Ayurveda since he is an Acharya. Acharya means many things in Indian literature but let's take the simplest meaning of being a preceptor and teacher. Yogi on the left and Acharya on the right is a really awesome combination that should win the hearts of the Indians. Two powerful forces coming together.<sup>13</sup>

## Entry of Patanjali into Consumer Sector:

The entry of Patanjali into the consumer sector is going to bring about structural changes in the consumer mindset towards packaged products, especially in categories such as infant care and sanitation.

Patanjali's products could also act as a risk to competition in the long term, as they are priced lower than those of other players in the market and should be able to influence the price-sensitive consumer easily and, thus, test customer loyalty.<sup>14</sup>

"Patanjali products are also health-driven, a play on premiumisation, and should be able to generate more awareness among consumers, thereby allowing volume growth for other players as well," Nomura (financial advisory and securities India)<sup>15</sup>

9 [http://www.indiainfoline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiainfoline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)

10 <https://en.wikipedia.org/wiki/Ramdev> 11 <http://economictimes.indiatimes.com/industry/cons-products/fmcg/how-baba-ramdev-has-built-a-rs-2000-crore-ayurvedic-fmcg-empire-plans-to-take-on-multinational-giants/articleshow/47657636.cms>

Credit Lyonnais observes that most of Patanjali products are available at an attractive discount to competition. The company sources products directly from farmers and cuts on middlemen to boost profits. It makes 20% operating profit. This is the difference between total income and expenditure. Patanjali has 5,000 franchised stores. Retailers told that their average gross turnover is Rs 25,000 every day. Profit margins for retailers are 10-20% across product categories.

Patanjali Food and Herbal Park was established in 2009 under the food park scheme of the Indian government. The company reportedly commissioned one of the largest food parks in the world at a total investment of Rs 500 crore. The food park is spread across 100 acres and provides employment to over 6,500 people. A recent CLSA report says the unlisted Patanjali Ayurveda, which, at the end of 2014-15 had revenue of about Rs 2,500 crore, spends practically nothing on advertising and sales promotion. By comparison, the average advertising and sales promotion costs for fast-moving consumer goods (FMCG) companies are nothing less than 12-15 per cent of sales. Although now, patanjali has hired two top advertising agencies: McCann and Mudra, to prepare the business for the next phase of growth.<sup>16</sup>

Competition: Challenging MNC competitors

As the Patanjali brand continues to make headway into the consumer market, large multinationals that previously sat pretty on handsome margins, have been forced to stand up and take notice.<sup>17</sup>

Patanjali sells cornflakes and muesli in a category led by Kellogg's, an almond health drink in a segment dominated by Mondelez International's Bournvita and an anti-wrinkle cream that could compete with P&G's anti-ageing product, Olay. One of its top sellers is toothpaste called Dant Kanti (tooth shine in Hindi) which is a potential rival to Unilever's Pepsodent. Market leader Colgate is already sensing a shift in tectonics in the oral healthcare segment. Due to several category overlaps, Dabur is also likely to face the music. Latest one is Patanjali Power Vita, direct challenger of Dabur Chyawanprash.<sup>18</sup>

Colgate-Palmolive India reported its worst sales growth in 44 quarters. Hindustan Unilever's revenue expanded at the weakest pace in more than six years and the new CEO of Nestle India recently got queried by analysts about how Maggi noodles will deal with competition from Baba Ramdev. Colgate still controls 57.3% of the Indian toothpaste market, but its share has come down for a second straight quarter, the analysts say. Meanwhile, Baba Ramdev's recent distribution tie-up with Future Group, India's largest retailer, means the fight for market share will only get more intense. The retail group's founder predicts Patanjali will break into the top three consumer staples companies in India. Colgate, Unilever, Nestle and GlaxoSmithKline may all be affected, though to varying degrees. ITC is safest from the threat of Patanjali as it considers cigarettes unhealthy and against its philosophy.

According to a report by IIFL Institutional Equities, Patanjali is likely to touch a net turnover of Rs. 200Bn by FY20, resulting in

12 <https://www.zaubacorp.com/company/PATANJALI-AYURVED-LIMITED/U24237DL2006PLC144789>

13 <http://marketingbuzzar.com/2016/01/patanjali-ayurved-analysis-how-does-the-brand-stack-up/>

14 [http://articles.economictimes.indiatimes.com/2015-09-10/news/66396768\\_1\\_consumer-sector-commodity-prices-eps](http://articles.economictimes.indiatimes.com/2015-09-10/news/66396768_1_consumer-sector-commodity-prices-eps)

~1-1.5% impact on sales CAGR for the sector. The highest market shares of Patanjali are likely in categories such as Ayurvedic Medicine (35%), Honey (35%), Ghee (33%), and Chyawanprash (30%), the report adds.<sup>19</sup>

PAL maintains high profit margins on several of its products, thanks to the phenomenally low overheads compared to the competition. Neither does PAL hire management professionals with fat pay checks, nor did it spend much on distribution until recently, operating solely through exclusive shops.<sup>20</sup>

For instance, if Kellogg's is selling flakes for Rs 91 and Rs 159 (MRP for 250 gm and 475 gm, respectively), Patanjali flakes are available for Rs 85 for 250 gm and Rs 145 for 500 gm. The aggression on the price front is also visible in categories like detergents (vis-a-vis Surf) and dish wash bars (vis-a-vis Vim). No wonder, the company has managed to maintain lower prices despite the pressure of inflationary trends on its popular products.<sup>21</sup>

Success Story of PAL (Patanjali Ayurved Limited) - The Story Behind ?

Pale green gooseberries dangling on bushes greet our eyes as we drive into Baba Ramdev's Gurukul Gaushala near Haridwar. It is a sprawling cow shelter with 400 cows. Close by is the bustling Patanjali YogPeeth, from where the Group's FMCG operations are masterminded. Here, the first thing you are served is an assortment of amla (Indian gooseberry) candies. And 35 km away at the 100-acre Patanjali Food and Herbal Park at Padartha, you are urged to taste an amla-aloe-Vera-litchi concoction,

one of the latest products from the TetraPak juice line of Patanjali. The tart berry is a constant theme at Baba Ramdev's sprawling Patanjali manufacturing empire that stretches from Muzzafarnagar, to Saharanpur in the fertile Gangetic plains of Uttar Pradesh and now Uttarakhand.

The reverence to the fruit is understandable: Patanjali's ₹2,000-crore FMCG journey began ten years ago, quite accidentally, with gooseberries. Acharya Balkrishna, the 43-year-old architect of Patanjali's growth from a cottage industry to the one that is giving MNCs sleepless nights, says it all started in 2005, when a delegation of farmers met Ramdev.

They were going to destroy their gooseberry plantations as there was no demand for the fruit. To stop them, Ramdev started manufacturing amla juice. At first, we had no clue how to go about it and outsourced the fruit to a food processing unit in Hoshiarpur in Punjab, || says Balkrishna. The juice became a runaway hit, and Patanjali started sourcing gooseberries from all over the country to meet the demand. Today, 25 truck-loads of gooseberry arrive at the Patanjali unit, where 6,000 litres of juice is processed per hour. Now there are so many other amla juice manufacturers in the country. We literally created the category, said Balkrishna.<sup>22</sup>

### From niche to mainstream

Creating new product categories partly explains Patanjali's early success. After amla juice, it started making the sort of esoteric local food and personal care products (aloe vera juice, hing (asafoetida) digestive golis, shikakai (acacia concinna)

15 [http://articles.economictimes.indiatimes.com/2015-09-10/news/66396768\\_1\\_consumer-sector-commodity-prices-eps](http://articles.economictimes.indiatimes.com/2015-09-10/news/66396768_1_consumer-sector-commodity-prices-eps)

16 <http://www.thehindubusinessline.com/markets/stock-markets/clsa-wants-ramdevs-patanjali-to-be-listed/article7591353.ece>

17 [http://www.indiaonline.com/article/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiaonline.com/article/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)



sherbets and spices that Indians otherwise shopped for at khadi or gramudiyog outlets. According to the company officials - Patanjali Ayurved Ltd is not a company. It is a CONCEPT – a concept that links the rising destiny of millions of rural masses on one hand and many suffering from urban slavery on the other hand. It is all about economically processing farm produce into consumables for daily usage ranging from Ayurvedic health supplements to confectionary food items to cosmetics and then supplying them largely to the urban world.<sup>23</sup>

The produce will be picked up right from the farms, thereby increasing the effective income of the farmers. The health-based products will be made available to a large population in the urban areas that are reeling under the scourge of polluted food items and artificial drinks that make them vulnerable to a variety of chronic diseases. And all this is available at extremely economical rates which are unmatched in the market. We suddenly saw a market gap that could be filled, says Balkrishna. Whatever people demanded, we kept making, adds Ramdev, before taking a jibe at MNCs, We don't bother with expensive market research. As the enterprise flourished, Patanjali became ambitious and started getting into established FMCG categories. The change also seems to have coincided with Ramdev's growing political clout.<sup>24</sup>

Currently, Patanjali Divya Pharmacy - the Ayurvedic medicine manufacturing company, and Patanjali Gram Udyoga Unit, produce nearly 600 products. Patanjali has now muscled into noodles,

cornflakes and cookies. The group employs about 15,000 people in its units. Ramdev said that the business has grown 150 per cent this year, and may close this fiscal with a turnover of ₹5,000 crore. Though Ramdev claims that he and Balkrishna don't set targets, in the next breath, he throws a ₹10,000-crore-turnover-in-three-years goal.<sup>25</sup>

The growth, he adds, will come through expansions into everything from baby care to garments. From bio-fertilisers to healthy food, to organic cotton clothes, we will produce anything that can make India and Indians beautiful, declares his acolyte Balkrishna. But how is noodles making Indians beautiful? Both Ramdev and Balkrishna insist it's not an incongruous product for them, but are weaning Indians away from videshi' junk food by offering healthier local alternatives. —Swadeshi is our goal said Ramdev, and declares, Noodles – which resembles our Sevaiyan (vermicelli) - is quite Indian. The profits from the FMCG business will be used to build 500 Acharya Kulams across the country. These are K12 schools that will impart Vedic education. The first of these is already up in Roorkee. Also being launched are Ayurvedic colleges and research institutes. Next year, they will be starting animal-based trials for medicines for blood pressure, cancer and hepatitis, said Ramdev.<sup>26</sup>

Anurag Mathur, partner, PwC India, said: Macroeconomic trends show that there is enough opportunity in the secular packaged food industry for both, the MNCs and Indian companies. But why are they so antagonistic to MNCs? After all the FMCG

<sup>18</sup> <http://www.forbes.com/forbes/welcome/?toURL=http://www.forbes.com/sites/saritharai/2015/10/15/an-indian-yoga-gurus-consumer-products-brand-patanjali-is-making-global-and-domestic-rivals-sweat/&refURL=https://www.google.co.in/&referrer=https://www.google.co.in/>  
<sup>19</sup> <http://www.forbes.com/sites/saritharai/2015/10/15/an-indian-yoga-gurus-consumer-products-brand-patanjali-is-making-global-and-domestic-rivals-sweat/#151426d61038>

[http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)

market in India is currently a ₹2 lakh-crore market and there is enough room for everyone, the market will double in five years.<sup>27</sup>

### Critical Success Factors

#### A Single Brand Strategy

The Colgate company sells brands under its name, Palmolive, Ajax and others. Procter and Gamble go further - there's Gillette, Tide, Pampers, Ariel, Duracell and so much more. Unilever is the classic proponent of the multi-brand strategy: from Surf and Dove and Lipton and Lux and Ponds to variants like Surf Excel and Lipton Yellow Label and Lux Supreme and Ponds Dreamflower and far, far beyond. But take a look at the Patanjali range above - whether it's toothpaste or rice, noodles or chyavanprash - it's all under one brand, Patanjali.<sup>28</sup>

#### Baba Ramdev – The Ultimate Brand Champion

*When it comes to brand* endorsers/ambassadors, we often forget that there is much to brands rather than the Khan's, Kapoor's, Bachhan's, our beloved cricket fraternity or whoever has huge fan appeal. Brands die to get their product/service endorsed by them through all channels of communication. The recent case of Reliance Jio launch being congratulated by all film-stars on Twitter with a common message and with exact same punctuation marks was an apt example explaining the role a celebrity endorser plays when it comes to promotion. They do just what they are being told to do. An ideal brand endorser is the one who understands the very existence of the brand

and who is deeply connected and loyal to the brand. He/she grows with the brand and not necessary it is always about the money. But does such ideal endorser exist in today's brand-competitive world?

Yes, one such endorser does exist. His name is Baba Ramdev and he is not a film-star. The growth and success of Patanjali Ayurved today in Indian market is directly associated to decade long journey of yoga guru Baba Ramdev formerly known as Ram Krishna Yadav.

Ramdev was born as 'Ramkishan Yadav' in Alipur, in the Mahendragarh district of Indian state of Haryana. He attended school through the eighth grade in Shahjampur. Thereafter, he joined a yogic monastery (gurukul) in Khanpur village to study Sanskrit and Yoga. Eventually, he renounced worldly life and entered into Sanyas (monastic living) - taking the name Swami Ramdev. Then he went to Jind district and joined the Kalva gurukul and offered free Yoga training to villagers across Haryana. It is said that he travelled the Himalayas for several years before he settled in Haridwar. He claims to have discovered several medicinal plants in the Himalayas which he uses in treating his patients. Ramdev started relentless efforts to popularise Yoga in 1995 with the establishment of D Y M Trust along with Acharya Karamveer. In 1995, Ramdev joined the order of Swamis after being initiated into the ascetic order by Swami Shankerdevji Maharaj. While training to be a Swami, Ramdev spent many years undertaking an intense and thorough study of ancient Indian scriptures. At the same time, he also practiced intense self-discipline and meditation. Thereafter, he

20 [http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)

21 [http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)

22 <http://www.casestudiesjournal.com/Volume%205%20Issue%204%20Paper%203.pdf>



joined a yogic monastery (gurukul) in Khanpur village to study Sanskrit and Yoga. Eventually, he renounced worldly life and entered into Sanyas (monastic living) - taking the name Swami Ramdev.<sup>29</sup>

He teaches that God resides in every human being and that the body is God's temple. He is a firm believer in the concept of Vasudhaiva Kutumbakam (the whole World is one family) and decries practices that discriminate on the basis of caste, creed or gender. His fundamental belief is that expressions of love, affection and compassion towards all living things are the true worship of the Creator. An ordinary yoga teacher who once used to roam villages and towns selling Ayurveda medicines on his bicycle now owns an island in Scotland and has Crores worth of assets. The very fact that Baba Ramdev left Haryana and moved Haridwar to teach yoga at Gurukul Kangri University reflects the important aspect of segmenting and targeting your consumers correctly. It took 10 years to build brand Ramdev and in turn brand Patanjali<sup>30</sup>.

### Pricing Strategy:

Patanjali's objective is to make products available to the consumer at the most reasonable price, and therefore most of its products come at a substantial discount to existing alternatives. The price differential itself may be enough for some consumers to make the shift and for those in the low income class to become loyal customers of the given product category. For example, Chyawanprash, one of Dabur's flagship products is nearly 25% more expensive than that of Patanjali's. Similarly, Honey is priced at 43% lower than Dabur.

<sup>23</sup> <http://collaborativelicensing.com/?p=518>

<sup>24</sup> <http://www.letsintern.com/company/internships-at-Patanjali/23917>

<sup>25</sup> <http://www.thehindubusinessline.com/specials/the-monk-who-wants-abilliondollar-company/article7958593.ece>

<sup>26</sup> <http://indiatoday.intoday.in/story/baba-ramdev-school-chain-aacharya-kulam-haridwar/1/405885.html>

<sup>27</sup> <http://www.thehindubusinessline.com/specials/the-monk-who-wants-abilliondollar-company/article7958593.ece>

Kotak report<sup>31</sup> identified four reasons why Patanjali's products are cheaper than competition.

- a) Patanjali's top management takes no salary and they have no big expenses, || the report added. Ramdev, the face of the brand reportedly doesn't own any stake in the company. His close confidant, Acharya Balkrishna, is the managing director. Ramdev's brother Ram Bharat runs day-to-day operations, while Deepak Singhal, a pharma veteran and Ramdev follower, is the chief strategy officer.
- b) Patanjali benefits from efficient raw material procurement—without any leakages or commissions paid. This cut down costs by at least 5%.
- c) Patanjali's core strength in cutting costs lies elsewhere. It has largely avoided huge advertisement costs that account for as much as 10-15% of the other FMCG majors' expenditure. —Baba Ramdev is a great proponent of a direct marketing FMCG company, and is one step ahead of the likes of the Amways and Avons of the world, Piyush Pandey, executive chairman & creative director of Ogilvy South Asia, told The Economic Times last year. For years, Patanjali relied on direct marketing by the yoga guru's disciples and instructors. According to brokerage firm, CLSA, Patanjali has the potential to reach out to more than 200 million directly or indirectly linked to his yoga programme.
- d) The fourth and last reason is the company's ability to maintain very low profit margins w.r.t its distributors and retailers.

#### 4. Communication Strategy

The brand grew manifold apart from the association with Baba Ramdev, mainly because of two reasons: Healthy products at a price less than others and the „Swadeshi ” factor. The target audience of Patanjali is not just the older generation as many believe. Baba Ramdev firmly believes that foreign players have exploited our farmers and have corrupted the system. He just pointed out the evils of MNC's and urged all Indians to use Indian products which are healthy and of better quality and also cost effective in terms of foreign players. Also significant percentage of profits from Patanjali products are claimed to be donated to charity projects in India. A brilliant strategy that includes both rational and emotional appeals to consumers.

Patanjali Ayurveda makes consumer products such as Patanjali Desi Ghee, Patanjali Chyawanprash, Kesh Kanti, Patanjali Aloe Vera juice, Dantkanti soaps, oil, breakfast cereals, Noodles, Biscuits etc. They are popular as 'swadeshi' products (Made in India) as they adhere to traditions of Ayurveda.

If we profile the consumers inspired by Baba Ramdev, they will primarily fall into 2 categories.

a) Firstly the 'bhakts', these are the people who will get up at 5am every day and block their right nostril with a thumb and draw in air from the left nostril. They believe whatever Baba says is worth giving a shot at least once. He has around 44.3K followers on Twitter and facebook and he influences

them through regular yoga and Ayurveda tips.

He claims he have interacted more than 20 crore of people till today through his camps with additional 5 lakh trained yoga teachers working with Patanjali. Effective WOM, we can say!

b) The second category would include the growing health-conscious Indian audience which are not restricted to any particular age-group. Thanks to the Maggi incident that discovered over-consumption of lead in Indian bodies which led to rise in sale of Patanjali noodles.

Patanjali remains perhaps the only company in the FMCG space that didn't rely on advertising for its scalability during its nascent years. Word of mouth publicity and powerful endorsements by Baba Ramdev via his yoga camps helped build scale. Moreover, an exclusive store network proved a winning strategy. There are nearly 10,000 consumer touch points as “Chikitsalayas” (Dispensaries) and “Aarogya kendras” (Health centres). These are operated by third party vendors as exclusive Patanjali stores.

This year, however, Patanjali has firmed up plans to spend almost Rs300 crore on advertisements across television, radio, print and digital media. Overall, it plans to invest Rs1,000 crore to set up exclusive stores, and ramp up online distribution. Recently, PAL launched a series of TV commercials to take head on its competitors. In fact, PAL was one of the top 3 advertisers on TV for more than 2 months. The underlying subliminal theme

28 <https://www.linkedin.com/pulse/how-patanjali-uses-modern-brand-strategy-grow-past-colgate-murthy>

29 <http://www.yogapranayama.com/swami-ramdev-biography>

30 <http://www.patanjaliayurved.org/about.html>

31 <http://qz.com/606630/how-baba-ramdevs-patanjali-is-winning-a-big-battle-against-global-fmcg-companies-in-india/>

is Bharat Swabhimani. If while watching the Patanjali Ayurved commercials you think it is only a logo that appears on the upper right hand corner, then you are wrong. In fact Bharat Swabhimani is both a website and a movement.

While speaking to consumers, what emerges is that people are genuinely happy to support a home grown Indian venture that capitalises on two ancient Indian traditions: ayurveda and yoga. Partly because no one has done it before. Bharat Swabhimani awakens that raw nerve in the Indian sentiment, where Indians feel that multinationals have been exploiting the Indian population. In this context Patanjali Ayurved appears like a saviour to the Indian population.<sup>32</sup>

## 5. Distribution Strategy

Patanjali products are sold through three types of medical centres namely Patanjali Chikitsalaya - clinics along with doctors, Patanjali Arogya Kendra - health and wellness centres and Swadeshi Kendra - non-medicine outlets. A typical Patanjali centre is 500 to 1,500 square feet in size. The group has 15,000 exclusive outlets pan India. Their goal is to operate 100,000 outlets in next few years. They also distribute through general retail stores and big format supermarkets like Big Bazar, Hyper City, and Reliance Fresh along with online marketplace like Amazon. Patanjali has 5,000 franchise stores. The franchise model has made the product appear limited in quantity and helped develop an exclusive brand image. The products claim that they contain no chemicals and possess significant efficacy levels; which matches the expectation of a consumer, from a brand like Patanjali!<sup>33</sup>

Initially, Patanjali's consumers came from its massive yoga and Ayurveda network. Patanjali Yog Samiti has 1 lakh branches, and 5 lakh teachers. Across India, there are 10,000 Patanjali Chikitsalaya and Arogya Kendras. Ramdev claims he has interacted with at least 20 crore people who have attended his camps.

Now, the group is trying to expand its consumer base through professional channels. There are 80 super distributors and 700 distributors and 5,000 franchised stores. After the much hyped deal with Biyani's Future Group, Patanjali is now going after almost every other modern trade brand – from Spencer's to More, to place its products. —Our aim is that 15 per cent to 20 per cent of Patanjali's turnover should come from modern trade, said Pittie, CEO of Pittie group who is pan-India distributor of PAL. The Group is setting up giant Patanjali Mega Marts too.

## Challenges Ahead

Baba Ramdev's brand seems well configured and ready for take-off. It seems to have all the magic ingredients of success. Among the popular Ayurvedic companies in India, Patanjali's growth rate appears to be praiseworthy in terms of sale, awareness and number & size of outlets. Within a very short time of last 5 years, awareness and utility of Patanjali's deep product-assortment have been so wide spread that it has narrowed its gap with companies like Dabur, Marico and Godrej Consumer Products.

Notwithstanding the trajectory that PAL treads in future, it undoubtedly is an exciting development. Its central theme of —Swadeshi produce has resonated very

<sup>32</sup> <http://marketingbuzzar.com/2016/01/patanjali-ayurved-communication-analysis/>

<sup>33</sup> <http://collaborativelicensing.com/?p=518>

well with consumers, and more important, its quality benchmark is firmly established. A market-disrupting force has emerged from the hinterlands of India, challenging the high and mighty sultans of the FMCG highlands.

Will it hold on to its momentum going forward or crumble under its own weight? As of now at least, PAL rivals are frantically looking for a soothing balm to calm their frayed nerves. Perhaps they can rush to the nearest Patanjali store for a magic potion.

Also the brand has moved into e-commerce besides being available with retail chains and under its own distribution centres. The Ramdev Medicines brand is ready for export with foreign exchange earning potential and could be a great success if marketed successfully given the weakness that the West has for both Yoga and Herbal alternatives.

There is a huge gap between demand and supply, admits Acharya Balkrishna, MD of Patanjali Ayurved, who's recently been in the news for his 94% stake in the organisation. (A development touted as a strategic move to take the limelight off Baba Ramdev who has been the face of the company all this while). Balkrishna tells us that besides 1200 Patanjali Chikitsalayas, 2500 Aarogya Kendras, 7000 open stores in villages, and 5600 marketing vehicles, his team is working on launching 250 mega stores in Tier1, 2 cities<sup>34</sup>

<sup>34</sup>[http://economictimes.indiatimes.com/articleshow/52306425.cms?intenttarget=no&utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/52306425.cms?intenttarget=no&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)  
The push for high growth comes with challenges. Sourcing of raw material, for

<sup>34</sup>[http://economictimes.indiatimes.com/articleshow/52306425.cms?intenttarget=no&utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/52306425.cms?intenttarget=no&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

instance, will be critical to cope with the volumes. Patanjali has already faced that with gooseberries. To reach online consumers faster (Grofers and Big Basket now stock Patanjali products), it must have manufacturing units and warehouses across the country.

Patanjali's product portfolio is unwieldy. That's a challenge that Mudra and McKann Erickson, who have been roped in to handle advertising for Patanjali, will have to overcome. From a zero-advertising strategy, Patanjali has done a U-turn, emerging as the third biggest television advertiser in the country.

Another challenge is brand loyalty.

Will it emerge as a key force strong enough to make consumers switch their long-standing affinities with other brands? PAL does have the advantage of a single brand that could enable brand equity seamlessly spread from one product to another.

The larger issue before the company would be to chart the best route to traverse the trade supply chain. Until now, their voyage has been rather simple – goods from the factory went to a distributor and then directly to the exclusive store network. Now that PAL wants to boost sales phenomenally, it will have to rapidly grow distribution coverage.

No wonder, it targets to make its products available in 2mn stores by the end of 2016 as against the current 0.2mn stores. This leap would make the supply chain exceedingly complex, especially for a company like PAL which does not have systems to track secondary sales, nor a large and disciplined sales force.<sup>35</sup>

It's also not clear if Patanjali will be able to profitably scale up its foods operation, or if it will remain largely a niche personal care

business—an Indian Body Shop.

Getting the right Talent is also an issue for PAL as the organization does not follow a corporate culture, but a SATVIK culture wherein an employee who believes in spiritual and Indian culture, one who does not consume alcohol products and one who is follower and believer of Yoga is only hired. PAL does not hire from IIM's or other B-schools as of now.<sup>36</sup>

#### Questions to Discuss:

1. How did Baba Ramdev and PAL climb such heady heights?

2. SWOT Analysis of PAL; its core competencies.
3. Will the Swadeshi concept work in the western influence Indian economy?
4. The business model as "social entrepreneur, does it work with Marketing guru Baba Ramdev.
5. Does Baba Ramdev's strong follower base help Patanjali to gain a rising market share in the FMCG business?
6. How to make PAL's Distribution muscle strong?

Figure 1: Drivers of Ayurvedic FMCG

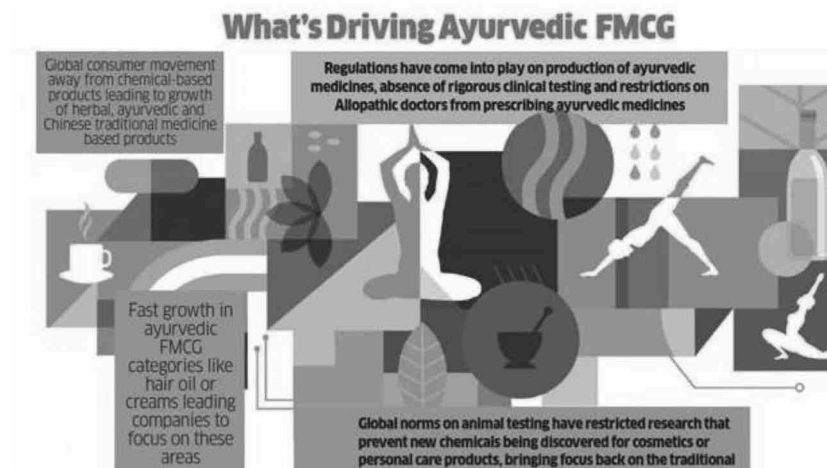
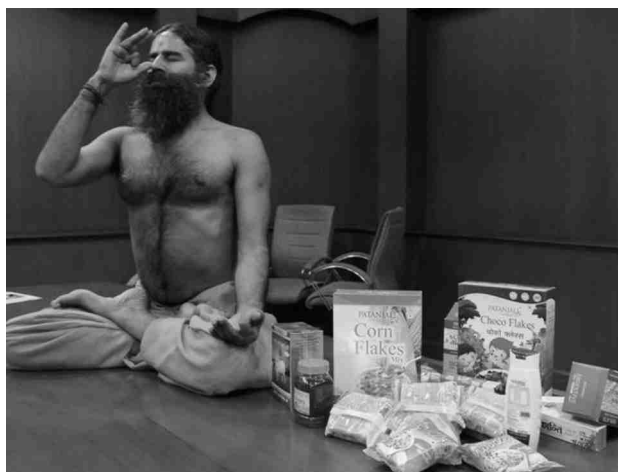


Figure 2: Baba Ramdev and Patanjali



<sup>35</sup> [http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291\\_1.html](http://www.indiaonline.com/article/print/news-top-story/make-in-india-how-patanjali-is-brewing-a-storm-in-fmcg-sector-116011300291_1.html)

<sup>36</sup> <http://www.thehindubusinessline.com/specials/the-monk-who-wants-abilliondollar-company/article7958593.ece>



Figure 3: Rags to Riches journey of Yoga Guru

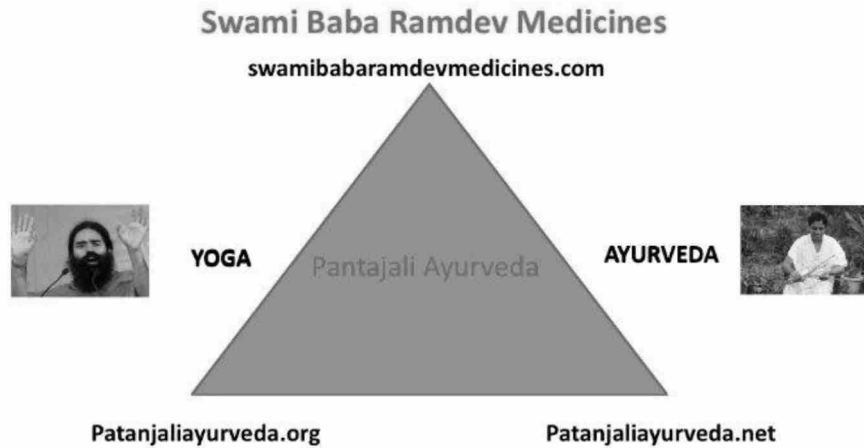


Figure 4 : Decryption of PAL

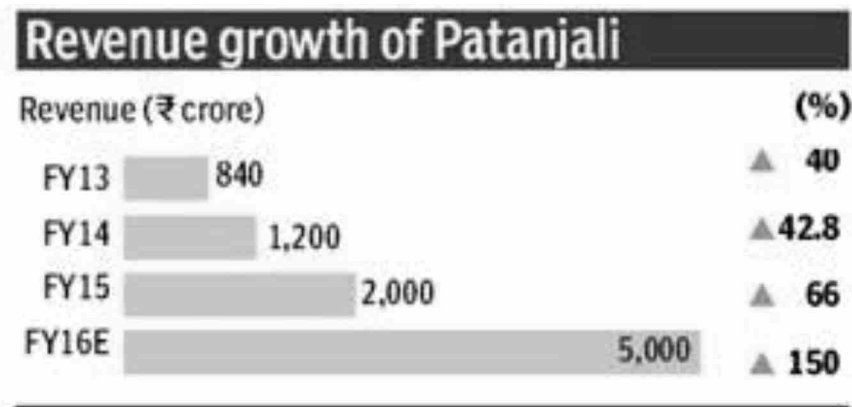


Figure5: Revenue Growth



37 <http://epaper.thehindu.com>

38 [http://www.thehindubusinessline.com/multimedia/dynamic/02648/BL08\\_IF\\_Patanjali\\_\\_2648383](http://www.thehindubusinessline.com/multimedia/dynamic/02648/BL08_IF_Patanjali__2648383)



Figure6: revenue growth graph

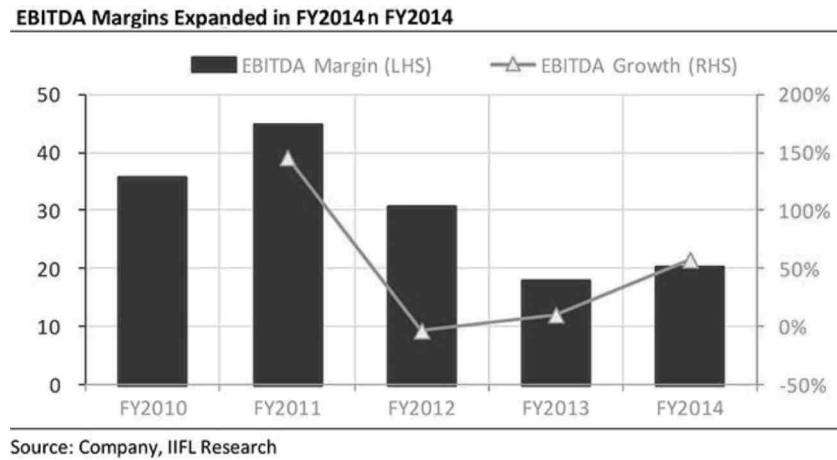
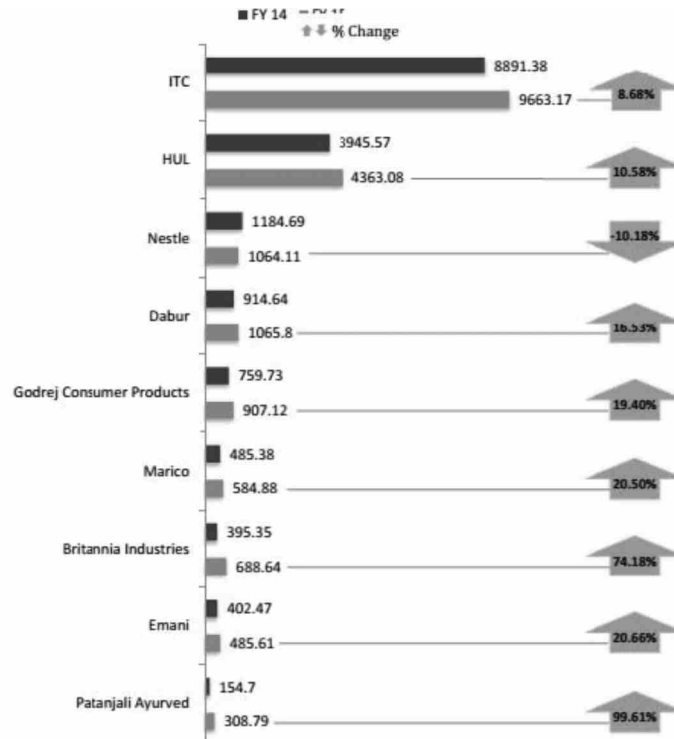


Figure7: EBITA Margins for PAL



39 C.Narayan (2015, Dec, 08): The monk who wants a billion dollar company. Business line Retrieved From <http://epaper.thehindubusinessline.com>

40 S. Malviya (2016, 22, March): Baba Ramdev "s Patanjali may soon overtake FMCG biggies like Dabur, Marico and godrej. Retrieved from <http://epapertheeconomictimes.com>

41 <http://economictimes.indiatimes.com/magazines/brand-equity/could-distribution-be-patanjalis-achilles-heel/articleshow/52306425.cms?intenttarget=no>

Figure 8: Net Profit (Rs Crore) of FMCG Giants

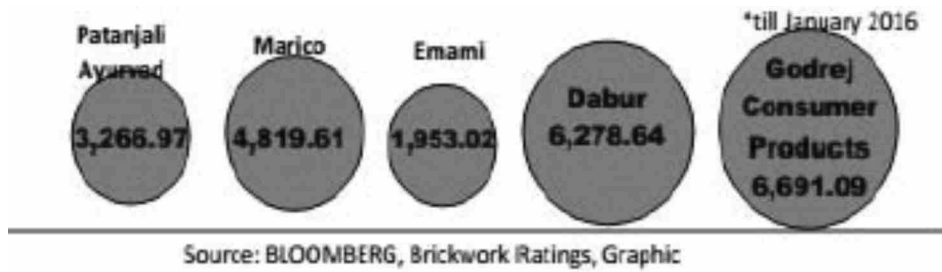
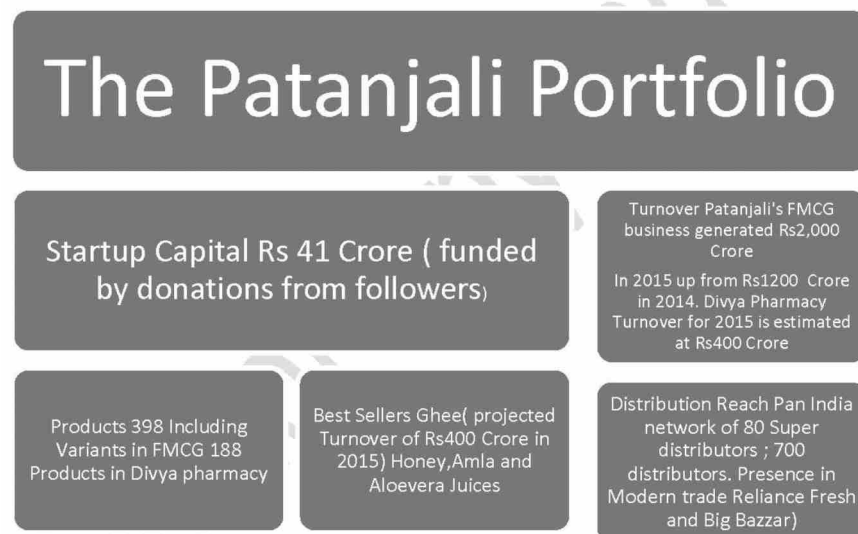


Figure 9: Companies FY '16 sales till 31st December (Rs Crore)<sup>37</sup>



Figure 10: Patanjali Product Portfolio



<sup>42</sup> <https://en.wikipedia.org/wiki/Patanjali-Ayurved>

<sup>43</sup> <https://en.wikipedia.org/wiki/Patanjali-Ayurved>

Figure 11: The Patanjali Portfolio38



Figure 12: Price comparison- Patanjali vs Others<sup>39</sup>



Figure 13: PAL Prices with respect to Competitors<sup>40</sup>

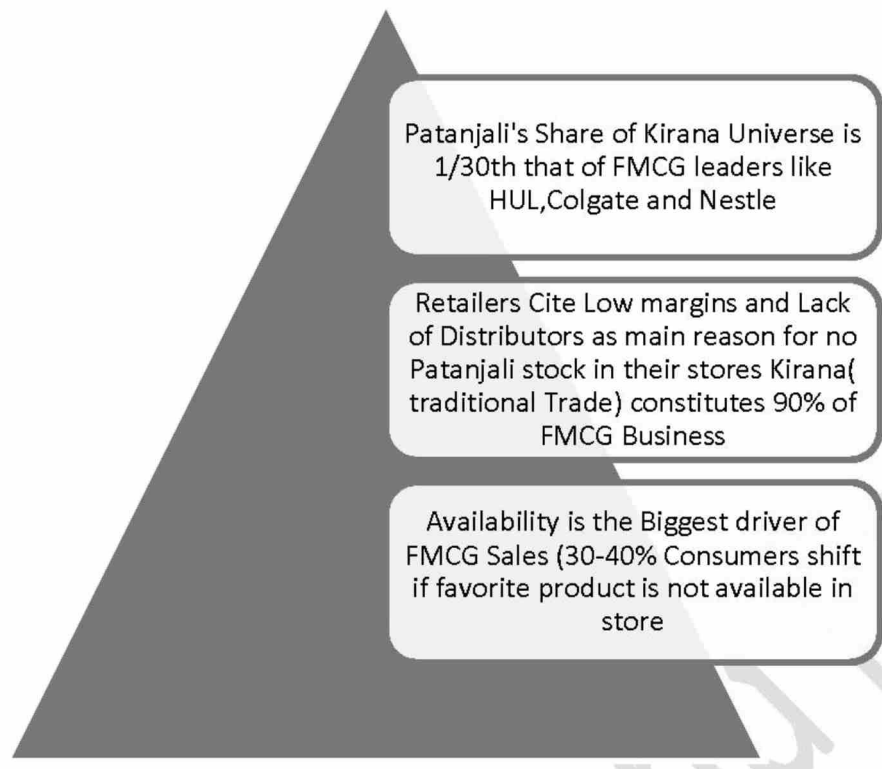


Figure14: Quick take by Neilsen Research41



Figure 15: Baba Ramdev’s Twitter Page





Figure 16: Facebook Page42



Figure 17: Patanjali Exclusive Outlets





Figure18: Patanjaliayurved.net website



Figure 19: Patanjaliayurved.org website43

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## QUOTES

*“No problem of human making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit.”*

**William J Clinton**

*“Once we believe in ourselves we can risk curiosity, wonder, spontaneous delight or any experience that reveals the human spirit”*

**E. E. Cummings**

*“Hope is some extraordinary spiritual grace that God gives us to control our fears, not to oust them.”*

**Anonymous**

*“Survival is not so much about the body, but rather it is about the triumph of the human spirit.”*

**Anonymous**

## CASE STUDY

# Project Management For Public Goods – The Case Of Indian Railway

Dr. Mahesh Gadekar\*

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### ABSTRACT

*The importance of project management has been highlighted by number of organizations by citing the contribution in their turnover. It has contributed significantly towards the goals of profit maximizing, resource utilization and cost management. However, the role of project management is much wider and comprehensive in the emerging markets. The case attempts to explore one of the emerging market ie. India. India is one of the challenging markets in terms of severe resource constraints and making of services available in most affordable and effective way. The present case explores the role of project management in Indian Railway which is one of the massive public sector organizations. The case provides valuable comprehensions into the adoption of the project management and various issues experienced by the organization. The insights are significant for project managers, organizations and policy makers.*

**KEYWORDS:** Infrastructure, Indian Railways, Project Management, India, Emerging Market

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### Introduction - Importance of Project Management

Literature has discussed the importance of public goods and also stressed the Government's role in creation of public goods. The concept of welfare state was one of the focal point of the development economists. The antecedents of the welfare state may be linked with the arguments of economist Lord John Maynard Keynes towards the underemployment economy which had been highly susceptible towards the recession/depression. Keynes stressed on the role of the Government by explaining the concept of multiplier effect and pump priming process. Keynesian economics dominated the world economy in the 20th Century wherein the Governments across

the globe had increased expenditure in varied areas in the home economy. One of the justification for the government participation was the presence of public goods or merit goods. Public goods are goods which are jointly consume unlike of private goods. Hence roadways, bridges, garden, dam etc are public goods. Supporters across the globe have insisted on the presence of government participation for the creation and sustenance of public goods. The Government of India in the 60s had kickstarted number of projects i.e. basic and key sector industries to push the economy. The simple strategy was to push the basic and key sector industries for speedy momentum of the allied industry and boost the economy. The policy may be categorized into the unbalanced growth approach which

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is essential when majority of the sectors are witnessing an uneven growth. The relevance of basic and key sector industries have not diminished in the present era especially the post liberalized period ( Post 1991). In other words, the post liberalized era, has opened new opportunities and challenges before the public sectors. The post 1991 period highlights the loosening of stringent rules and regulation for foreign investment, collaborations and market expansion. Significant number of public sectors were facing revenue constraints. The revenue constraints were not limited to the post liberalized era rather number of the public sector companies were experiencing severe revenue constraints during the pre liberalized era.

### Indian Railway

Indian Railways is an Indian state-owned enterprise, owned and operated by the Government of India through the Ministry of Railways. It is one of the world's largest railway networks comprising 115,000 km (71,000 mi) of track over a route of 67,312 km (41,826 mi) and 7,112 stations. In 2014-15, Indian Railways carried 8.397 billion passengers annually or more than 23 million passengers a day (roughly half of whom were suburban passengers) and 1058.81 million tons of freight in the year. In 2014–2015 Indian Railways had revenues of ₹1,634.50 billion (US\$24 billion) which consists of ₹1,069.27 billion (US\$16 billion) from freight and

₹402.80 billion (US\$6.0 billion) from passengers tickets. Railways were first introduced to India in the year 1853 from Mumbai to Thane. In 1951 the systems were nationalised as one unit, the Indian Railways, becoming one of the largest networks in the world. Indian Railways operates both long distance and suburban rail systems on a multi-gauge network of broad, metre and narrow gauges. It also owns locomotive and coach production facilities at several places in India, with assigned codes identifying their gauge, kind of power and type of operation. Its operations cover twenty nine states and seven union territories and also provide limited international services to Nepal, Bangladesh and Pakistan.<sup>1</sup>

Indian Railways is the world's seventh largest commercial or utility employer, by number of employees, with over 1.376 million employees as of last published figures in 2013. Indian Railways's rolling stock comprises of over 245,267 Freight Wagons, 66,392 Passenger Coaches and 10,499 Locomotives (43 steam, 5,633 diesel and 4,823 electric locomotives). The trains have a 5 digit numbering system and runs 12,617 passenger trains and 7,421 freight trains daily. As of 31 March 2016, 27,999 km (17,398 mi) (41.59%) of the total 67,312 km (41,826 mi) route length was electrified. Since 1960, almost all electrified sections on Indian Railways use 25,000 Volt AC traction through overhead catenary delivery.<sup>2</sup>

<sup>1</sup> [https://en.wikipedia.org/wiki/Indian\\_Railways](https://en.wikipedia.org/wiki/Indian_Railways)

<sup>2</sup> [https://en.wikipedia.org/wiki/Indian\\_Railways](https://en.wikipedia.org/wiki/Indian_Railways)

Table 1<sup>3</sup>*Share of Transport Sector in Overall GDP (%)*

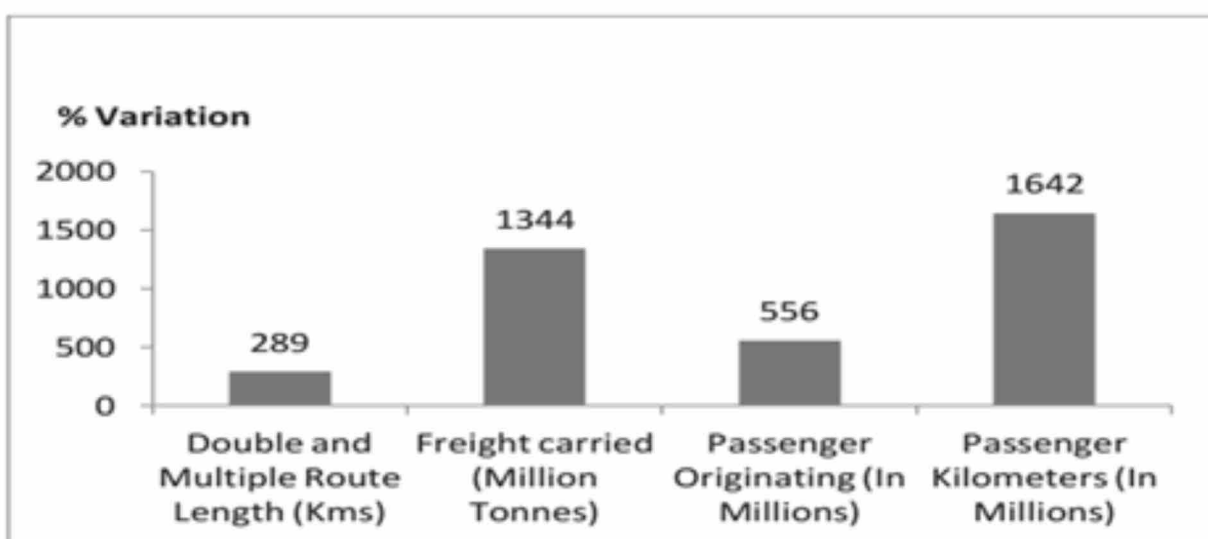
	2008-09	2009-10	2010-11	2011-12	2012-13 (1 <sup>st</sup> RE)
<b>Overall Transport</b>	<b>6.6</b>	<b>6.6</b>	<b>6.5</b>	<b>6.6</b>	<b>6.7</b>
<i>of which</i>					
<b>Railways</b>	1.0	1.0	1.0	1.0	0.9
<b>Road Transport</b>	4.7	4.7	4.6	4.8	4.9
<b>Water Transport</b>	0.2	0.2	0.2	0.2	0.2
<b>Air Transport</b>	0.2	0.2	0.3	0.3	0.3
<b>Services incidental to transport</b>	0.4	0.4	0.4	0.4	0.4

**Challenges of Indian Railways**

The railways have been one of the affordable and secure choice of millions of travellers in India. The network of the Indian railways is marvellous in terms of its reach and diversity. Due to numerous benefits that the Indian railways envision

towards its passenger, it has been most preferred by the travellers. However, there are number of challenges of Indian Railways.

1) Inability to meet the demands of freight and passenger

Table 2<sup>4</sup>*Growth Pattern since independence*

<sup>3</sup> [http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance\\_budget/Budget\\_2015-16/White\\_Paper-\\_English.pdf](http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/White_Paper-_English.pdf)

<sup>4</sup> [http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance\\_budget/Budget\\_2015-16/White\\_Paper-\\_English.pdf](http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/White_Paper-_English.pdf)

## 2) Under Investment

Table 3<sup>5</sup>

<i>Financing the Railway Plan</i>									
	2009-10	2010-11	2011-12	% share	2012-13	% share	2013-14	% share	2014-15 (BE)
Budgetary Support	16911	18385	20013	44%	24132	48%	27033	51%	30100
Railway Safety Fund	805	1100	1323	3%	1578	3%	1983	4%	2200
Internal Resources	12196	11528	8935	20%	9531	19%	9681	17%	15350
Extra-budgetary resources	9760	9780	14790	33%	15142	30%	15085	28%	17795
<b>Total</b>	<b>39672</b>	<b>40793</b>	<b>45061</b>		<b>50383</b>		<b>53782</b>		<b>65445</b>

(Rs. in cr)

## 3) Low Productivity of Indian Railways when compared with other countries

Table 5

<i>Passenger Service Yields in some Major Economies</i>		
Country	Passenger Service Yield US Cents / Passenger-KM at nominal prices	Passenger Service Yield US Cents/Passenger-KM adjusted for PPP* (India=1)
India	0.6	1.0
China	2.4	2.7
Russia	5.2	6.7
Japan	19.0	9.4
Germany	12.6	6.2

Source: World Bank (2012): Railways International Overview: Issues for India (12<sup>th</sup> Plan document)

## 4) High Number Of Accidents

Table 6<sup>6</sup>

<i>Comparison of IR accident statistics with European Rail Systems</i>				
Average number of accidents in 2012.				
SN	Country	Total accidents	Total number of million train km	Accidents per million Train Km
1	United Kingdom	26	535.59	0.05
3	Spain	22	188.73	0.12
4	Germany	139	1038.11	0.13
5	Denmark	10	63.06	0.16
6	France	85	511.9	0.17
7	Netherlands	25	149.77	0.17
8	India	194	963.48	0.20
9	Sweden	33	140.43	0.23
10	Belgium	24	99.26	0.24
12	Austria	44	149.8	0.29
13	Finland	16	50.89	0.31
14	Portugal	13	37.5	0.35

5 [http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance\\_budget/Budget\\_2015-16/White\\_Paper-\\_English.pdf](http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/White_Paper-_English.pdf)6 [http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance\\_budget/Budget\\_2015-16/White\\_Paper-\\_English.pdf](http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/White_Paper-_English.pdf)

The challenges of Indian Railways are numerous and are inter-linked. Indian Railways stands for the comprehensive network that connects cities and villages across the length and breadth of the country. However, the micro level challenges and their interlinkages need to be identified and also a process of industry validated performance mapping system need to evolve.

### Project Management As A Feasible Options

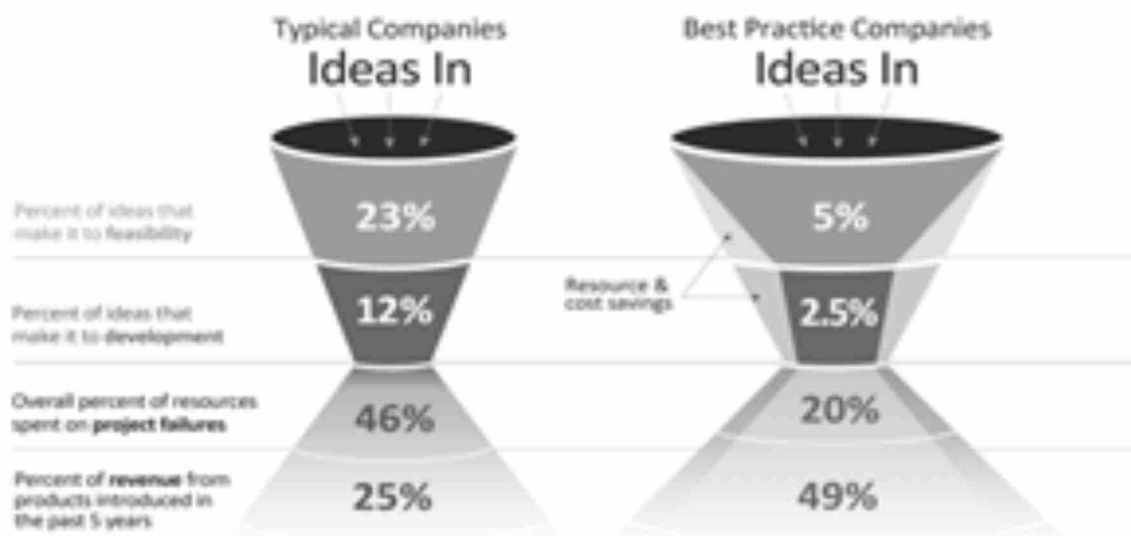
According to association of project management , “Project management is the application of processes, methods, knowledge, skills and experience to achieve the project objectives”<sup>7</sup> Number of organizations are embracing the project management due to reduction in risks, costs, improvisation in success rates, discipline approach, competitive advantage, deliverance of better results, creation of

natural opportunity for customers to re-examine their business needs, improvement in predictability, bringing the projects on schedule.<sup>8</sup>

The State of the PMO 2010 reported that PMOs<sup>9</sup>:

- Decreased failed projects by 31 percent
- Delivered 30 percent of projects under budget
- Demonstrated a 21 percent improvement in productivity
- Delivered 19 percent of projects ahead of schedule
- Saved companies an average of US\$567,000 per project.

Project management is one of the feasible option as helps in determining the implementor the reasons to undertake. It also assists in understanding the risk, various approaches towards of the project thereby helping to predict the costs of the project.



Source: PCMA, PDI, Cap Gemini

<sup>7</sup> <https://www.apm.org.uk/WhatIsPM#WhatisPM>

<sup>8</sup> <http://www.pmi.org/-/media/pmi/documents/public/pdf/white-papers/value-of-project-management.pdf>

<sup>9</sup> State of the PMO 2010, PM Solutions, May 2010. Results based on a survey of 291 management employees cited by <http://www.pmi.org/-/media/pmi/documents/public/pdf/white-papers/value-of-project-management.pdf>



### **Project Management As One Of The Alternative For Public Goods/ Merit Goods**

Public goods are difficult for the market mechanism due to the existence of free rider problem. Free rider problem refers to the problem wherein an individual receives the benefits but avoids paying it. The existence of free rider problem is detrimental to the market mechanism. The remedy of the problem lies in the cooperation and coordination and enforcement in the system. The above role can be fulfilled and the problem of free rider can be reduced through the Government intervention. Though the Government has intervened in releasing the public goods/ merit goods, however the feasibility of provision of public goods is highly desirable in terms of effectivity and efficiency.

The role of technology enabled monitoring of the public goods is therefore desirable especially for the developing countries due to existence of severe resource constraints. The provision of public goods has been one of the prime responsibility and priority of the Indian Government since independence. Five year plans have emphasised on the importance of the role of the Government towards welfare state. However, there is a need to application of systemic approach towards the monitoring and execution of development projects.

Indian Railways has recently announced the web based project monitoring system. Railway Minister Suresh Prabhu launched the Project Management and Information System (PMIS) which would enable the railways to monitor online the progress of ongoing projects across the country. Indian railway stated that "PMIS is a web-enabled

IT application which would cover the entire lifecycle of complex projects. It is a step in leveraging resources which would empower railways in transforming the way projects are designed, built and commissioned," PMIS would use drone recordings and CCTV footage to monitor the projects. The minister said PMIS would be helpful in implementing upcoming major railway projects on time and save money. The plan is to roll out PMIS to all the major projects across the country. It will help in online monitoring, mid course corrections to ensure faster execution of the projects. The railways will save crores of money if projects are implemented on or before time<sup>10</sup>.

Hence the implementation of project management in Indian Railways will help -

- Monitoring the projects
- In implementing upcoming major railways projects
- Mid course corrections to ensure faster execution of the projects
- Availability of information on public domain
- A tool for performance evaluation
- Economic benefits
- Extensive and continuous monitoring
- Leveraging resources
- Empowerment of Indian Railways in terms of the way projects are designed, built and commissioned

The scope of project management cannot be limited to the Indian Railways. There are number of projects especially the public goods and development projects that needs utmost attention in terms of project management. Some of the futuristic areas for the project management for the development projects and public goods can be - Public Distribution System, Drought

<sup>10</sup> <http://gadgets.ndtv.com/internet/news/indian-railways-launches-web-based-project-monitoring-system-833486>

Assistance, Disaster Management, Rehabilitation and Displacement Programme, Mid Day Meal Programme, Distribution of Subsidies, etc.

The above case attempted to explore the scope of project management. Project management can be applied for public /

merit goods. The use of project management will help in assisting the government, organizations, policy makers and practitioners for monitoring and scheduling the project. The scope of project management is therefore desirable to be explored and practice for the effective provision of merit goods.

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## QUOTES

*“The human spirit is as expansive as the cosmos.  
This is why it is so tragic to belittle yourself or to question your worth.  
No matter what happens, continue to push back the boundaries of your inner life.  
The confidence to prevail over any problem, the strength to overcome adversity and  
unbounded hope – all reside within you.”*

**Daisaku Ikeda**

*“Nothing in life is to be feared, it is only to be understood.  
Now is the time to understand more, so that we may fear less.”*

**Marie Curie**

*The real source of wealth and capital in this new  
era is not material things, it is the human mind, the human spirit,  
human imagination, and our faith in the future.*

**Steve Forbes**

*“It costs \$0.00 to be a decent human being.”*

**Anonymous**

*“I believe in the power of the human spirit.”*

**Bob Harper**

## RESEARCH

# Developing A “Theoretical Toolbox” For The Concept Of Consumerism

Dev Narayan Sarkar\* & Dr. Kaushik Kundu\*\*

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### ABSTRACT

*The present study provides a framework for future research on consumerism through the application of a definite number of theories applicable to consumerism. From the viewpoint of more generally accepted theories on consumerism, we consider the implications for consumerism offered by theory of postmodernisation, social capital theory, citizenship theory, theory of reflexive modernisation, time displacement theory, bounded rationality, stakeholder theory, and societal marketing concept. These theories help in explaining the citizen activism aspects of consumerism. However, the preoccupation of society with the acquisition of consumer goods and services also forms an important part of the sphere of consumerism. While the developed world is preoccupied with the promotion of the interests of consumers, societies in the developing world are still concerned with the acquisition of consumer goods. Scholars and practitioners may gain pertinent insights by exploring the theoretical foundations of consumerism in the available literature on anthropology, cultural studies, sociology, psychology and history. Such a search for theoretical bases of “consumerism” in hitherto underexplored disciplines, combined with the more generally accepted theories, may provide a toolbox for a better understanding of the preoccupation of society with the acquisition of consumer goods. The present study considers how each theory can help researchers to better comprehend the ways in which consumers, marketers, and society view consumerism, and insights are developed from the simultaneous analysis of related theoretical perspectives.*

**KEYWORDS:** Consumerism, Toolbox Of Consumerism, Theoretical Bases Of Consumerism; Anthropology, History, Marketing, Psychology, Sociology

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### Introduction:

Anthropological studies have highlighted the eagerness of the Indians for trinkets, beads, bright coloured cloths and blankets, knives, guns, and other manufactured articles, not to mention whiskey, for which

an Indian would barter all he had (Flandreau, 1925). Such studies highlight the fact that consumerism may be as old as time itself. Intermingled history of colonialism and consumerism has been often studied by historians and anthropologists (e.g., Mintz, 1985; Norton,

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2006) who have studied the effects of consumerism on ancient and contemporary societies. Historians and archaeologists, Fournier and Sh (2014) correlated colonialism with the rise of consumerism in the Aztec civilization. The love for European goods and production techniques made the Aztecs dependent on Europeans and led to their ultimate subjugation (Norton, 2006). With colonialists coming into Latin America, the indigenous population aspired to the high-energy, intensive consumerism (Bauer, 2001). Despite such inferences on consumerism in extra-marketing literature, marketing scholars have persisted in underrepresenting the relevant theories from anthropology, history, psychology, and sociology in consumerism studies.

Pattaro and Setiffi (2017) categorized the available research works on consumerism (last forty years of research) on the basis of three key concepts: a) “critical consumption”, used as synonym of “political consumerism” and closely tied to the avoidance of certain products; b) “responsible consumption”, more tied to the characteristics of the product; and c) “conscious consumption”, which is based on the acquisition of a more general knowledge about products purchased. All the three concepts relate to the consumer activism viewpoint of consumerism. Inherent in this argument is an important avenue for future research in the context of developing economies, where societies are still engrossed with the acquisition of consumer goods. The present study aims at constructing a research-toolbox using the generally-used theories, as well as, the

underreported foundations of consumerism. Scholars and practitioners may gain pertinent insights by exploring the theoretical foundations of consumerism in the available literature on anthropology, cultural studies, sociology, psychology and history, apart from the ones extant in marketing literature. Such a search for theoretical bases of “consumerism” in hitherto underexplored disciplines may provide a toolbox for a better understanding of the preoccupation of society with the acquisition of consumer goods.

Consumerism seeks to reiterate the moral dimension of consumer choice by highlighting the connections between production and consumption in all societies (Gabriel & Lang, 2015). “Consumption, consumerism, consuming, price and material culture are all crucial to our understandings of twentieth-century history and must be accorded the same historical significance as notions of production, work, the wage, and perhaps all the ideologies associated with a productivist mentality” (Hilton, 2003, p. 1). In the final analysis, they are perhaps more important: as one recent historian of twentieth-century American commercialism put it, 'consumerism was the “ism” that won' (Cross, 2000).

The Merriam-Webster dictionary defines Consumerism (2004) as the promotion of the consumer's interests; or the theory that an increasing consumption of goods is economically desirable; or also a preoccupation with and an inclination toward the buying of consumer goods. Consumerism (2007) is defined by The

Shorter Oxford Dictionary as the protection or promotion of the interests of consumers; or the preoccupation of society with the acquisition of consumer goods. Etymologically, Consumerism (2016) is either "protection of the consumer's interest," from consumer + -ism; or as "encouraging consumption as an economic policy".

The Routledge Dictionary of Economics defines Consumerism (1995) as the concerted action to make firms pursue the interests of consumers, even at the cost of shareholders' incomes. Action can take the form of lobbying parliaments for legislation, protest marches and legal suits. In response to these campaigns, many Western countries since the 1960s have introduced elaborate consumer protection legislation to ensure that consumers get a fair deal before, during and after buying a good or service. The Advanced Dictionary of Marketing defines Consumerism (2008) in two ways: the most commonly understood meaning of the concept of consumerism is that of a movement of organized advocacy of consumer rights and power relative to sellers, where the aim is to protect and improve consumer rights; an alternate meaning of the term is that of equating personal happiness with the purchase and consumption of material goods.

The Blackwell Encyclopaedic Dictionary of Marketing suggests that (Consumerism, 1999) involves those activities of government, business, independent organizations, and consumers themselves which help protect consumers against unfair or unethical business practices.

Consumerism can be seen as the ultimate expression of the marketing concept since it compels companies to think from the consumer's perspective. In one sense, there is a philosophical conflict between the existence of consumerism and the marketing concept, because if the marketing concept were operating properly, there should be no need for consumerism. However, the diversity of consumer needs means that it is virtually impossible to produce products that satisfy every individual's needs. Secondly, organizations must produce goods within certain cost parameters to ensure profit. Thirdly, not all organizations have embraced or implemented the marketing concept fully.

Dictionary of Marketing defines Consumerism (2014) as the activities concerned with protecting the rights and interests of consumers. "Organized activity, mainly by pressure groups, aimed at improving and safeguarding consumer interests" is the manner in which The International Dictionary of Marketing defines Consumerism (2002). All other marketing dictionaries scrutinized by the authors (e.g., Consumerism, 1994; 1997; 2006; 2008) provided a similar viewpoint of consumerism. Such definitions of consumerism in generally-accepted marketing dictionaries highlight possible lacunae in research. While the developed world is preoccupied with the promotion of the interests of consumers (Pattaro & Setiffi, 2017), societies in the developing world (nliz Ger & Lascu, 1993; Okechuku, & Onyemah, 1999) are still concerned with the acquisition of consumer goods.

The disciplines of anthropology, economics, history, psychology, and sociology have contributed to the development of marketing theories (Sheth & Parvatiyar, 1995). The Routledge dictionary of economics (Rutherford, 1995) defines “consumerism” as the concerted action to make firms pursue the interests of consumers, even at the cost of shareholders' incomes. Action can take the form of lobbying parliaments for legislation, protest marches and legal suits. In response to these campaigns, many Western countries since the 1960s have introduced elaborate consumer protection legislation to ensure that consumers get a fair deal before, during and after buying a good or service. Oxford dictionary of economics (Black, Hashimzade, & Myles, 2003) defines consumerism by taking the view that where the interests of consumers and producers clash, the law should take the side of consumer protection against firms' profits or their workers' job security. Scrutinizing these definitions, it may be inferred that literature from the sphere of economics reflects a definition of consumerism that is similar to the ones forwarded by dictionaries of marketing. We have, therefore, excluded the much explored literature from the disciplines of marketing and economics from further analysis in the present study since our objective is to present some unexplored theories that may explain phenomenon in the sphere of consumerism.

Scholars of cultural studies, however, provide a different viewpoint. Sign-value has replaced the use-value or exchange-value of commodities that is central to this

analysis (Baudrillard, 1998). The Sage dictionary of cultural studies (Barker, 2004) suggests that consumerism is at the heart of a postmodern culture that is constituted through a continual flow of images that establishes no connotational hierarchy and thus no sense of value. This is said to be a culture in which no objects have an 'essential' or 'deep' value, rather, value is determined through the exchange of symbolic meanings (Barker, 2004). That is, commodities have sign-value established through advertising that confers prestige and signifies social value, status and power. contemporary developments in television organization and funding across our world have placed visual-based advertising and consumerism at the forefront of culture (Barker, 2004). A commodity is not an object with use-value but a commodity-sign so that postmodern culture is literally and metaphorically 'superficial'. Ironically, as Willis (Willis, 1977) argued, it is capitalism and the expansion of consumerism that have provided the increased supply of symbolic resources for young people's creative work. Capitalism (in the world of work) may be that from which escape is sought but it also provides the means and medium (in the domain of consumption) by which to do so. Thus, it is argued that the consumption practices of youth cultures are able to offer resistance to the apparent passivity and conformity of consumer culture.

Consumerism has been recognized a topic of study by anthropologists also, starting with the arguments by Augé (1992) regarding the importance of consumerism in present societies as well as for rethinking



the role of contemporary anthropology in making sense of contemporary conditions. In another anthropological study, Radin (1952; 1957) was led by this train of thought to a critique of North American society itself. Aboriginal civilisations excelled in respect for individual persons, integration of social and political life with the experience of individuals, and concern for the subsistence needs and emotional well-being of every member of the community. These humane values had been diluted in the North American rush towards economic success and consumerism (Radin, 1952; 1957). This leads us to enquire about the historical bases of consumerism.

The "economic" (Chicago School) theory of regulation, i.e. the shortage of consumer goods, may have led to the preoccupation of society with the acquisition of consumer goods (Tiemstra, 1992). Wilson's (1971) political theory of regulation accounts for these phenomena when interpreted in historical context. This theory suggests that regulation can indeed serve the public interest by preventing the rush to acquire and hoard consumer goods. However, consumer activism for deregulation in the developed world made the acquisition of goods and services easier and the focus of studies soon shifted to the political and activist aspects of consumerism (Tiemstra, 1992). An alternative historic reason for consumerism is presented by Giddens (1991) who suggested that consumerism is simultaneously the cause as well as the therapeutic response to the crisis of identities emanating from the pluralization of communities, values and knowledge in

'post-traditional society'. Post-modernists like Baudrillard (1998) have approached consumerism as the semiotic code constituting post-modernity itself: ultimately, signs are consumed, not objects. Such consumption seems to provide a sense of self-identity in modern societies where pluralization of communities is blurring self-identities based on traditional notions.

All dictionary definitions of consumerism advocate an exploration of the phenomenon from either a consumer activism viewpoint or from a viewpoint that purchase and consumption of goods and services may lead to personal happiness and contentment. Empirical research on consumerism has expanded to levels that have warranted review papers (e.g., Pattaro and Setiffi, 2017) and handbooks (e.g., Kaufmann, 2014) on the subject. These review papers and handbooks present a chronology of empirical studies. However, we agree with Webster (2009, p. 22) that "marketing has been more data-driven than theory-driven," which emphasizes the need for a sound theory base to understand the interplay between consumerism issues (like environmental and social sustainability) and marketing. Thus, as in other areas of marketing, the theories that marketing scholars use to analyze and describe phenomenon in consumerism remain unfledged (Carraher et al., 2008). As consumerism continues to grow as a significant concern for marketers (Lysonski, Durvasula, & Watson, 2003), researchers must offer new insights that build upon what we know about consumerism and begin to develop a more theory-based conceptualization of consumerism. Toward

this end, the present study draws on a set of well-established theoretical perspectives to articulate what they can offer about consumerism for researchers. Relying on theories that have demonstrated their usefulness for explaining phenomenon related to consumerism should instil a measure of confidence in the insights derived from them (Lundberg 2004).

The purpose of the present study is to stimulate thoughts on how phenomenon in consumerism may be explained in future research and to provide a broad conceptual foundation for that research. Recently, Shook et al. (2009) leveraged ten theories to set an agenda for research on strategic sourcing, while Connelly et al. (2011) highlighted nine theories that can be used for research on sustainability. The present article takes a similar approach by developing a “theoretical toolbox” that researchers can use to build knowledge about consumerism.

The present work begins with a review of the existing research on some pertinent theories from the disciplines of anthropology, cultural studies, marketing, sociology, psychology and history. Drawing on the review of existing literature, it analyses the theories that are applicable for explaining phenomenon in consumerism. These theories are presented as a toolbox for consumerism research (tabular form and diagram). The applicability of the toolbox to explain phenomenon in consumerism is explained using some examples. Finally, it suggests certain implications for further research and practice. Using these identified theories, researchers can conduct

further studies of the phenomenon in consumerism.

## 1.THEORETICAL PERSPECTIVES APPLIED TO CONSUMERISM

In the twentieth and twenty-first centuries, consumer movements and marketplace rebellions were often labeled as “consumerism” (Van Laer & Van Aelst, 2010). Nader (1968, p. 27) defined consumerism as “a term given vogue recently by business spokesmen to describe what they believe is a concerted, disruptive ideology concocted by self-appointed bleeding hearts and politicians who find that it pays off to attack the corporations”. In conventional words, consumerism highlights a consumer's right for protection against adulterated, deficient, or unsafe products and services (Van Laer & Van Aelst, 2010). For Buskirk and Rothe (1970, p. 64) “consumerism is attempting to tell industry something their research has not found, or that management has rejected or ignored”. Kotler (1971, p. 49) defined consumerism as “a social movement seeking to augment the rights and powers of buyers in relation to sellers”. Consumerism mobilizes the energies of businessmen, consumers, and government leaders to search for solutions and improve society, and ensures short-term and long-term values for consumers (Kotler, 1971).

Kotler (1971) found three discrete waves of U.S. consumerism movements in the early 1900s, the mid-1930s, and the mid- 1960s. According to Herrmann (1970), these three eras have significant common facets: 1) each movement happened during economic

and social unrest where rising prices of goods accompanied decreasing incomes; 2) with constrained financial ability, consumers were forced to protest by joining efforts to voice their rights; 3) consumers started fighting for their own interests since they were challenged by their declining purchasing ability.

Webster (1975) defined the socially conscious consumer as “a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change” (p. 188). Such a definition is based on the argument that the socially conscious consumer must be aware of social problems and must believe that an impact on society may be made through individual purchase decisions. Socially responsible consumer behavior has been defined as, “a person basing his or her acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society” (Mohr et al., 2001; p. 47). Collectively, these individual choices have the ability to go beyond the actions of individuals to shape political movements that may have far-reaching consequences (Merlucci, 1988; Klein, 2000). Market choice is pointed out as the wrench by which consumers may influence "with the goal of changing objectionable institutional or market practices" (Micheletti et al., 2003, p. 2).

Francois-Lecompte and Roberts (2006) developed a scale to measure socially responsible consumption with five factors: corporate responsibility, country of origin preferences, shopping at local or small businesses, purchasing cause-related products and reducing one's consumption. Webb, Mohr and Harris (2007) developed a scale with three dimensions to measure socially responsible consumption: 1) purchasing based on firms' corporate social responsibility (CSR) performance; 2) recycling and 3) avoidance and use reduction of products based on their environmental impact.

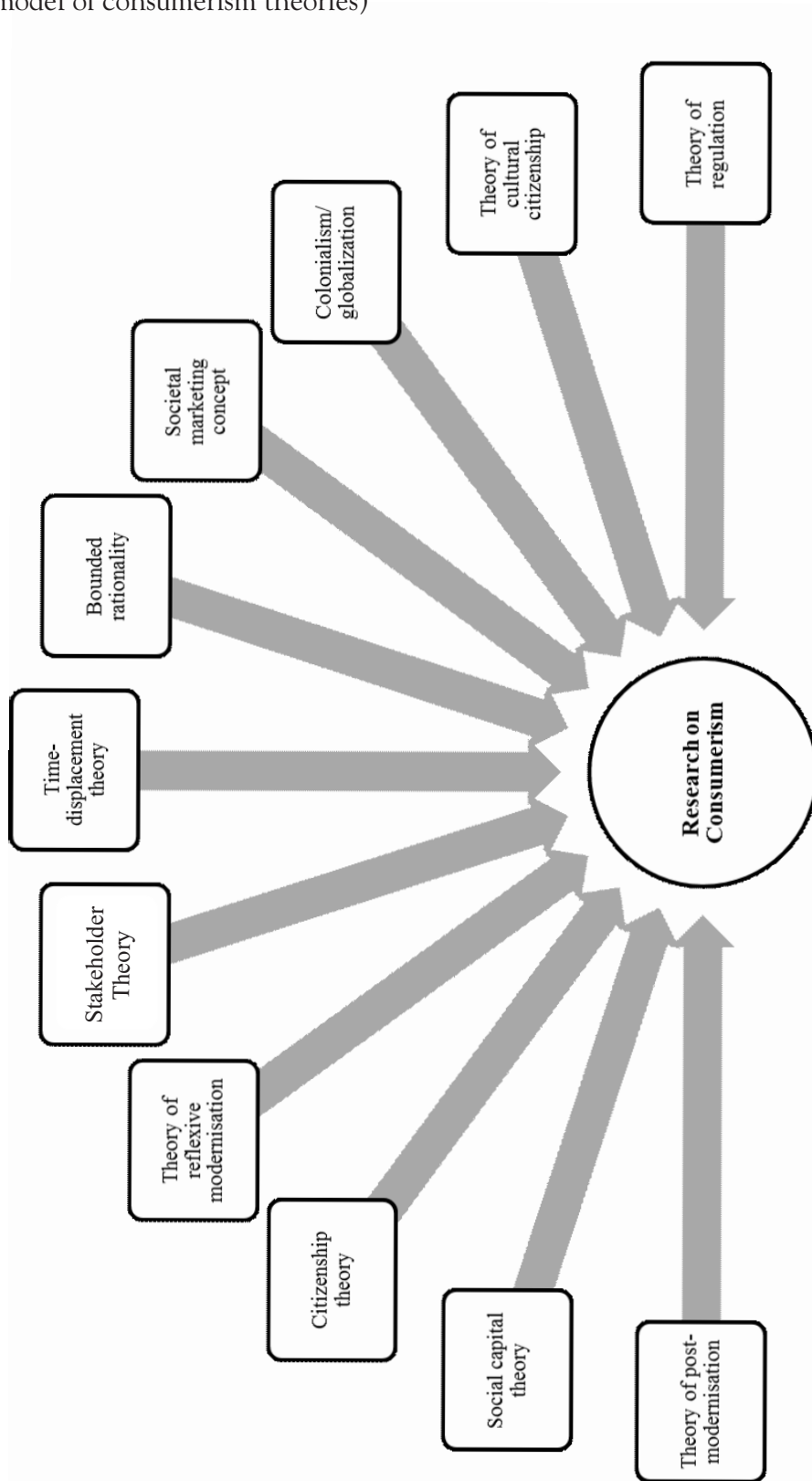
Extant studies on consumerism often use certain central concepts/theories to explain the observed phenomenon. It may be pertinent to summarize some of the theories that have helped in studying consumerism. These identified theories and concepts may be arranged into a quick-reference list, or a toolbox, that may guide future studies and help in interpreting phenomenon observed during empirical studies. The key insights that emerge from each theory are described. These theories are in no particular order of importance or chronology. Table 1 summarizes the key premise of each theory and point out some possible applications for research on consumerism. Figure 1 presents a listing of the identified theories in the form of a diagram.

Table 1: A toolkit of theories for research on consumerism

Sl. No.	Theoretical perspective	Representative literature	Key premise	Key insights for consumerism
1	Theory of postmodernisation	Baudrillard (1970); Bennett (1998); Inglehart (1997)	Theory on postmodernization implies that societies in which citizens grow up in affluence are becoming more value-oriented, a change that is affecting how citizens relate to politics and other spheres of life.	The process of postmodernization and the related shift to more post-materialist values (concerns for the environment, values of equality and personal integrity, inclusion of minorities, human rights, sustainable development, etc.) encourage citizens to embrace consumerism.
2	Social capital theory	Granovetter (1973); Putnam (1993, 2000); Hooghe and Stolle (2003)	Social capital theory suggest that the embeddedness in voluntary associations makes it easier for citizens to get involved in collective action.	Political consumers are possibly better integrated and embedded in such networks to enable consumerism.
3	Citizenship theory	Delanty (2000); Elkin <i>et al.</i> (1999); Peters and Savoie (1995)	Citizenship is exercised when citizens take responsibility in their relations to public and even private institutions.	Consumerism taps a political act that is not necessarily directed at the government per se, but that it seeks new targets such as multinational firms and international actors that can directly solve selected problems.
4	Theory of reflexive modernisation	Ulrich Beck (1997)	The theory of reflexive modernisation suggests that the modern state has severe steering and governability problems.	Citizens engage in consumerism because they lack trust in government.
5	Time-displacement theory	Maras (2006); Moy, Scheufele and Holbert (1999); Putnam (1995)	Time-displacement theory states that people have the same amount of time to spend, and thus, if they start a new activity, they will have to decrease other activities.	Less time working and shopping means more civic engagement
6	Bounded rationality	Simon (1947)	According to this theory, consumers are not maximizing their utility, but make a choice as soon as they find a satisfactory alternative.	Consumers often look at the various consumeristic product/service certifications or how to properly judge the reliability of a brand or a certification.
7	Stakeholder theory	Freeman (1984)	The standpoint of stakeholder theory is that companies should consider the impact of their actions on all relevant stakeholders like shareholders, customers, employees, suppliers, environment, and community.	Since consumers are important stakeholders for marketing organizations, these firms would have to be proactively consumeristic in their actions. In cases where organizations fail to take cognizance of the welfare of consumers, independent action by citizens may follow.
8	Societal marketing concept	Kotler and Zaltman's (1971); Mohr <i>et al.</i> (2001); Murphy and Bloom (1990)	Societal marketing concept is doing business in a way that maintains or improves both the customer's and society's well-being.	“A company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society” (Mohr <i>et al.</i> p. 47).
9	Colonialism/globalization	Lewellen (2002); Mintz (1985); Norton (2006); Turner (1993)	Colonialism and consumerism has been claimed by historians and anthropologists to be intertwined with each other. Consumerism has often historically started with the arrival of colonialists.	Cultural anthropology theorizes that “the ideology and practice of consumerism, the driving force of capitalism, is spread through movies, television, radio, billboards, and the internet, breaking down traditional cultural values based on kinship and community” (Lewellen, 2002, p.11).
10	Theory of cultural citizenship	Delanty (2002); Miller (2007)	The national and spiritual unity, that is undermined by forces such as sectarianism and secularism, is often restored by a shared drive to procure consumer goods and identify with a common culture.	In the present times, citizenship is often defined by shared values and propensities; a primary one being the drive to procure goods that may help the citizen in identifying herself/himself with the community (Delanty, 2002).
11	Theory of regulation	Skinner and Bryant (2007); Tiemstra (1992); Wilson (1971)	Prolonged periods of shortages or rationing of consumer goods, as in many communist economies in the past, often lead to people giving in to the urge for buying and hoarding goods.	Temporary or continued shortages may motivate consumers to purchase and stock more of the goods. Shortages may also motivate consumer activism to ensure better supplies.

Source: Table constructed by authors as part of the present study

**Figure 1: Theories applicable to research on consumerism**  
(Sunrise model of consumerism theories)



Source: Diagrammatic representation of the theories applicable to consumerism has been constructed by the authors in the form of a rising sun

### 2.1. Theory of postmodernization

Baudrillard (1970) argued that with the development of late modern capitalism follows a shift in the production/consumption circuit, where the symbolic dimension of material commodities become more important for the circulation of commodities in society. With this, Baudrillard (1970) introduced the concept of sign value, in addition to the Marxist concepts of use and exchange value. The symbolic exchange value (the prestige of an object as signalled by its sign value) replaces use of a product in postmodern societies (Denzin, 1986). Consumer goods provide the user with a perceived status and ownership through sign-value (Shukla & Purani, 2012). The brand has come to be regarded as a concept, a sign-value that has become “the chief communicators of all that is good and cherished in our culture” (Klein, 1999).

Inglehart's (1981, 1997) theory on postmodernization suggests that the societies in which citizens grow up in prosperity are becoming more value-oriented. Such a change is influencing the manner in which citizens connect to politics and other spheres of life. The process of postmodernization and the related shift to more post-materialist values (like concerns for the environment, values of equality and personal integrity, inclusion of minorities, human rights, and sustainable development) persuade citizens to discover new avenues to express their private and public pursuits and identities. The study of political demands and expressions, which are based on postmaterialist values,

necessitate a broader view of politics than the ones commonly used in political science research. Postmaterialist values are associated with demands for more individual autonomy, choice among products and services, self-expression, and political action (Bennett; 1998; Inglehart, 1997). It is observed that the shift to postmodernization and postmaterialist value orientations inspires political consumerism.

### 2.2. Social capital theory

Supporters of the social capital theory propose that the embeddedness in voluntary social associations makes it easier for citizens to involve themselves in collective action (Granovetter, 1985; Putnam, 1995, 2000; Hooghe & Stolle, 2003). This is because social-networks, such as associations, have a socialisation function through which members acquire social skills and generalised values and attitudes such as trust and they often get enlisted for political acts (Almond & Verba 1963; Brady, Schlozman, & Verba 1995). Such networks may also connect citizens and governments directly (Stolle & Hooghe 2003b). It seems that political consumers are possibly better integrated and embedded in social networks. It may be pertinent to differentiate between the traditional face-to-face associations and those groups with predominantly chequebook memberships. While one stream of research argues that only organisations involving extensive face-to-face contacts can influence democratic attitudes (Putnam 2000); another stream of studies claim that the impact of passive or



chequebook activism can also be persuasive (Wollebæk & Selle, 2003; Hooghe, 2003a). The attitudinal approach to social capital theory focuses on the pivotal role of generalised trust as an attitudinal orientation that facilitates various forms of co-operation (Stolle 2002). Hence, generalized trust is suggested to be an important influencer of political consumerism.

### 2.3. Citizenship theory

Political consumerism is suggested to be a political act that is not necessarily directed at the government, but that it seeks objectives such as solving selected problems related to multi-national firms and international actors. The premise of "citizenship theory" is that citizenship is exercised when citizens take responsibility in their dealings with public and even private institutions (Elkin et al., 1999). Citizenship theory suggests that politics is present in many spheres of life and transcends the formal structures of the nation-state (Delanty, 2000). New forms of citizenship seem important in the present times, given the governance and globalisation challenges facing many societies. Consumerism arises from the distrust of citizens towards the government in the context of promises made by the latter. Governance reflects an understanding of the role of public, private, and non-governmental institutions to take responsibility for citizen welfare and well-being through collective action (Peters & Savoie, 1995). It may be inferred that concerns about governability and ungovernability can motivate citizens to

venture into new forms of consumerism.

### 2.4. Theory of reflexive modernization

The theory of reflexive modernisation suggests that the modern state has severe steering and governability challenges (Ulrich Beck, 1997). According to the theory of reflexive modernization, new problem-solving ideas, arenas, and tools are necessary to deal with political problems. Ulrich Beck (1997) used the concept of "subpolitics" to capture the idea of politics emerging from responsible citizens in situations not traditionally viewed as political ones. It is argued that citizens engage in "subpolitics" because they lack trust in government. They fear that government either does not understand or cannot control the new uncertainties and risks in our modern societies. This view has been highlighted by Ulrich Beck (1997, p. 23) in his statement that "if modernity is a democracy oriented to producers, late modernity is a democracy oriented to consumers: a pragmatic and cosmopolitan democracy where the sleepy giant of the sovereign citizen-consumer is becoming a counterweight to big transnational corporations." The consumer seems to be bestowed with the responsibility for a morally virtuous handling of technological change and the liberalization of world trade.

### 2.5. Time-displacement theory

Time-displacement theory (Maras, 2006; Moy, Scheufele, & Holbert, 1999; Putnam, 1995) states that people have the same amount of time to spend, and thus, if they

start a new activity, they will have to decrease other activities. Modern conveniences like internet have saved time for consumers (Chen, 2010). With free time, virtual networking is viewed as a way to reach out to similar others, who become submerged between networked communities and commercialized communities (Cherrier & Murray 2002). These virtual spaces help create feelings of belongingness and esprit de corps and support consumerism (Cherrier & Murray 2002). Schor (1998) suggested that such peer reference groups are necessary for downshifter (person who has come by spare time now because of technology) survival in a consumer society. The implication of the time-displacement theory for consumerism is that less time working and shopping in the present times leads to more civic engagement (Shah et al., 2007). Availability of spare time leads to citizens striving to build social capital using the extra time (Moy et al., 1999). Consumer movements have indeed found an avenue on the internet (Parigi & Gong, 2014; Ward & de Vreese, 2011). This is exemplified by the worldwide anti-sweatshop movement against Nike by consumers (Carty, 2002).

## 2.6. Bounded rationality

According to the theory of bounded rationality (Simon, 1947), consumers are not maximizing their utility, but make a choice as soon as they find a satisfactory alternative using the limited/constrained/bounded information they have. Such complexity is not simply related to the level of education or

awareness. Consumers are often confused because of bounded rationality and time constraints where there are lots of options and an excess of information (Simon, 1947). Following Simon (1947), economists as well as psychologists have focused on cognitive constraints in decision making (Hanoch, 2002). Consumers often look at the various consumeristic product/service certifications or how to properly judge the reliability of a brand or a certification (Gabriel & Lang, 2015). The spread of consumerism as a core value has led to the use of purchase decisions based on the environmental and societal concerns demonstrated by organizations (Etzioni, 2010). Basing decisions on such limited factors is a feature of decision making following a bounded rationale (Etzioni, 2010; Gabriel & Lang, 2015). In a real economy populated by economic actors with bounded rationality, instruments, like environmental certifications and safety certifications, prove to be effective in driving the system towards given sustainability goals (Gorgitano, & Sodano, 2014).

## 2.7. Stakeholder theory

Since the publication of Freeman's (1984) landmark book, *Strategic Management: A Stakeholder Approach*, scholars have acknowledged that consumers are an important stakeholder in the success of marketing firms. The standpoint of stakeholder theory is that companies should consider the impact of their actions on all relevant stakeholders like shareholders, customers, employees, suppliers, environment, and community. Stakeholder

theory allows the organization to consider a wider range of influencers when developing strategy and those earlier theories of the firm do not consider all of the “groups” that influence organizational activities.

Marketers have also identified that the existing theories of the firm are not adequate and suggest that a broader range of groups should be considered (Anderson, 1982). By espousing the “marketing philosophy” firms attempt to design strategies that achieve the objectives of both the groups, consumers and the organization (Polonsky, 1995). Since consumers are important stakeholders for marketing organizations, these firms would have to be proactively consumeristic in their actions. In cases where organizations fail to take cognizance of the welfare of consumers, independent action by citizens may follow.

## 2.8. Societal marketing concept

The origins of the term social marketing can be traced to Kotler and Zaltman's (1971) article on the subject. Societal marketing concept is defined as conducting business in a manner that sustains or enhances both the customer's and society's well-being (Kotler, 1991). “A company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society” (Mohr, Webb, & Harris, 2001, p. 47). Social marketing is supposed to be applied to achieving social good (Murphy & Bloom 1990). The majority of social marketing programmes focus on altering behavior to increase the well-being of individuals and

society (Peattie & Peattie, 2009). As such, it can be used by anyone who claims (or believes) that it may be used for the welfare of society. Environmental marketing expectations of organizational consumers may be as straightforward as expecting that products they use perform effectively without unnecessarily harming the environment (Polonsky, 1995). Social marketing could help to relate consumers with the idea of sustainability and to encourage a reduction in consumption by shifting away from an over-reliance on guilt as a key driver (Peattie & Peattie, 2009). Organizations are addressing a number of environmental issues that are affecting business-to-business marketing as well. Industrial marketers, therefore, are encompassing environmental considerations in their products (Drumwright, 1994; Keller, 1987).

## 2.9. Colonialism/globalization and consumerism

Cultural anthropology theorizes that “the ideology and practice of consumerism, the driving force of capitalism, is spread through movies, television, radio, billboards, and the internet, breaking down traditional cultural values based on kinship and community” (Lewellen, 2002, p.11). Colonialism and consumerism has been claimed by historians and anthropologists (e.g., Mintz, 1985; Norton, 2006) to be intertwined with each other. Consumerism has often historically started with the arrival of colonialists (Norton, 2006). According to cultural anthropologists (e.g., Lewellen, 2002; Turner, 1993), colonialism

has been replaced by globalization in today's world as the cause of consumerism in communities.

### 2.10. Theory of cultural citizenship

Miller (2007) theorized that as sectarianism and secularism overwhelm patriotism and superstition, there is a loss of national and spiritual unity. Such unity is often restored by a shared drive to procure consumer goods and identify with a common culture. Citizenship had been held to be based on formal rights and had relatively little to do with substantive issues of cultural belonging (Delanty, 2002). In the present times, citizenship is often defined by shared values and propensities, a primary one being the drive to procure goods that may help the citizen in identifying herself/himself with the community (Delanty, 2002). An Indian living in USA may remain an Indian citizen but may attempt to achieve the cultural citizenship of USA by "catching up with the Joneses".

### 2.11. Theory of regulation

Prolonged periods of shortages or rationing of consumer goods, as in many communist economies in the past, often lead to people giving in to the urge for buying and hoarding goods (Skinner & Bryant, 2007). Consumerism may also manifest itself in activism against regulatory regimes to enable easier acquisition of consumer goods (Wilson, 1971). The (Chicago School) theory of regulation suggests that prohibition, rationing or constrained availability of consumer goods often lead to the increased preoccupation of society with

the acquisition of such goods (Tiemstra, 1992). Temporary or continued shortages may motivate consumers to purchase and stock more of the goods. Shortages may also motivate consumer activism to ensure better supplies.

## 3. DISCUSSION

The theories discussed in the previous section are presented in figure 1. The theories that seem applicable to research on consumerism are shown as influencing consumerism studies (Figure 1). From a research perspective, it is hoped that the present overview of a range of theories, will help future researchers in scoping out their researches on consumerism. The conceptual expansion of research on consumerism may be based on the sound foundations of central theories. While scholars have begun to apply some of the theories that have been discussed here (e.g., Drumwright, 1994; Keller, 1987), most remain largely unexplored. It is expected that research on consumerism will progress and evolve as scholars begin to apply these theories, which will almost certainly generate new research questions and provide more explanatory value for consumerism practices that we observe in the present society.

It is expected that researchers also will begin to combine multiple theoretical perspectives to uncover rich and complex ways of explaining individual and firm behaviors with respect to consumerism. For example, a consumerism that brings together social capital theory and time displacement theory could provide

considerable insights. Activist consumers who are left with spare time (time-displaced) may form social networks (social capital theory) to protest against socially unacceptable behavior of marketing firms. Organizations and governments are increasingly being besieged by citizens on social media on specific issues regarding social, environmental or consumer well-being. It may be interesting to research the triggers to using spare time for consumer activism.

Another interesting combination of theories is theory of reflexive modernisation and citizenship theory. It piques the imagination to estimate at what point in societal evolution do citizens realize that government may not be able to protect their interests and that they have to get involved in consumeristic activism. Consumerism may vary by the economic development level of a country and such variation may be explained by the interplay between reflexive postmodernisation theory and the citizenship theory.

In addition to complementary perspectives among the theoretical bases, there may also be contradictory views that arise as scholars examine consumerism through different theoretical lenses. For example, societal marketing concept urges marketers to keep the consumer's interests in mind. However, the concept of bounded rationality indicates that marketers may influence positive buying behavior by taking a certification for safety or environment friendliness.

Similarly, stakeholder theory urges firms to consider consumers and society as

important stakeholders while citizenship theory motivates consumers to take to activism to obtain their rights from firms.

The dichotomy between consumers fighting for their rights and firms considering consumers as important stakeholders may yield certain interesting studies.

Interesting contradictions may also arise when simultaneously exploring citizenship theory and the concept of bounded rationality. While bounded rationality assumes that consumers may not be aware of the total impact of buying a product or service on environment and society, citizenship theory argues that citizens are aware of the impact of adverse practices of firms. Such a contradiction may be resolved by bringing into play time-displacement theory that contends that consumers in the present times have surplus time which they use to connect with others over social media and indulge in citizen activism.

In addition to combining and comparing the various theories described in the present study, there may be opportunity for expanding the present research horizons by introducing an international dimension into the research questions derived from these theories. For example, we described how citizenship theory may be useful for explaining citizen activism within the sphere of consumerism, but increasingly citizens may be located in different countries. Citizens collaborating across countries for consumer activism may behave somewhat differently, as observed in the activism against sweat-shops in the case of Nike (Carty, 2002). Introducing an international dimension thus adds a layer of complexity into citizenship theory that



could raise a whole new set of research questions about consumerism. Similarly, theory of reflexive modernisation may be applicable differently to countries at different levels of prosperity and development. The time-displacement theory may also be applicable to differing degrees in developing and developing economies. The case of migrants and transnational managers present an interesting research query. Those whose formative years, experience, and education are associated with countries where consumerism has weaved its way into the fabric of society may have a heightened sensitivity toward consumerism issues and an increased capacity for citizen actions. It seems pertinent, at this stage, to explore the implications of the present study for managers.

### 3.1. Managerial implications

From a manager's perspective, this application of theoretical perspectives may offer a comprehensive view of consumerism. For managers, consumerism may be somewhat like the elephant of Indian legend that, when touched by blind men, is thought to be a water spout (trunk), fan (ear), pillar (leg), or throne (back). In the same way, managers may view consumerism mainly as an economic liability, a division that assesses environmental impact, a distinct market segment, or the development of a triple bottom line. These limited perspectives are at best incomplete and at worst misinformed. By elucidating the theories that may be most pertinent to consumerism and considering how they might be applied, the present study offers a

richer conceptualization of consumerism that is managerially relevant and theoretically derived. Although the ideas laid forth in this paper are mainly aimed at future empirical investigation, they also provide a foundation for managers to better understand how organizations may make decisions in the context of an increasingly consumeristic society.

Some managers are already following the ideas that emerge from the theories described herein. For example, Nike had to stop manufacturing its products at sweat-shops when it realized that the combined effects of time-displacement theory (consumers having more time to interact on virtual social networks) combined with citizenship theory (citizen activism) was leading to declining revenues and deteriorating brand value (Carty, 2002). The popular business press contains numerous anecdotes similar to this, but systematic inquiry is necessary to determine the extent to which these theories explain various approaches to studying consumerism.

## 4. CONCLUSION

Consumerism has become a key concept to both organizations and marketing researchers. Looking to the future, ongoing debate about political consumerism, socially conscious consumers and ethical consumerism seem likely to make consumerism even more important to organizations and researchers. The theories discussed in the present article provide a compelling “theoretical toolbox” that will help organizations and marketing scholars



understand consumerism in the years ahead. These theories may be applied to various consumerism situations to understand the conceptual moorings of the situation.

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## QUOTES

*“Art is the highest expression of the human spirit”*

**Joyce Carol Oates**

*“To confine our attention to terrestrial matters  
would be to limit the human spirit.”*

**Stephen Hawking**

*“The human spirit is not dead. It lives on in secret....  
It has come to believe that compassion, in which all ethics must take root,  
can only attain its full breadth and depth if it embraces all living creatures  
and does not limit itself to mankind.”*

**Albert Schweitzer**

*“So long as the human spirit thrives on this planet,  
music in some living form will accompany and sustain and  
give it expressive meaning.”*

**Aaron Copland**



## RESEARCH

# 'Mobiles, Email, Web-chats,... Everywhere. How Do Organized Retailers Unleash Their Potential When Battling E-tailers?'

Suja R. Nair\* & Harikrishna Maram\*\*

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### ABSTRACT

Growing consumerism calls for all types of retailers to deliver quality product/service offerings and differentiated experiences in line to consumers' needs and preferences. Tech savvy consumers of today are engaged in multichannel buying behaviour and are not loyal to any particular format. Unorganized retailers are redoing their outlets to match competition and organized retailers (including e-tailers) are stretching themselves-all in an effort to offer consumers the 'differential experience'. The Indian retail market poses tremendous challenges for all retailers, so instead of competing with each other it is felt that leveraging integrated efforts would be more beneficial. However, this will be very challenging with all retailers required to structure their internal and external processes with suitable technological and physical infrastructure so as to be able to understand both clicks (e-tailing) and bricks (physical stores) consumption needs. This paper discusses issues concerning integrating all types of retailers and also proposes a framework to analyse whether the path ahead of Indian retail can be moulded to suit this move.

**KEYWORDS:** Organized Retailers, Un-organized Retailers, E-tailers, Multichannel Buying, Leverage Integrated Efforts.

**RESEARCH TYPE:** Review Paper

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### Introduction

Retailing is defined as the set of business activities that adds value to the products and services sold to consumers for their personal or family use (Levy, Weitz, Pandit, and Beitelspacher, 2012). Although retailing practices has been in vogue since ages, modern retail in India picked up momentum only since one and half decades mainly due to favourable demographics like young working population, urbanisation, growing income, media penetration and increasing brand orientation. The

tremendous opportunity in an emerging retail market like India has attracted not only global retailers such as Wal-Mart, Metro etc. but also the online/e-tailers.

With technology at their figure tips and easy access to Internet, customers are comfortable purchasing products/services online. Alongside, they continue to patronize offline (organized and unorganized) retailers too. These customers have high awareness, make selective choices, openly voice their opinion, and expect consistency and 'customer

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engagement' in all retail transactions. A big challenge before the offline retailers and e-tailers is to fortify practices that earn them loyalty of such multichannel customers. In this paper we propose to examine whether all retailers can leverage their integrated efforts to cater to diverse customer needs wherein, e-tailers use intelligence tools to provide customer services and the offline retailers provide customers' accessibility and brand profile so as to deliver a 'real buying experience'. Through discussions this paper will attempt to answer the following questions:

- 1) How can organized retailers exploit market opportunities?
- 2) How organized retailers can overcome challenges in the retail market?
- 3) Is it possible to leverage Indian retail through an interface of organized and unorganized retailers' and e-tailers?

The rest of the paper is structured as follows: the following section gives an overview of the Indian retail scenario, followed by the type of retailers operating in India, and then there is a discussion on leveraging integrated efforts among retailers, finally conclusions are drawn and then limitations to the study and future research directions suggested.

### **Over-view of the Indian Retail Scenario**

The early retailing practices in medieval India was a controlled process mandating sale of commodities and products at certain designated markets (Byramjee., 2005). Common practices like "Weekly Haats", 'Melas' and 'Mandis' that have been in vogue since long continue retail operations even today. Popular retailing formats include street carts, wet markets, pavement shops, public distribution system, kiosks, weekly markets, etc. The current Indian retail sector comprises the co-existence of

the unorganized/traditional and organized/modern retailers and e-tailers. Till the 1980s, with limited purchasing power and not much industrialization the retailing scenario was more unorganized, operated by small/medium businessmen who set up stores at popular locations (operating in 500 or less square feet area) and practised the 'counter service concept'. Subsequently, they modified operations by adopting 'self-service format' and calling themselves 'Supermarkets' (Sengupta, 2008).

The early steps in organized retailing can be traced to mid 1980's when some of the restrictions were lifted. However, practically the beginning of modern retail can be associated with the opening of the first 'Nilgiris' outlet at Bangalore in 1971. Subsequently, rapid transformation took place with the entry of big retailers such as Shoppers's Stop, Pantaloon Retail, Viveks amongst others. Indian retail market has been evolving and the current retailing landscape characterised by its twin growth engines-the economic liberalization coupled with the demographic profiles is encouraging all types of retailers (global, organized, unorganized and e-tailers) to be a part of the growth-story.

### ***Retail market growth estimates and evolving consumer behaviour:***

The following studies pinpoint the tremendous scope of the Indian retail market growth.

- Indian retail is ever expanding, with a 15 percent yearly growth rate forecasted by 2015 (Nimbekar, Sood, Bachkaniwala, Gupta, Dutta, Rathi, Bangera 2015) and also an expected annual growth of 25 percent worth US\$ 175-200 billion by 2016 (Madan and Sharma, 2012).

- As per 'Indian Retail the next growth story' (2014), the overall size of Indian retail sector is estimated to be about INR 31 trillion in the period 2013-14 with a compounded annual growth rate (CAGR) of 15 percent over the past five years. Further, an estimation of CAGR 12-13 percent that would be worth about INR 55 trillion by the period 2018-19, is expected.
- According to ASSOCHAM/Business Standard (2014) study, the overall India retail market is likely to reach Rs 47 lakh crore by 2016-17 from the level of Rs 23 lakh crore in 2011-12, growing at CAGR of 15 per cent.
- The Indian retail market is likely to touch a whopping Rs 47 trillion (US\$ 738.71 billion) by 2016-17, opines Yes Bank-Assocham study (Retail industry in India, 2014).
- There is a visible growth in the Indian retail industry with an expectation that India will achieve 7.4 percent GDP during the period 2015-2016 (Datta, Nimbekar & Sood, 2016).

All the above studies reiterate the expectation of the tremendous growth potential of the Indian retail industry. The following section will throw light on the various categories of retailers who are aspiring to become a part of the growing retail industry here.

### **Types of retailers operating in India:**

Technological advances and the advent of e-age have brought about modifications in the way businesses are carried out. For instance, the wifi, internet, social networks, apps, etc., have helped to create new channels for retailers who are attempting to take advantage of these developments and reach out to customers in various ways. E-age technologies have enhanced

transactional and communication capabilities of the organisation through a faster supply chain that lower costs for the consumer. But long term growth calls for focussing on the 'consumption processes' of consumers that goes beyond the purchase process to include customers' services before and after sales (Browne, Durrett and Wetherbe, 2004). This study had attempted to analyze consumer behaviour and investigate consumer beliefs and preferences about shopping on-line and at physical stores. Interestingly, it was found that customers were attracted to online stores because it provided information and enabled purchasing of products and services, whereas, shopping at physical stores provided convenience in terms of the touch-and-feel factor, comfort when shopping in person and interacting with sales persons (Browne, Durrett and Wetherbe, 2004). Western markets having realized the scope of e-tailing, are vying the opportunities in emerging markets especially the BRIC (Brazil, Russia, India and China) countries. Further, physical store attributes do induce positive buying behaviour among consumers found Mohan, Sivakumaran and Sharma (2013). Moreover, the India retail market has witnessed tremendous structural changes in the recent years mainly owing to the dynamic entry of many international retailers and brands. With the rapid growth of internet retailing in India, based on shopping orientations, three customer segments, namely: value singularity, quality at any price, and reputation/recreation have been identified (Gehrt, Rajan, Shainesh, Czerwinski and O'Brien, 2012). In the past few years e-commerce has made a big changeover especially among India's increasingly young work force with high disposable income, and being socially active find convenience in using smart phones and being engaged in e-tailing (Dutta,

Nimbekar and Sood, 2016). On one hand, while e-tailing is expanding the growth of the retail market to reach out to even most remote customers, a large number of traditional brick-and-mortar retailers are redoing their retailing processes in a bid to meet competition, on the other hand. For, as pointed out by the following studies even unorganized retailers and/or e-tailers stand to gain from the retail growth:

- The study by Goswami and Mishra (2009) found that if unorganized retailers upgraded their in-store facilities (cleanliness, quality of products, etc.) they could easily earn long term customer patronage.
- The fact that 92 percent of the Indian retail business comes from the unorganized market speak volumes on the immense potential for growth and consolidation of this sector (Indian Retail the next growth story, 2014).
- India is expected to have the second largest base of online users globally, ahead of the USA although just behind China (India Special Online Retail Driving Realty, 2015).
- The face of modern retail changed with the accelerated pace of e-tailing that started from 2010 onwards especially with evolving consumer spending patterns with increasing disposable income levels, and these are truly re-defining the retail landscape in India (Dutta, Nimbekar and Sood, 2016).

With increased usage of advanced technology by retailers, for consumers shopping options are evolving and could even go beyond physical stores and e-tailing. Synergy between ecommerce firms and other category of retailers will be beneficial to all retailers and customers. Some of the e-tailers have attempted this.

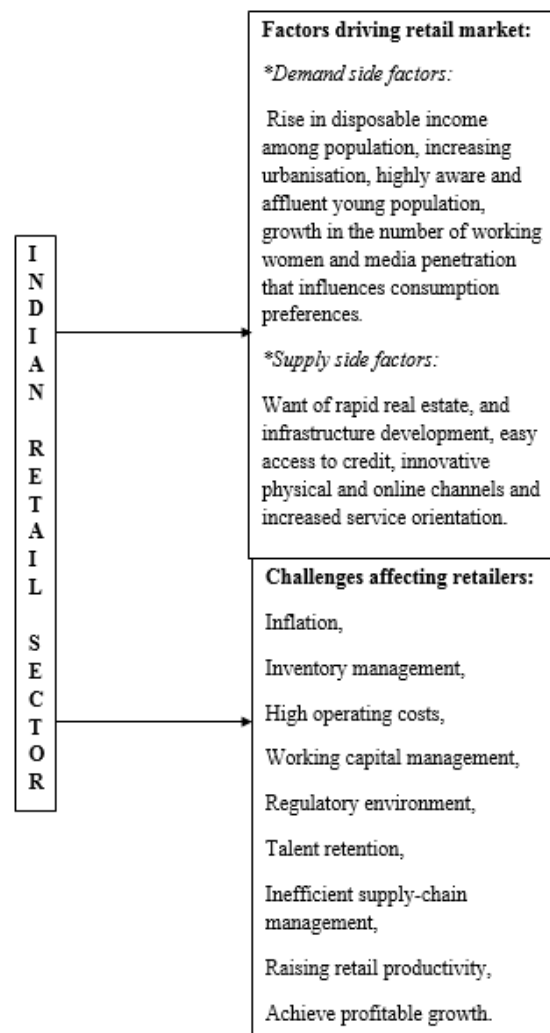
For instance, Lenskart, Pepperfly, Freecultr and Firstcry opened physical stores to show case their products and service online customers. Leading e-tailer, Flipkart long back had opened physical stores from where customers, according to their convenience could pick up products ordered online. E-wallet firms Paytm, PayU India, MobiKwik and Freecharge, offer services such as mobile recharging, adding bill payment and certain [e-commerce](#) products to customers.

On the likely consumer behaviour trends impacting the e-tailing market, Shashi Matta (Prof. Marketing, Ohio State University) felt crowd-shaping (meaning- Consumers will join, link, connect, fund as well as give shape to ideas and products/services that reflect their preferences and is based on how they express it), C to C retailing, gamification, hyper-connectivity, sustainability and social responsibility will have a major influence on the form and scope of future Internet retailing. While, "Retailers, branded companies and smaller sales outlets now need to look for new ways to market their products among customers who are more discerning and technically more knowledgeable – and that calls for a new approach, a new means of bringing together the best aspects of digital and traditional shopping", opined Carl Gish, Vice President, (global shipping and logistics), eBay Marketplaces (Global e-tailing 2025, p.9).

Tremendous changes have engulfed Indian retail since the past two decades and it is believed that the modern retail sector will primarily be driven through an integrated approach adopted by e-tailers and modern brick-n-mortar format stores (Dutta, Nimbekar and Sood, 2016). Evolving Indians' shopping behaviour has ushered a

revolution in retail, giving rise to assortments of formats to cater to the varying needs of customers. Unorganized retailers have modified in-store display and ambience, offer credit, free home-delivery and try to maintain personal relationship with their customers. The organized retailers (supermarkets, hypermarkets, retail chain outlets, etc.) have outlets at bustling shopping centres, multi-storey malls and huge complexes wherein shopping, entertainment and food courts are available under the same roof. Online retailers are going the extra mile by offering categories

of products, discounts and payment on delivery facility to customers. Competition, technology improvements and evolving retailing sector mandates retailers leverage and integrate available technologies and concepts to enhance relationships with customers to offer delightful experiences. A combination of demand and supply factors (drivers) and certain challenges are likely to provide the impetus and affect the growth of the Indian consumers and retail market (illustrated in Figure 1).



**Figure 1: Factors Driving, and Challenges Affecting Indian Retail**



Retailers to be a part of the industry growth could meet the challenges by revamping their operations through an influx of product variety, new working processes, building brands, re-doing supply chain management and exploring new markets.

### **Building 'Customer Experience':**

Social networks, smart phones, tablets, etc. have become an integral part of everyone's life changing the way one shops, with customers' looking out for an omni-channel (shopping through various mediums) experience and 24/7 shopping. Earlier, various channels (online, mobile, offline, etc.) were operating in silos. Today customers are socially aware, tech savvy and yet indecisive on their choice of 'preferred retailer', products to be purchased online vis-a-vis in-store, and so on (PWC Global's Total retail report, 2014). This calls for retailers to exploit market opportunities, work towards customisation (make intelligent usage of analytics to gauge consumers' preferences), offer transparency and access to information on the availability of stock- all in order to provide a real 'customer experience'.

Growth of the online market place has facilitated the emergence of a new channel called consumer to consumer that permits consumers to do business with other consumers through a facilitator who provides a market of exchange, for example, eBay, Yahoo auctions, etc. (Anderson and Zahaf, 2009). This study found customers avoid online shopping due to preference for the services provided by brick and mortar retailers, those not using the new channel but buying online are comfortable with the hassle free experience and those who are using the new channel being price sensitive, are able to compensate for any perceived

risks by researching more on the products to be bought (Anderson and Zahaf, 2009).

A major driving force behind retail revolution can be attributed to the dynamism and innovative flair for IT usage by today's customers who are living in a highly digital cultural environment. Such customers prefer a shopping experience that is convenient, efficient with an assurance of speedy delivery of ordered products. Technology has facilitated marketers to develop consumer profiles by evaluating their search and purchasing patterns. However, the real challenge lies in want of proper infrastructure facilities to ensure timely delivery (i. e. speed and convenience) of products to all customers.

Further, consumers are displaying multichannel buying behaviour so as to get the benefit of shopping in every place at all times. This implies that all retailers be they online or offline, need to do away with the old boundaries and look towards interlinking so as to give customers the best of the online and offline retail world as will be discussed in the following section.

### **Towards leveraging integrated efforts among retailers**

The current retailing scenario is customer driven with every retailer trying to pamper their customers' with attractive product/service offerings. These customers, however, do not patronize any format/channel as they seek functional benefits at unorganized outlets and emotional benefits from organized retail stores (Madan and Sharma, 2012) and typically shop at more than one channel (Multichannel strategy, 2013). India Retail Trends (2014) identified decreasing communication costs, rising Broadband PC



penetration and increased usage of credit card and debit card as the key enablers fortifying the growth potential of organized retailers and e-tailers. The strengths and challenges faced by different types of retailers are indicated in Table 1.

Nevertheless, in the current information rich-age the biggest challenge before all types of retailers is to deliver superior products/services through differentiated experiences that will suit the ever-changing consumer needs and preferences.

Indicators (a)	Opportunities in Retail (b)	Strengths of the retailer's	Challenges of the retailer's
Exponential growth and development opportunities	Globally India is the fifth largest preferred retail destination, with ample retail growth & development taking place across metros, major cities as well as in tier 2 and tier 3 cities. With increasing investments in rural infrastructure all retailers are looking forward to having access to high growth potential in rural markets.	For ' <i>Modern retailer</i> ':  -Can offer highly personalized services (including store staff's help) to customers.  -Allows customers to experience the 'touch and feel' factor of product offerings.  -Customers can make instant purchases, no waiting time for delivery.	In e-tailing with consumer demand threatening to overtake the capacity of infrastructure to deliver, e-tailers need to develop the last mile delivery system so as to be able to offer fast and efficient services that meet customers' expectations.
Rural markets potential	India has only about 6 per cent share in the private label market; growth of modern and online retail is augmenting the growth potential of private label brands in India.	For ' <i>E-tailers</i> ':  -Online customers can shop any where any time.	Supply chain management is a big challenge for e-tailers, calling for logistics division to make use of the most efficient and cost effective facilities and systems that ensure company stores and end customers receive shipments as per the plan.
Private label strategy	India's price competitiveness is attracting large global retailers such as GAP, Walmart, Tesco, etc. who are slowly moving towards establishing their own wholly-owned/wholly-managed sourcing and buying offices, i. e., making India their sourcing base.	-Customers can have wider online selection compared to that at physical stores.  -Customers can view other consumers' reviews when engaged in product/brand search.  -Price comparisons are very convenient in online shopping.	For all types of retailers-build up a profitable and sustainable business model that will help to manage logistics, pricing and customer loyalty.
Sourcing base			

(Source: RETAIL IBEF, January 2016; and THINK INDIA THINK RETAIL 2016)

Table 1: Opportunities, strengths and challenges faced by retailers

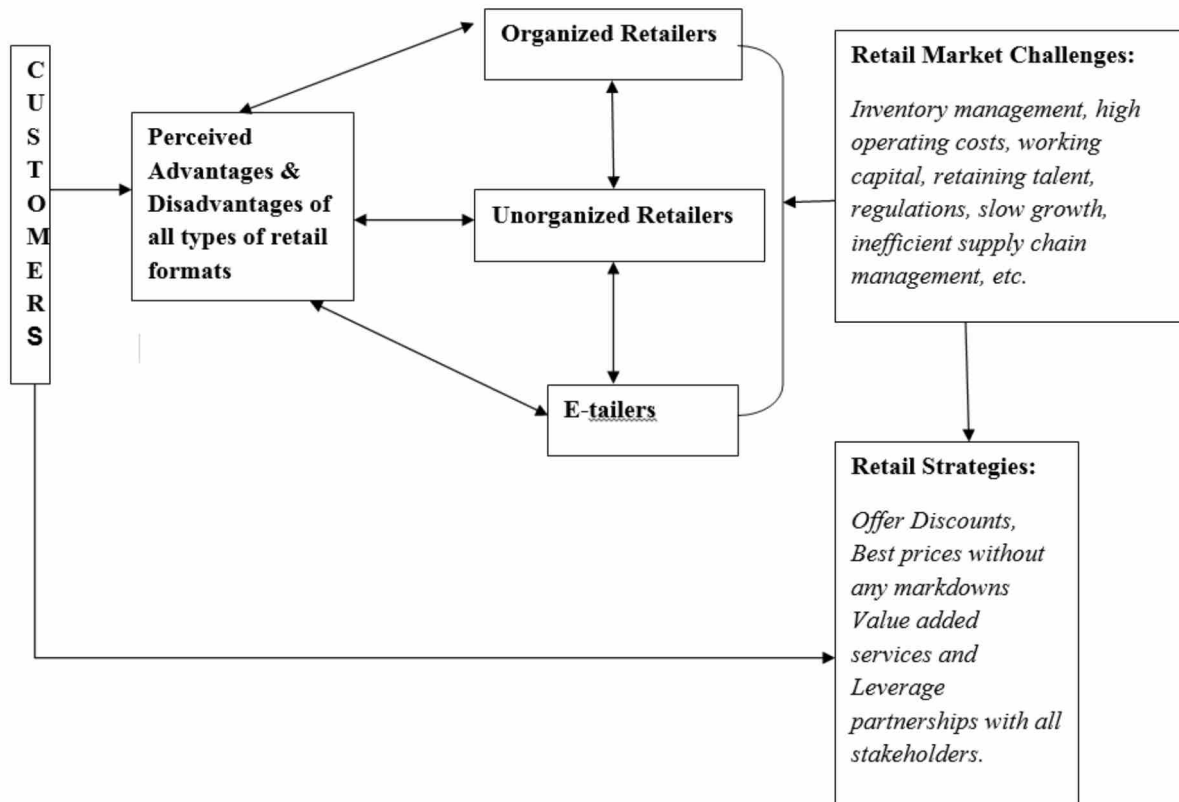
The following studies highlight ways on inducing positive retail consumption among customers:

Multichannel Strategy (2013) found that multichannel buyers browse the web to gather information on products but prefer to purchase and negotiate returns through any of the channels/outlets. This study opines the need for retailers to maintain the right balance between 'customer experience' and 'contact centre operations' by using a multichannel strategy that caters to all segments of the changing demographics across all geographies. Retail Leadership Summit (2014) suggests tapping emerging consumer segments through using business models that leverage technology, supply chain innovation and hybrid models adoption that would integrate their online and offline presence and also be able to attract customers from rural, smaller cities and towns. PwC Global's Total retail report (2014) found that 'customer loyalty' in the true sense develops only when retailers are able to build an element of 'trust' that repeatedly attracts customers to their store. The study suggests multichannel and online retailers to leverage their efforts and create business models that would help to expand operations beyond metros, Tier-1, 2 & 3 cities and convert footfalls/browsers to actual consumers. Such moves will facilitate customer's access to new channels and also enhance retailer's flexibility in delivering value to them.

Studies (Mishra and Mathew, 2013; and Gehrt, et al, 2012) found that despite the low penetration levels of the internet users, the online market has got tremendous growth potential. While examining the relationship between shopping orientations

and a validated scale of web site attribute importance among Indian online shoppers, Gehrt et al (2012) found the patterns of India's pioneer two segments: quality at any price, and recreation/reputation, to be similar in terms of internet usage and online shopping. These researchers suggested e-tailers to rely on diffusion of innovation to build up the value appeal. Mishra and Mathew (2013) found that Indian online buyers perceived a very high level of risk/fear on the delivery of goods bought online. However, quality of information, product range and after online sales service were the most preferred website attributes influencing its usage. Retail Operations Benchmarking and Excellence survey (2014) gave an interesting perspective on the impact of increased access to mobile internet suggesting that with increased access to 3G and 4G mobile internet services in the next five years, m-commerce can expect to gain about 20 percent share of the country's e-commerce market. Moreover, online retailers are now catering to consumers in more than 3000 postal areas, whereas, even the largest retail store chain (organized retailer) currently covers only around 100 locations in India (ibid, p.3). This is an indication of future growth opportunity with an integrated multichannel approach.

The above discussion advocates leveraging the integrated efforts of unorganized retailers, organized retailers and e-tailers, so as to induce positive retail consumption through a multichannel approach and in the process create a win-win situation for all involved. Keeping in mind the discussions put forth in the paper a framework to this effect has been proposed (illustrated in Figure 2).



**Figure 2: Proposed framework to leverage the integrated efforts of all retailers.**

As shown in Figure 2, the Indian retail market faces many challenges (inventory management, inefficient supply chain, etc.) that will impact all retailers and could adversely affect their costs and profits. We propose to leverage the integrated efforts of all retailers towards addressing the challenges. Organized retailers, with the help of analytics etc. can identify target customers' needs, manufacture products, develop interfaces with unorganized retailers (suitably located) and e-tailers (for tech savvy customers), provide them (retailers) the necessary marketing support to display and sell the products to customers through their formats/channels. Today's consumers do not patronize any single type of retailer. They prefer to weigh the perceived advantages and disadvantages of

each format and then make a choice. So, integrated efforts between retailers where each one shares with others valuable insights on the target customers will facilitate cost reduction and efficiency in supply chain management. Additionally, such benefits can be passed on to buyers through discounted offers. Moreover, such efforts could pave the way to explore retail opportunities through suitable retail strategies in the future.

E-commerce leader Amazon India had attempted this when as a pilot study they decided to launch an express delivery platform in partnership with the kirana shops of Bengaluru to cater to the local needs. Of course, only time will tell the outcome of Amazon India's attempt. Nevertheless, with more in stake for the

integrated efforts of online and offline retailers to meet customers' expectations of fast and efficient delivery of products/services, there are few challenging questions posed on which they need to reflect, and address:

Do the retailers have the right personnel with the requisite offline & online marketing skills? Have the retailers (offline as well as online) worked out a robust and future-proof data strategy? Have these retailers been able to identify the 'right marketing mix' and communications channels for a wider targeted audience?

## Conclusions

Competitive business scenario along with growing consumerism requires all retailers to intensify efforts at offering differentiated quality products and services to customers. The evolving Indian retail market is currently characterised by twin growth engines-the economic liberalization coupled with the demographic profiles providing the right impetus for growth. Organized retailers are trying to exploit the market with an influx of new work processes, technologies and modern concepts so as to provide 'delightful customer experiences'. Unorganized retailers are re-doing their in-store ambience, offering credit, etc. to woo customers. E-tailers are offering different categories of products, discounts and the payment on delivery facility to customers. Technology has impacted the way tech savvy consumers' in this information-age interact with different retail channels using the multichannel approach and yet they are not loyal to any retail channel. So, instead of competing with each other the authors of the current study feel that leveraging an interface between all categories of retailers would work for the good of all.

In spite of the popularity of e-tailing, customers will continue to shop at physical stores (both organized outlets and the traditional brick and mortar stores) mainly because for customers shopping is a recreational activity. At physical stores they get to touch and feel the products and interacting with the sales personnel provides the necessary social appeal. Realising the importance of e-tailing many of the traditional brick and mortar retailers have attempted to go online either through their websites or by tying up with popular e-tailers such as Snapdeal, Myntra, Jabong, etc. The idea is to use and bring technology to stores, provide multiple interacting points and support to the customer. Since the customers have experienced the convenience of e-tailing they will expect more and an integrated collaboration amongst all retailers in future can work towards a satisfying customer experience. In view of this a framework is proposed (Figure 2), wherein all-organized and unorganized retailers, as well as e-tailers could leverage an integrated business model so as to be able to deliver quality products/services through a multichannel approach and create 'delightful customer experiences'. This review paper through discussions has communicated on ways through which organized retailers can exploit market opportunities and overcome challenges in the retail market. Additionally, a collaborated interface between organized, unorganized retailers and e-tailers is felt could help leverage positive consumption behaviour among customers and also pave the way towards creating satisfying shopping experiences.

## Limitation and Future research

One limitation of this paper is that categorized as a General review paper, inputs have been drawn from secondary

sources such as referred journals, reports and reference books, however, to gather practical insight and gain a better understanding on consumer offline versus online shopping behaviour would call for carrying out an empirical survey study. Such a research study would require researchers to administer questionnaires to customers (both online and offline) that gauge their buying behaviour in terms of analyzing attributes that attract them to stores and also determine factors that contribute towards store loyalty. Additionally, although this review paper through discussions has drawn a broad conclusion on the tremendous scope of modern/organized retailing in India, a research study specifically focussing on any product category (say, luxury retailing or perishables like food retailing, etc.) would help to throw up more interesting facts and findings. Such a line of research could be attempted in the future.

E-age has helped to reduce the world to a global village. Entrepreneurial marketers should examine value added strategies that can initiate cross-border initiatives across markets (Nair, 2016). For this purpose future researchers could carry out primary empirical studies that will examine real time offline versus online retail buying behaviour in countries across borders. For instance, comparative studies between an emerging economy like India and developed economies like USA and UK will help reveal marked differences existing in online and offline retailing buying behaviour between established and emerging markets. Such studies will also provide perspectives on the scope of growth of the retail market both within the domestic market as well as across global markets.

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*"Its kind of bittersweet. The human spirit is not measured by the size of the act, but by the size of the heart."*

**Yakoy Smirnoff**

*"The human spirit is more powerful than any drug and THAT is what needs to be nourished: with work, play, friendship, family. THESE are the things that matter."*

**Robin Williams**

*"Wilderness is not a luxury but a necessity of the human spirit."*

**Edward Abbey**

*"No pessimist ever discovered the secret of the stars, or sailed to an uncharted land, or opened a new doorway for the human spirit."*

**Helen Keller**

*"We write because we believe the human spirit cannot be tamed and should not be trained."*

**Nikki Giovanni**

## Dimensions Of Store Choice In Purchase Of Apparels

**Dr. T. Frank Sunil Justus\* & A. Albert Prabakaran\*\***

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### ABSTRACT

*The effort taken by a retailer in establishing an apparel outlet would pay dividends when the shop becomes the choice of consumers for purchase of apparels. The closest the store is to the expectations of the consumer in terms of knowledgeable and helpful sales people, good service, perceived quality of merchandise, competitive price, comfortable environment the outlet has the probability of being perceived as the store choice. This manuscript is an effort to develop a scale so that retailers can understand the perception of consumers that decide store choice. The questionnaire comprised 49 Likert scales reflecting the different dimensions of store choice in apparel purchase and a total of 200 respondents exiting from selected apparel shops of Puducherry after apparel purchase were interviewed. The store choice was studied based on six dimensions viz, merchandise, atmospherics, comfort, emotion, service and promotion. The study in future can be extended to identify store choice factors of products other than apparels and also in other geographical locations.*

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Retailers put in great effort and money to develop the retail outlet. However, the retailer has to understand the major factors that endure the outlet as the preferred choice of the consumer. The closest the store is to the expectations of the consumer in terms of knowledgeable and helpful sales people, good service, perceived quality of merchandise, competitive price, comfortable environment the outlet has the probability of being perceived as the store choice. The consumers on their part choose to visit a lot many stores and evaluate on the basis of above said parameters to develop the image of an outlet. The retailers unless they understand the mechanism of store choice selection cannot make their

shop a preferred one. Fotheringham (1988) found that consumer store choice results from a process, whereby the information on various alternatives, is evaluated by the consumer prior to the selection of one of these alternatives.

Terblanche (1998) found the process of selecting a retailer is very similar to the buying procedure applied in choosing a brand, product or service where the consumer recognizes an unsatisfied need which requires visiting and patronizing a retailer, then searching for relevant information, evaluating the alternative retail stores and ultimately making a decision. Retailers put in great effort and

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money to develop the retail outlet. However unless customers patronize that outlet all efforts put in will turn to a waste. The retailer is in a blind spot to understand the perception of consumer that results in a apparel outlet choice decision. The retailer does not know how the consumer actually makes the apparel store choice decision. The consumer on their part has their own evaluative criteria and compares them with their perception of store choice characteristics. Hence a scale needed to be established which has to be useful to retailers to find the apparel store choice criteria. Once the store choice has been made and when the shopping experience tends to be favorable, the consumer tends to reinforce their learning behavior and the matter of apparel store choice can become habitual over a period of time.

### Review of literature

Woodside and Trappey (1992) pointed out that while shopping, a customer is likely to refer to a number of evaluative attributes and select the store or brand automatically linked with these hot buttons. Leszczyc, Sinha and Timmermans (2000) identified store choice as dependent on the timing of the shopping trip as consumers may go to the smaller local store for buying one or two products and go to a larger store for regular shopping trips. Rhee and Bell (2002) believed that while shoppers often patronize many stores, they typically have a primary affiliation to a main store that captures the majority of their purchases. Hassan, Muhammad and Bakar (2010) revealed that a shopper tends to shop at the store that meet their perceived expectations on certain attributes perceived as important to them. Bellenger, Robertson and Greenberg (1977) opined that the store

patronized is a result of both the relative importance of various motives and the shopper's assessment of alternative stores with respect to the various factors used in making the selection. Chowdhary (1999) argued that customers build a perception of the store based on their numerous visits to the store, and that the final impression is a combination of all of the aspects of the store that have affected them.

### Objective

To develop a comprehensive scale and identify the dimensions of store choice in apparel purchase behavior

### Method

The questionnaire was developed using the conceptual base of the dimensions of store choice and the basis of the focus group outcomes. This scale was developed on a five point scale with 1 indicating strongly disagree 2 disagree, 3 neither agree nor disagree, 4 agree and 5 strongly agree. The resultant questionnaire comprised 49 Likert scales reflecting the different dimensions of store choice in apparel purchase. The data was collected using personal interview method and a total of 200 respondents exiting from selected apparel shops after apparel purchase were interviewed. The Puducherry based apparel shops identified for the study included Pothys, Sharadhas, Max, Muthu silk house, Rams silk, PSR and Megamart.

### Analysis and Interpretation

Exploratory factor analysis was performed with varimax rotation on the total forty nine questions.

Table 1 Components of store choice in apparel purchase

	<b>Components of store choice that influence apparel purchase</b>	<b>Dimens ions</b>	<b>Loadin gs</b>
SC28	This shop has a wide collection of merchandise	Mercha ndise	.896
SC22	I only find new merchandise inside the shop		.871
SC23	I believe the products stocked here have no quality complaints		.861
SC25	the merchandize as right priced		.858
SC24	the shop stocks the latest trends in fashion		.852
SC26	I find my most preferred brands only in this shop		.851
SC30	The shop has a proper exchange policy in case of any fault in the apparel		.833
SC31	The shop provides test apparels so that the apparel I buy would not have been tried by someone else		.832
SC29	I find apparels in different fabrics to widen my selection		.819
SC27	I find rare merchandise available in this shop		.801
SC13	stores that have attractive wall displays	Atmos pherics	.903
SC6	stores that have well pronounced window displays		.895
SC44	Lift / escalators make life easy inside the shop		.893
SC14	stores that has proper humidification arrangements		.883
SC12	store that have comfortable lighting		.874
SC11	attracted products' signboards and posters inside the store		.861
SC40	I find the shop neat	Comfort	.843
SC10	comfortable with the soft music played inside the shop		.841
SC16	attracted by the way mannequins are presented in the store		.834
SC9	stores that are well scented to suit the mood		.701
SC1	stores that has parking facilities		.858
SC4	I prefer stores where I can get accessories		.855
SC2	I prefer to shop at stores near to my locality		.848
SC3	stores that are easily accessible by private / public means of transport		.843
SC46	Shop does not charge me for usage of credit / debit cards		.834
SC5	stores that are open for extended timings during festive seasons		.831
SC8	stores that have a spacious store front		.827
SC7	stores have adequate seating facility		.806
SC45	Shop has multiple payment options in each floor that helps me save time		.796

SC36	I shop here because as a child I was taken here for shopping	Emotion	.910
SC32	I believe I am shopping at store with matching clientele		.876
SC34	I consider it a prestige to shop from here		.870
SC35	I buy most of my clothes from this store		.867
SC37	I really identify with people who buy from this store		.862
SC33	My self-image matches with the store image		.852
SC41	I have a feeling of personalized care when I am in the shop		.845
SC38	I prefer the shop as it is patronized by my family members		.842
SC43	The personnel understand my choice of apparel and displays it	Personnel and service	.903
SC49	stores with informative salesmen		.902
SC39	shop with courteous/helpful salesmen		.895
SC47	alteration options for the product I buy		.866
SC48	shop where the salesmen can get me the right size and color that suites my style		.838
SC42	The sales man does not show negative feelings even in case I reject		.800
SC19	I prefer to shop at stores because of my favorite celebrity endorsement	Promotion	.897
SC21	I strongly believe I save a lot of money because of promotions		.885
SC16	I get price offs in case of bits or the last piece of bundles		.883
SC20	I get vouchers and coupons so that I redeem in my next purchase		.877
SC18	The sales promotion items are well displayed		.842
SC17	I prefer the shop as I get seasonal discounts		.810

Table 2 Eigen Value and Variance of dimensions of store choice in apparel purchase behavior

Summary statistics	F1	F2	F3	F4	F5	F6
Eigen values	14.44	11.81	7.06	3.54	2.57	1.87
% of variance explained	29.47	24.12	14.39	7.23	5.25	3.81
Cum % of variance explained	29.47	53.59	67.99	75.22	80.47	84.28

The first dimension identified as merchandise comprised statements such as wide collection, new products, quality products, rightly priced, apparels of recent fashion, preferred brands, exchange policy, test apparels and rare merchandise. The depth and width of merchandise is a decisive factor that aid store choice. Visser, du Preez and Van Noordwyk (2006)

identified merchandise and clientele as the most significant image dimensions that influence respondents. Arnold, Handerman and Tigert (1996) established that a store identified as being the best on the performance attributes such as locational convenience, price and assortment of merchandise was more likely to be patronized by customers. The merchandise

dimension accounted for 29.47 percent of variance.

The next dimension sorted was atmospherics comprising statements such as attractive wall displays, window display, escalator provision, humidification arrangements, comfortable lightings, signboards, cleanliness, foreground music, attractive mannequins and scented aroma. Atmospherics add an aura of charm and comfort that enhance the image of the store as they go through the product selection process and strengthen the store choice behavior. Pine and Gilmore (1999) indicated that creating a unique customer experience can provide financial value for the company. Engel, Blackwell and Miniard (1995) studied the environmental dimensions such as air quality, lighting, layout, carpeting and aisle width and placement are physical store attributes used to project store image and influence store choice.

The next dimension that emerged was comfort attributes that comprise components such as parking facilities, availability of apparel accessories, shop located nearer to residence locality, easily accessible, no charges for card usage, extensive timings, spacious store front, adequate seating facility and multiple payment points. Nevin and Houston (1980) insisted that provision of infrastructures like resting seats, safe escalators, or the security cameras in the store is an essential element to increase the comfort of shopping. This dimension accounted for 14.39 percent of variance.

The fourth dimension categorized as emotional attributes embraced components such as the store being the choice since childhood, shopping with matching

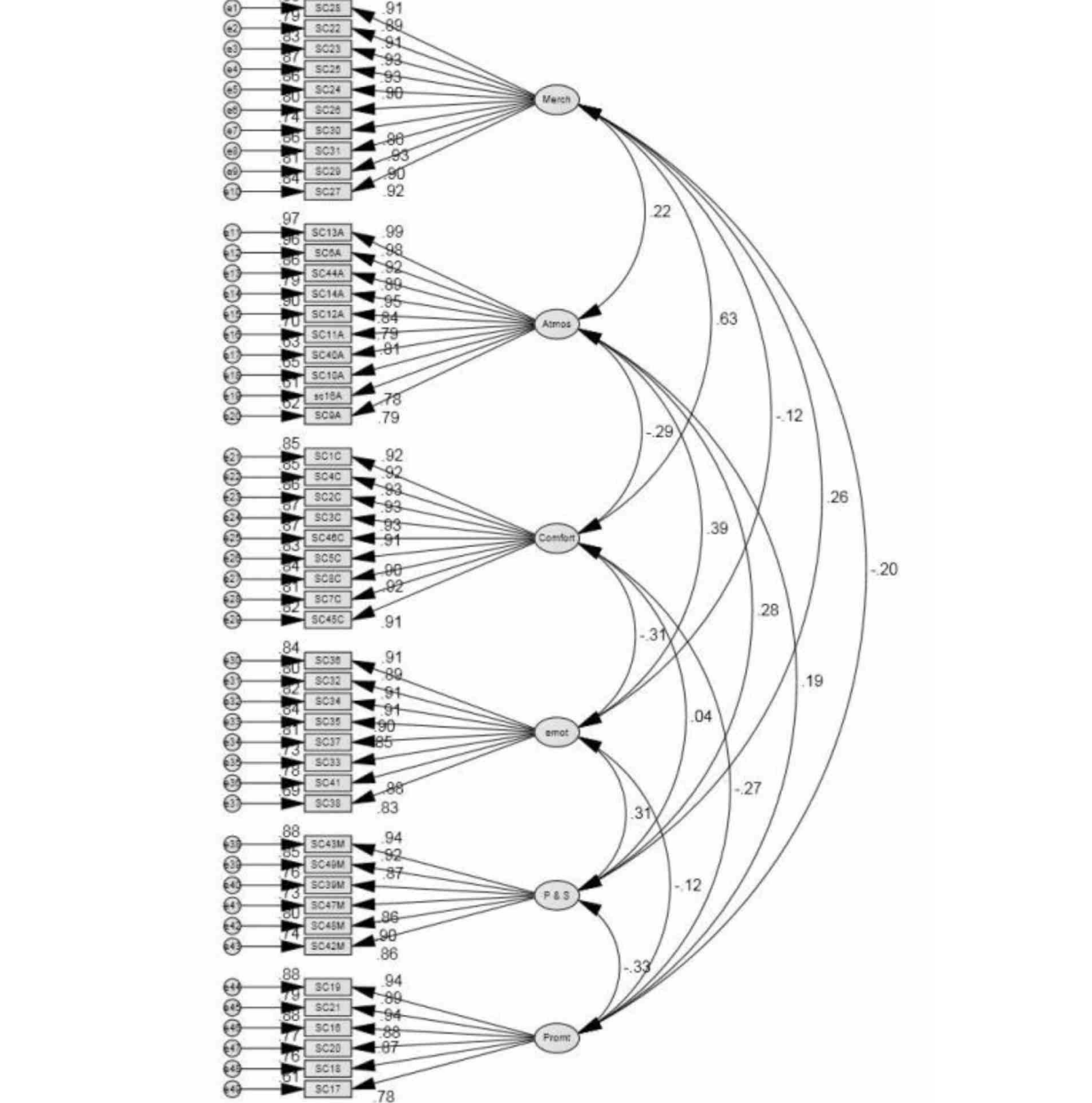
clientele, sopping there being prestigious, shopping there for most of the apparels, identifying with people who buy from the shop, matching with self image, feeling of a personalized care and the shop being the choice of family members. The store choice process is enjoyable only when the customers feel a sense of attachment to the shop. Sinha and Banerjee (2004) found shoppers do not hesitate in shopping from the store which is being situated at a large distance if the shop has been patronized by them for a long period of time. Oxenfeldt (1974) clarified that the customer reacts to the store's characteristics, as he views them, in an emotional way may feel toward one store as a warm, trustworthy, helpful friend.

The next dimension identified as personnel and service attributes comprises statements such as understanding the choice of apparel, informative salesmen, courteous sales men, providing necessary alterations, search the right fit and color and refrain from negative feelings in case of not buying. The role of sales men is highly complex as he remains the sole point of contact in the apparel purchase process and each customer has a distinct expectation from him. Boone and Kurtz (1992) claimed that salespersons are an important promotion tool in communicating store image and persuading consumers to buy and attract the customers through their appearance and behavior. Hawes, Rao & Baker (1993) indicated that consumers are increasingly looking towards salespersons for trustworthy information by their knowledge and solving with customer's enquiries.

The final dimension was classified as promotion attributes and involved statements such as getting influenced by celebrity endorsement, perception of money savings, price off, vouchers, display of



offerings of the store, prime them with knowledge of the availability of merchandise that could cater to their future needs and encourage their repeat visits. Bagozzi & Youjae, (1998) Promotions help to create public awareness of the actions of the stores and augment the probability of patronage.



### Model fit

The above measurement showed an agreeable data fit. The values of the fit indices are shown in the table below and the values show the model as acceptable.

**Table 3 Model fit indices for the six dimensions of store choice in apparel purchase**

Index of fit	CMIN	DF	CMIN/DF	GFI	AGFI	NFI	RFI	IFI	CFI	RMSEA
Value	4101.520	1112	3.688	.647	0.611	.856	0.847	.891	.890	.084

From above table Bollen's (Bollen, 1989) incremental fit index (IFI) values close to 1 indicate a very good fit. Bollen's (Bollen, 1986) relative fit index (RFI) values close to 1 indicate a very good fit. The GFI (goodness of fit index) identified by Joreskog and Sorbom (1984) value is less than 1 where a value of one indicates a perfect fit.

The internal consistency for each of the dimension was examined using Cronbach's alpha. Reliability is the degree to which a test consistently measures whatever it measures. Cronbach's alpha establishes the internal consistency of items in a survey instrument to estimate its reliability.

**Table 4 - Reliability Analysis**

Dimensions	Cronbach's Alpha
Maintenance dimension	0.989
Handling Dimension	0.985
Time Dimension	0.982
Hassle Dimension	0.979
Communication Dimension	0.978
Finance Dimension	0.975
Atmospherics dimension	0.969
Total	0.876

The reliability of the six dimensions as established through Cronbach's alpha calculation were considered adequate as they are above 0.70.

The length and breadth of merchandise happens to be the mainstay in the store choice decision of consumers. The pull of merchandise is augmented by other factors such as atmospherics, comfort, emotion,

service and promotion which together contribute to be the deciding factors of store choice. The paper brings out the dimensions that serve as facilitators of store choice. The above scale would be helpful to retailers to find out the factors that make their outlet the store of choice. This study has been based on apparel stores of Puducherry and hence can be extended to different geographical regions. This study

# Dimensions Of Store Choice In Purchase Of Apparels

can in future be extended to identify store choice factors of products other than apparels. The list of the final set of

components that measure the six dimensions of store choice is given in annexure 1

## Annexure 1Dimensions of store choice in apparel purchase

Components of store choice that influence apparel purchase	Mean	SD	Dimension	Mean	SD
This shop has a wide collection of merchandise	3.55	1.41	Merchandise	3.52	1.32
I only find new merchandise inside the shop	3.57	1.47			
I believe the products stocked here have no quality complaints	3.46	1.38			
the merchandize as right priced	3.75	1.46			
the shop stocks the latest trends in fashion	3.67	1.50			
I find my most preferred brands only in this shop	3.25	1.33			
The shop has a proper exchange policy in case of any fault in the apparel	3.42	1.37			
The shop provides test apparels so that the apparel I buy would not have been tried by someone else	3.43	1.57			
I find apparels in different fabrics to widen my selection	3.68	1.51			
I find rare merchandise available in this shop	3.44	1.37			
stores that have attractive wall displays	3.82	1.32	Atmospherics	3.85	1.15
stores that have well pronounced window displays	3.85	1.32			
Lift / escalators make life easy inside the shop	3.94	1.32			
stores that has proper humidification arrangements	3.91	1.36			
store that have comfortable lighting	3.86	1.31			
attracted products' signboards and posters inside the store	3.65	1.42			
I find the shop neat	3.77	1.23			
comfortable with the mild music played inside the shop	3.83	1.25			
attracted by the way mannequins are presented in the store	3.80	1.21			
stores that are well scented to suit the mood	4.04	1.09			
stores that has parking facilities	3.43	1.54	Comfort	3.47	1.39
I prefer stores where I can get accessories	3.48	1.52			
I prefer to shop at stores near to my locality	3.38	1.54			
stores that are easily accessible by private / public means of transport	3.43	1.53			
Shop does not charge me for usage of credit / debit cards	3.58	1.54			
stores that are open for extended timings during festive seasons	3.40	1.39			
stores that have a spacious store front	3.48	1.46			
stores have adequate seating facility	3.51	1.41			
Shop has multiple payment options in each floor that helps me save time	3.50	1.48			
I shop here because as a child I was taken here for shopping	4.01	1.19			
I believe I am shopping at store with matching clientele	3.97	3	Emotion	3.92	1.08
I consider it a prestige to shop from here	3.65	1.30			
I buy most of my clothes from this store	3.88	1.10			
I really identify with people who buy from this store	3.91	1.24			

### Dimensions Of Store Choice In Purchase Of Apparels

My self-image matches with the store image	3.98	1.13			
I have a feeling of personalized care when I am in the shop	3.98	1.19			
I prefer the shop as it is patronized by my family members	3.98	1.09			
The personnel understand my choice of apparel and displays it	3.37	1.39	Personnel & Service	3.41	1.28
stores with informative salesmen	3.44	1.35			
shop with courteous/helpful salesmen	3.44	1.51			
alteration options for the product I buy	3.40	1.37			
shop where the salesmen can get me the right size and color that suites my style	3.41	1.42			
The sales man does not show negative feelings even in case I reject	3.38	1.35			
I prefer to shop at stores because of my favorite celebrity endorsement	3.49	1.41			
I strongly believe I save a lot of money because of promotions	3.67	1.31	Promotion	3.55	1.24
I get price offs in case of bits or the last piece of bundles	3.37	1.38			
I get vouchers and coupons so that I redeem in my next purchase	3.80	1.36			
The sales promotion items are well displayed	3.49	1.32			
I prefer the shop as I get seasonal discounts	3.49	1.43			

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## QUOTES

*“Freedom is the open window through which pours the sunlight of the human spirit and human dignity”*

**Herbert Hoover**

# Influence Of Culture On Gender In India

Uma C Swadimath\* & Prasanna B Joshi\*\*

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## ABSTRACT

*Culture is a set of norms, values, traditions, customs, religious views passed from one generation to another. Culture is derived from the Latin word, 'cultura', 'colere' which means "to cultivate". Gender includes the behavioural patterns amongst men and women. In India, gender becomes important at the time of birth itself. It's been the norm of an Indian family that when a son is born it's the time to rejoice unlike when a daughter is born. Indian culture has a greater respect for women but at the same time she is treated vulnerable. Feminism and culture forms to be the part of the gender approach which have resulted changes in the Indian families and societies. Gender equality is enforced which seeks equal rights and entitlements to both women and men, with an equal voice in social, economic and political life. The paper studies the changes that have taken place to reduce gender discrimination.*

**KEYWORDS:** Culture, Gender, Indian Society, Gender Equality

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## Introduction

Culture, religion and traditions are the vital factors that determine and influence people in their families, societies, nations and the world. It's a fact that culture is passed from one generation to other and world history provides evidences where the role of religion and culture are predominant. Culture depicts traditions, norms, values, manners and determine the behaviour of individuals which in turns reflects their personality. It is very apparent that in the present day there is gender discrimination which has prevailed since decades. Culture and religion go hand in hand that determine the behaviour of gender.

Today the world in general and democratic countries particularly India emphasizes the rule of equality in all walks of life both constitutionally and as a principle of social and economic justice. Historically speaking, it was after the World War II when the whole world was shaken and underwent into trauma, all the countries came together to establish a basic standard of human rights known as the Universal Declaration of Human Rights was adopted in 1948. This declaration provided a vision for a new global order that guaranteed all individuals basic human rights and prohibited discrimination of any kind on the basis of colour, caste, religion, race and gender. Though a patriarchal society, the doctrine

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of human rights states that there cannot be any kind of discrimination between men and women. She has to be treated with respect and enjoy all the basic rights just like men. It was in the year 1979 that the Convention for elimination of all forms of discrimination against women (CEDAW) emphasized women's right to equality in all walks of life as a global norm.

In some countries of the world women do not enjoy the rightful act of freedom or liberty, history cites examples like in Afghanistan where the women were under oppressive and tyranny rule and face very hardships in their lives and in some countries women were not granted their basic political right, the right to vote. Gender equality has become one of the major issues in the present global scenario. Therefore, this paper is an attempt to understand the importance of culture, it tries to understand the concept of gender in the Indian society and the various laws and regulations enforced to treat women on par with men in all spheres of life. Post independence, social change driven by ideas of development within the current phase of globalization, in which state and international economic and political interests often intersect to erode local autonomy and a variety of other gender perspectives.

## 1. REVIEW OF LITERATURE

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- Francas Raday (2003), observed the relative factors between culture, religion and gender in view of international and constitutional human rights laws. The article relates the concept of human rights doctrine as a shift from a religious to secular state in the eighteenth century of Europe. He examines the various laws in different countries that have been enforced to provide for gender equality.
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- Meena Razvi & Gene L. Roth (2004) have focused on the impact of gender discrimination in India on the socio economic development of women. They emphasize on the efforts by the Government, non-governmental organisations in bringing about gender equality in the country and the enforcement of laws to protect women against violence and harassment like the dowry prohibition act, 1961, Hindu Women's Right to Property Act, 1937, Hindu Marriage Act, 1955 and Equal Remuneration Act, 1976 that also help in improving the status of women in India.
- Lenore Blum, Carol Frieze & Orit Hazzan M. Bernardine Dias(2006), speak about gender perspective in the

field of computer technology by referring to various case studies of different geographical and cultural regions.

- Gender violence in India-A Prajnya Report(2010),This report gives an elaborate explanation and discusses issues of gender violence which includes gender violence statistics across the years, gender violence research in India, focus on gender violence in public spaces,. street sexual harassment, workplace sexual harassment, ICTS and gender violence. This reports also tells about the existing laws pertaining to various acts of gender violence.
- Maitrayee Chaudhuri (2012), explores how the language of tradition and modernity has been dominant in India. As India is often seen as a land of contrasts where tradition and modernity coexist—where Indian women are often showcased as emblematic of this coexistence. She relates to centrality of gender in the nation's political and cultural development.
- Reshma Elizabeth Thomas (2013), observed that gender discrimination is prevalent health and empowerment of men and women. She discusses that gender differences include infant and mortality of girl child and women have less access to education, employment, power and freedom of movement.

## 2. RESEARCH METHODOLOGY

The paper is conceptual study based on secondary sources of information. Chi Square statistical tool is used to analyze the secondary data.

## 3. OBJECTIVES OF THE STUDY

- a) To understand the importance of culture
- b) To understand the concept of gender in the Indian society
- c) To study the measures and laws that prevent gender discrimination in the Indian society

### 3a) Importance Of Culture

Culture is derived from the Latin word 'cultura' from colere which means 'to cultivate'. Culture can be referred to a set up of beliefs, principles, values, goals, an act of social learning that determines behaviour and practices that define an institution, organization or groups in the society. Geert Hofstede says culture is the software of the mind- the social programming that runs the way we think, act and perceive ourselves and others. It is a learned behaviour and hence can be changed. According to Kluckhohn culture is ways of life to people. Culture also means a set of learned core values, beliefs, standards, knowledge, morals, laws and behaviour shared by individuals and societies that determine how an individual acts, feels and view oneself and others.

Culture, religion, customs, norms, values and traditions are the foundations on which a society is built in any country. Every country conforms to its own customs, culture and religion which significantly build societies of their own. In some countries, their political system is based on their cultural and religious beliefs. Customs refer to the following of traditional cultural practices in a society. According to Adam Kuper, culture is simply a way of talking about collective identities. According to Edward B Talyor, culture can be of two forms namely social culture and ideological

culture. Social culture relates to people's forms of social organizations, how people interact and organize themselves in groups and ideological culture relates to what people think, value, believe and hold as ideals. UNESCO's Universal Declaration on Cultural Diversity adopted in November 2001. It defines culture as 'the set of distinctive spiritual, material, intellectual and emotional features of a society or social group, and that encompasses, in addition to art and literature, life styles, ways of living together, value systems, traditions and beliefs.

There exists diversity of cultures based on ethnic or religious differences. A new concept of culture has evolved, which is global culture stressing on gender equality and human rights. Religion and culture are inter related. The societies by and large are guided by their religious tenets and customs. Culture allows for change, it is dynamic, shaping and being shaped by those who occupy it. A dominant culture influences a community and people follow their cultural attributes and embrace its values. To an extent, culture and gender relations are rooted in religious aspects as well. This is so because, religion is the basis for many of the cultural values that describes what women are and how they should behave, what is permissible and not permissible for women to do. The right to enjoy one's culture is concerned with the protection of ethnic, religious and linguistic minorities. Culture has material effects, influencing power relations within society, women's and men's access to economic resources, and decision making power in the family. It is culture that includes knowledge, beliefs, art, ethical values, laws, customs, habits that are acquired by people in the society. Acquisition of culture or acquaintance to culture can be attributed to

two aspects, where culture is passed from one generation to another and it is a shared phenomenon. It is also transmitted by symbols. Culture essentially consists of traditions, ideas attached to the values and conditioning elements for future action.

### **3 (b) The Concept Of Gender In The Indian Society**

Gender is hierarchical as it gives more power to men than to women in the society. Gender describes powers to men and women. The concept of gender in traditional culture and religion is the domination of men on women, exclusion of women from participating in public affairs and she is subject to patriarchal domination within the family. Work that women perform revolves around the physical, emotional and social well being of other people particularly their families, husbands and children. Work that men perform is related to their role as bread earners for their families. Women are considered as the guardians and transmitters of culture, passing on societal values to their children. Women are often projected as cultural emblems of the Indian nation and society. Changes in her attire, mannerisms and behaviour are hastily condemned as threats to culture and tradition. Thus practices like sati, dowry, child marriage and prohibition of widow remarriage were the practices of culture earlier but now these are prohibited as per the laws.

Practices such as female infanticide, dowry system, preferential upbringing and special treatment to the sons, no education and financial independence, no freedom of expression of any kind, women being treated as slaves, humiliation and harassment in the most barbaric inhuman acts faced by women, various crimes against

her, domestic violence and restricting the role of women only to housewives and mothers, all of these brought criticism which made the nations emphasize seriously on protection of women's rights and gender equality. There is a relationship between gender, caste, class, and income because the majority of poor women come from lower castes. A large dowry is a status symbol. In general, violence is explained in terms of a patriarchal Indian society as a method of controlling women who have a subordinate status.

Domestic violence and abuse, forced marriage, dowry killing and acid attacks are acts of violence against women. The definition of violence against women in the United Nations Declaration on violence against women in the article 1 is described as gender based violence that results in or is likely to result in physical, sexual or psychological harm or suffering to women. Women are not only facing all these atrocities and bearing the pain and trauma she was not even entitled to inherit family property, take decisions on her, all of this restricting her to participate in public life by treating her as vulnerable and slaves.

It is a fact that there is an inequality in the enjoyment of rights by women through out the world and is deeply embedded in traditional norms, religious attitudes and cultural practices. In Indian society social practices such as sati system, dowry as part of a tradition at the time of marriage, honour killings, deva dasi system, women were forbidden to go to schools, educate themselves, practice of polygamy, domestic harassment led to the suppression of her individuality. Ironically speaking, under Hindu religion in India a woman is respected, giving her place equal to Goddess

but on the other she is brutally treated and tortured.

Gender inequality hampers the capacity of women towards earning income and her very survival, particularly those women covered in purdah are forbidden to work outside their houses. Lack of education in women has lead to poor literacy leading to gender gap in literacy rate and no higher education. All these social practices in the name of culture and religion act as hindrances to women's equality and her dignity. According to the United Nations Development Programme's Human Development Report 2013, India ranks 132 out of 187 countries on the gender inequality index. In many parts of India, women are viewed as an economic liability despite her contribution in several ways to our society and economy.

It was only in the twentieth century, due to changes in the outlook and thinking of people that gender equality cropped up. The doctrine of human rights relate to freedom of religion, beliefs, right to enjoy one's culture and right to gender equality. The article 2 (f) of states to abolish Convention for elimination of all forms of discrimination against women (CEDAW) states to abolish all those customs and practices that result in the discrimination against women as the crime graph against women is increasing at an alarming rate. The impact of globalization has allowed women to become a larger part of the workforce, with opportunities for higher pay raising their self confidence and independence. Globalization has provided a power to uproot the traditional views about women that have kept women economically poor and socially exploited. The growth of the computer and

technology sector has provided middle class educated women with better wages, flexible timings, and the capacity to negotiate their role and status within the household and society. As Cohen, Stephen (2001:36) says, “India is an ancient state but a modern civilisation”. What I find interesting is the fact that this ancient state has “survived” during the process of globalisation. Especially India's diverse and deeply rooted culture which has always been and still is influenced by a lot of different religions, languages and traditions. Additionally, in connection with globalisation, the western values seem to have gained acceptance in India.

#### 4. RESEARCH QUESTION

Is there any significant difference among working age population of men and women with respect to the level of their employment and education?

##### Hypotheses Of The Study

- H0- There is no significant difference among working age population of men and women with respect to the level of their employment and education
- H1- There is significant difference among working age population of men and women with respect to the level of their employment and education

**Table 1: Working age population in the years 2000, 2005 & 2012 measured in millions.**

Working age population (In Millions)			
Year 2000	Female	Male	Total
Employment	123	274	397
Education	161	32	193
Not in both	20	20	40
Total	304	326	630
Year 2005	Female	Male	Total
Employment	148	318	466
Education	165	36	201
Not in both	27	20	47
Total	340	374	714
Year 2012	Female	Male	Total
Employment	129	343	472
Education	229	61	290
Not in both	45	23	68
Total	403	427	830

Source: Data is on working-age population (15-64 years). Estimates are based on NSSO

Table 2 : showing expected frequencies

Year 2000	Working age population								
	male	female	Total		O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Employment	191.57	205.43	397		123	191.57	-68.57	4701.84	24.54
Education	93.13	99.87	193		161	93.13	67.87	4606.34	49.46
Not in both	19.30	20.70	40		20	19.3	0.7	0.49	0.03
Total	304	326	630		274	205.43	68.57	4701.84	22.89
					32	99.87	-67.87	4606.34	46.12
					20	20.7	-0.7	0.49	0.02
									143.07
Year 2005	Working age population								
	male	female	Total						
Employment	221.90	244.10	466		O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Education	95.71	105.29	201		148	221.9	-73.9	5461.21	24.61
Not in both	22.38	24.62	47		165	95.71	69.29	4801.10	50.16
Total	340	374	714		27	22.38	4.62	21.34	0.95
					318	244.1	73.9	5461.21	22.37
					36	105.29	-69.29	4801.10	45.60
					20	24.62	-4.62	21.34	0.87
									144.57
Year 2012	Working age population				O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
	male	female	Total		129	229.18	-100.18	10036.03	43.79
Employment	229.18	242.82	472		229	140.81	88.19	7777.48	55.23
Education	140.81	149.19	290		45	33.02	11.98	143.52	4.35
Not in both	33.02	34.98	68		343	242.82	100.18	10036.03	41.33
Total	403	427	830		61	149.19	-88.19	7777.48	52.13
					23	34.98	-11.98	143.52	4.10
									200.94

The table value at 5% level of significance with 2 degrees of freedom is 5.99. Since the calculated values are more than table value  $H_0$  is rejected and  $H_1$  is accepted.



#### 4 c) MEASURES AND LAWS THAT PREVENT GENDER DISCRIMINATION IN THE INDIAN SOCIETY

Women must gain recognition and inclusion at all levels. First and foremost, provision of education should be extended to women as education would not turn the women away from their traditional familial roles and improve the efficiency of wives and mothers and strengthen the hold of traditional values on society, as it is believed that women are better carriers of these values. In India the constitutional law under article 14 enforces the right to equality and article 15 in the constitution states that there cannot be any kind of discrimination on the basis of caste, colour, religion, race and gender and article 16 states right of equality in public employment. Even Mahatma Gandhi had encouraged women to participate in social and political situations during the freedom struggle. Socio- economic differences have increased female poverty. It is the very duty and responsibility of the Government to execute and implement gender equality laws and regulations.

A girl child was deprived of education and health care facilities whereas education for boys or sons is considered as an attractive investment. Though the Government has introduced and implemented various laws, regulations to bring an awareness about the benefits of educating a girl child, capability of women to earn, there are differences between urban and rural women. As urban women are more educated, have access to legal protection unlike the rural women. Earlier, there was very limited scope for empowering women but due to changes in lifestyles, ways of thinking, increased urbanization, working women are being

accepted in Indian households that adds to earning dual income supporting their respective families. Provision of education to a girl child and women is viewed as the primary development objectives by all the state Governments in India. Although women are the main earners in 35% of Indian families (Vecchio & Roy, 1998) society still prefers to view them as housewives.

In India, Hinduism being a major religion, the laws confined to women are determined by the religion of the parties involved and are dealt in the civil court. Some of the inequalities in the Hindu family laws were removed by passing the Hindu marriage act in 1955. The Government set up the National Commission for Women in January 1992, with a specific mandate to study and monitor all matters relating to the constitutional and legal safeguards provided for women, review the existing legislation to suggest amendments wherever necessary. A survey published in November 2010 by the Centre for Transforming India found that more than 80 percent of the female employees of information technology, business process outsourcing and knowledge process outsourcing (BPO/KPO) companies had been subject to some form of harassment at their workplaces. In the year 1992, 73rd and 74th amendments were made in the Indian constitution decentralizing power to rural and urban local bodies relating to the establishment of panchayat raj institutions at 3 levels, this amendment also allowed for 33% representation for women to enable them to participate in public affairs and local governance.

The department of women and child development in the Ministry of Human Resource Development has prepared a

'National Policy for the Empowerment of Women' in the year 2001. The goal of this policy is to bring about the advancement, development and empowerment of women. India passed an Information Technology Act in 2000 and an amended version, now known as the Information Technology (Amendment) Act or ITAA in 2008 to prevent cyber crime against women. In the 2010-11 Vision Statement, the Ministry of Women and Child Development (MWCD) focused on a violence free environment for women to lead lives of dignity. In 2012, the President of India launched the National Mission for the Empowerment of Women (NMEW) which has a five year mandate to achieve women-centric programmes across Ministries.

## 6. FINDINGS OF THE STUDY

Though the law prohibiting dowry passed in 1961, there are some parts in India who torture and burn women for dowry, which is an act of cruelty. In remote areas, there are superstitious people who practice girl child sacrifice, even in this 21st century. There are growing demands for change from women in developing countries. The last decade has seen an explosion of women's organisations and gender equality advocates. These women are articulating clear demands for change. The efforts of women's organisations and Governmental laws no doubt, has resulted in improving the status of women in India amongst the educated families but at the same time, there is an increase in the divorce rate. Today, exclusively women's organizations are set up to help women in all respects and also own a sense of responsibility towards creating an atmosphere that is more powerful, fair and accessible to treat women equally and with dignity. Family, non-

governmental organizations (NGOs), Government, self help groups (SHGs) should help in the social and economic advancement of women

## 7. LIMITATIONS OF THE STUDY

The study includes only education and employment factors and fails to include health, insurance and decision making factors which help in improving the status of women in the society.

## 8. SCOPE OF FURTHER RESEARCH

Ascertain the extent of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) in providing employment opportunities and participation of women labour force.

## 9. CONCLUSIONS OF THE STUDY

Gender inequality is the biggest setback of India. A well educated population is not only necessary for economic growth but also a precondition for inclusive growth. Education leads to opportunities for individual development, productive employment and participation in various areas of social life. A basic principle of development co-operation strategies on gender equality is to broaden decision-making processes so that women as well as men realize what is important and what should have priority. Provision of training in areas of education, employment, openness, change of outlook, enhancement of skills and knowledge, effective laws and regulations will definitely boost the morale and self-esteem of women and contribute to building a better society and a better nation.

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# Geriatric Care In India: Challenges And Opportunities

Aniruddh Bhaidkar\*

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## ABSTRACT

*With the demographic transition and the increasing reach of advanced medical care the elderly population is expected to rise to 12% of the total population by 2015. The gradual jump in the rise of elderly population poses a significant challenge to the underprepared healthcare system which faces a rapid shift from communicable to non-communicable diseases along with severe social and financial challenges to the government and society. Besides social factors, rising employment opportunities for women, fewer children, rapid urbanization and the breakdown of nuclear families warrant a serious focus of the government and the society on the problems of this vulnerable group and promote healthy aging.*

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## Introduction

India is currently undergoing a rapid demographic transition where there has been a sharp increase in the elderly population over the last few decades. As per the 1991 census, the population of the elderly in India was 57 million as compared with 20 million in 1951 and it is expected to grow to about 234 million by 2050. Nath et al (2008). This demographic transition is due to decreased fertility and mortality rates due to dissemination of better healthcare services across the country. It is observed that the reduction in mortality has been higher than fertility. Tripathi(2014).

A paper published for the WHO titled 'Ageing in India', states that "The UN defines a country as 'ageing' where the proportion of people over 60 reaches 7 per cent. By 2000 India will have exceeded that proportion (7.7%) and is expected to reach

12.6% in 2025." By the virtue of that definition, India qualifies as an aging country. Mahajan et al (2013).

Traditionally the thrust areas of the government have been population control, maternal and child health, control of communicable diseases and sanitation. However the current statistics for the elderly in India point towards an impending medical, social and economic crisis if timely measures are not taken towards this by policy makers. It is critical to study in detail the challenges of the rising elderly population and collectively work upon strategies to bring about improvement in their quality of life. Nath et al (2008).

## Geriatric Care in India:

The concept of geriatric care in India is absolutely rudimentary at best. A World Health Organization report

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published last year highlighted the large number of older people in some countries (India and China in particular) will challenge national infrastructure and health systems in particular. While there is a gigantic paradigm shift in ageing, what is unfortunate is that Indian Medical Science does not even offer geriatrics as a branch of study. It has traditionally remained a neglected area of medicine. According to an article published in the Hindustan Times on Aug 20, 2015 In India, the concept of geriatric care has drawn a blank. Swati Sharma (2015)

Similarly the nursing and other paramedical staff members are not formally trained in providing care for elderly patients. Most medical centers do not have a dedicated geriatric care facility; the few which exist are clustered in the urban areas where the costs are prohibitively high. Many NGOs and charitable trusts run old-age homes, day-care centers and mobile medicare units that provide care to the elderly population; they are generally urban based focusing on tertiary or palliative care as opposed to primary care. Tripathi (2014).

### **Medical and Socio-economic Problems Faced by the Elderly**

Elderly individuals are victims of dual medical problems i.e. susceptibility to both communicable and non-communicable diseases. Reduced sensory functions like vision and hearing along with age related physiologic changes lead to an increased susceptibility to communicable diseases to the elderly. Tuberculosis is generally more prevailing in elderly than in younger individuals.

A large number of the elderly in Rural India are also smokers and alcoholics. According to a study of 100 elderly people in Himachal

Pradesh conducted by Guha R found that among the population over 60 years of age, 10% suffer from impaired physical mobility and 10% are hospitalized at any given time, both proportions rising with increasing age. In the population over 70 years of age, more than 50% suffer from one or more chronic conditions. The chronic illnesses usually include hypertension, coronary heart disease, and cancer. According to Government of India statistics, cardiovascular disorders account for one-third of elderly mortality. Respiratory disorders account for 10% mortality while infections including tuberculosis account for another 10%. Neoplasm accounts for 6% and accidents, poisoning, and violence constitute less than 4% of elderly mortality with more or less similar rates for nutritional, metabolic, gastrointestinal, and genito-urinary infections. Tripathi (2014) Quoting Guha (1994).

Elderly women are more frequently affected as compared to males with health complications in both urban and rural India.

Limited instruments of social security, low penetration of health insurance schemes, lack of access to benefits such as provident fund, pension schemes, and gratuity to a majority of the elderly, further compound the financing issue. Existing insurance coverage while insufficient comprises predominantly of government funded schemes that have inadequate coverage. Health care expenses remain a burden even for the insured elderly as the premiums rise proportionately with increasing age with almost non-existent coverage for outpatient care or pharmaceutical needs. This results in a very high out-of-pocket expenditure on healthcare by elderly people. Deloitte(2013).



It is possible that many older people take ill health in their stride as a part of “usual/normal ageing.” This is important to note because self-perceived health status is an important indicator of health service utilization and compliance to treatment interventions. Verma(2013)

As India looks at a serious demographic shift in the coming decade it becomes imperative to critically evaluate the situation and take definite measures to tackle the challenge and gear up to meet the needs of the elderly in a comprehensive manner.

### **Role of the Government**

The challenge posed by a growing elderly population is significant especially for a developing country which already faces constraints on capacity and expertise to deliver satisfactory care to the existing needs of its population. The considerably increased number of individuals requiring elderly care will put an even greater strain on the already stretched public health system. Deloitte (2014)

In India the family remains the primary care giver for the elderly which accesses healthcare services from the general healthcare system which has a limited expertise and specialist resources to meet the special requirements of the elderly. The government needs to expand its focus from the traditional areas like maternal and child health, communicable diseases and sanitation to elderly care.

One practical approach could be to integrate geriatric care at the primary care level. The already existing primary care facilities spread across the country can be modified to accommodate the special needs

of the elderly. Specialist training of the existing medical and nursing staff can be done at a relatively lower cost. Mahajan (2013).

Provision of geriatric care is a compound problem and will require a meticulous and multidisciplinary approach

A significant transformation of the landscape of elderly healthcare in India requires a collaborative multi stakeholder approach to produce a 'step' change in the future provision of healthcare to the elderly. Deloitte(2014)

Development of innovative health insurance products to ensure a comprehensive and affordable medical care.

Ensuring participation of all stake holders on a single platform to create a policy framework and to serve as an enabler and facilitator of healthcare reform.

Facilitating collaboration between the government, care providers, insurers and patients to catalyst policy change involving elderly care

Strategic management of these factors would enable India to reach its targeted future state of elderly care provision, and bring it at par with global standards Deloitte (2014)

### **Conclusion**

Care of the elderly in addition to being a social challenge is also an emotional one. As the societal norms change from having joint families where there were well defined roles for all members of the family along with support system to care for the elderly to rise of nuclear family and focus on the



individual. Thus the need is even greater for the government to step in with more commitment and resources to tackle this challenge. On World Health Day in 2012, The WHO India country office dedicated theme to the health care of the elderly. Absence of disease and promotion of health go hand in hand. It will be a serious challenge for any government of the day to live up to.

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## QUOTES

*“Truth is a free creation of the human spirit that never would exist at all if we did not generate it ourselves.”*

**Rudolf Steiner**

*“The human spirit needs to accomplish, to achieve, to triumph to be happy.”*

**Ben Stein**

## RESEARCH

# A Study On Preferred Investment Avenue Among Senior Citizens With Reference To Indore City, India

Sneha Pungalia\*, Dr. Vinay Goyal\*\* & Dr. Manish Kant Arya\*\*\*

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## ABSTRACT

*Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Investors have a lot of investment avenues to park their savings. The risk and returns available from each of these investment avenues differ from one avenue to another. The available literature relating to preferred Investment Avenue among senior citizens is very little and failed to provide a lot of information. An attempt has been made in this study to Provide awareness among senior citizens about various investment avenues available to them and to study Preferred Investment Avenue by them.*

**KEYWORDS:** Senior Citizens, Investment Avenue, Factors.

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## 1. Introduction

India is a world within the world. Sixteen per cent of the world's population lives in the country. The ageing of the world population is progressive and rapid. The number of people who turn 60 each year worldwide is nearly 58 million. In 2012, aged people 60 or over represent to almost 11.5 per cent of our total global population. By 2050 the proportion is projected to nearly double to 22 per cent. The Indian senior citizen population is currently the second largest in the world after china. According to census 2011 senior citizen population is 8.6 per cent of the total population and expected to increase by 12.4 percent by 2026. Senior citizen population faces number of challenges and one of the most important among those is the financial insecurity. Retirement from service usually results in loss of income and

the pension that the elderly receive are usually inadequate to meet the cost of living which is always on the rise. So for fulfilling this gap senior citizens should continue to look for different avenues of income for this they have to plan for right place for deployment of their retirement funds for fulfilling their needs

## 2. Objectives

1. To understand the various investment avenues available for senior citizens to make an investment.
2. To study the awareness and adoption level of senior citizens about various investment avenues.
2. To study the preferred investment avenues among the senior citizens.
3. To analyze the factors considered for making an investment by senior citizens.

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## Investment Avenues for senior citizens

### Senior citizen saving scheme (SCSS)

SCSS is special scheme only for senior citizens. Investment in this scheme can be made only by people of 60 years of age or above. The minimum investment limit in this scheme is ₹1,000 and the maximum limit is ₹15 lacs. This investment qualifies for deduction under Section 80C of the IT Act. The Senior Citizen's Savings Scheme has a maturity of 5 years, which is extendable by 3 years. Rate of return offered in this scheme is 8.6 % per annum. Interest income will be paid every 3 months.

### Post Office Monthly Income Scheme (POMIS)

As name suggests one can get assured monthly return from investment under this scheme. This has been a popular investment option with senior citizens for many years. POMIS offers guaranteed 7.80% annualized returns to investors. The maturity period of these schemes is five years. The maximum investment limit in POMIS is only ₹4.5 lacs in one account in POMIS or ₹9 lacs if the investor is investing in a joint account. There is no Section 80C benefit for POMIS investment. The interest income from POMIS is taxed as per the income tax slab of the investor. With rising cost of living, seniors cannot rely on solely POMIS for their income needs. Nevertheless POMIS remains a good risk free investment option for senior citizens.

**Bank and Company Fixed Deposits:** Fixed Deposit (FD) is a low risk financial instrument where an investment is made for a fixed period of time resulting in a fixed rate of returns. This is best suited for investors with a low risk appetite and who wants to invest a fix sum of money to earn a fixed rate of interest. Fixed deposit is most

popular investment option which can offer monthly, quarterly, yearly return. stands at around 7-8 per cent per annum for tenures ranging from 1-10 years. Senior citizens get an extra 0.25-0.5 per cent per annum, depending on the bank. Fixed deposit issues from various companies offer higher interest rates than bank fixed deposits. However, such issues are limited and investors should note that they carry credit risk. Investors should check the credit rating of the companies before investing in the company FDs. Fixed deposits from companies rated AA and above are pretty safe and carry low default risk. Investors should be on the look for such issues, as these are good investment options.

**Senior Citizens Pension Plans (Varistha Pension Bima Yojana):** This scheme for senior citizens is run by LIC. The interest rate offered by Varistha Pension Bima Yojana scheme is the highest among all the annuity plans offered by different life insurance companies. It is an immediate annuity plan offering an interest rate of 8% to senior citizens, whereas the best plans from the private life insurance companies offer only about 7.3 – 7.6%. LIC is offering more as the scheme is sponsored by the government.

**Mutual funds (MFs)** Depending on the risk profile, one may allocate a certain percentage into equity mutual funds (MFs) with further diversification across large-cap and balanced funds with some exposure even in monthly income plans (MIPs). Retirees would be advised to stay away from thematic and sectorial funds, including mid- and small-caps. The idea is to generate stable returns rather than focus on high but volatile returns. Debt MFs can also be a part of a retiree's portfolio. Taxation of debt funds makes it a better choice over bank

deposits, especially for those in the highest tax bracket. While interest on bank deposits is fully taxable as per the tax bracket (30.9 per cent for highest slab), income from debt funds gets taxed at 20 per cent after indexation, if held for three years or more irrespective of the tax bracket.

### **Rent from Real Estate**

Real estate is another good way to generate regular income. Real estate investment is high risk high return affair. Senior citizen can generate income by renting property purchased by senior citizen. There are risks involved in this option risk like not getting tenants or right tenants or fall in property rates.

### **Long term Government Bond**

Long term government bond is one of the safest options to get regular income. Government bond usually offers 8% return half-yearly. These bonds are long term bonds and at the end of the tenure you will get back your principal amount. These bonds are also tradable in secondary market, so you can also sell them if you want to get rid of them.

### **Reverse Mortgage**

This is an product for those who have a lot of real estate but not much free cash. In this, the retired person keeps a house as collateral with the bank. In return, the bank makes monthly payments according to the value of the house. The borrower can opt for monthly, quarterly, annual or lump sum payments. As reverse mortgage is a loan, the interest rate is either fixed or floating.

Also, the payments are not taxable. This is because the amount received from the bank is considered a loan and not income. As per the RBI guidelines, the maximum period for which the property can be mortgaged is 20

years, after which either the borrower or the heir (in case of the death of the borrower) can either repay the loan or sell the house and settle the transaction. The excess amount generated in the process is passed on to the borrower or the heir

### **3. Review of literature**

**Rajendra Prasad (2017)** stated that ageing is the natural stage of human life, it brings with it innumerable problems for the people who have grown old. These problems can be distinguished under subheads health; economic, physiological, housing and elder abuse related India faces many challenges in welfare for its elderly population.

**Dr. T. Tamil Selvi (2015)** the results of the study indicate that the investors prefer to invest only in safer avenues. Further analysis of the data indicates that the family culture plays a dominant role in investments decisions. Among the conventional investment avenues, bank deposits and gold are the most preferred avenues, while insurance schemes and post office instruments are getting increased attention. Majority of the respondents have not preferred to invest their savings in UTI and Mutual funds which are the latest investment schemes and hence the government should take appropriate steps to persuade the investors to invest in the above schemes.

**Dr. E.Apparao, Prof. N. Kishore Babu (2015)** The issues investigated in the present study include awareness of investment avenues, investment pattern, the most preferred objectives of investors, and investment evaluation. Moreover, this study is mainly undertaken in Coastal Andhra, a very prominent region of Andhra Pradesh.

**Dr. M. Prakash (2014)** stated on preferred investment choice of people in few in Bangalore. Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that some respondents are not much aware about various investment choices and also not much aware about the investing pattern in stock market, equity etc.

**Dr. M. Nazer (2013)** Stated that In Thanjavur District respondents are more aware about various investment avenues like Insurance, PPF, bank deposits, small savings like post office savings etc. For that awareness program has to be conducted by Stock Brokering firms because most of the respondents unaware about this new service and about stock market the perceptions of the respondents of different are varied due to diversity in social life, living pattern, income level etc.

**Smita Srivastava; Gunjan Saxena (2012);** "Investment Trend Now & Then: A Survey Based Study of Moradabad (U.P.)". The paper attempts to know the awareness level of the investment alternatives available amongst the investors & compares the investment trend now from 20 years back. The area of the study is Moradabad, a city in Uttar Pradesh and the sample size is 150. The data used in the study comprises of both Primary & Secondary data. Most of the investors are risk averse & thus ignore risky investments like derivatives, equities & prefer safe heaven like bank deposits, post office deposits, gold, etc. There is very little enhancement in the awareness level for newer financial instruments amongst investors over the years.

**N. Geetha, Dr. M. Ramesh(2011)** Stated that people's choice in Investment has been undertaken with the objective, to analyze

the investment choice of people in Kurumbalur. Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Kurumbalur respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bond and debentures.

**Manoj kumar dash (2010)** The purpose of this study was to determine whether the variables such as demographic characteristics (age, gender) and investment patterns could be used individually or in combination to both differentiate among levels of men and women investment decisions and risk tolerance and develop some guidelines to the investment managers to design their investment schemes by considering these views of individuals.

**Pieterse (2008)** argues that in the past, senior citizens received care from their children when they reached the age of seniority and this is no longer the case. Care for senior citizens is increasingly becoming their own responsibility, and this is often met through long-term savings and state pensions.

#### **4. Research Methodology**

This research follows the survey research methodology based on previous research in related area; a questionnaire was constructed to study the Senior citizens awareness, preferred investment avenue. After pilot testing the questionnaire was administered to 100 persons. The data was obtained through the use of structured questionnaire and convenience sampling. The data were analyzed with percentage method, tables are also prepared.



## 5. Data Analysis

### **Demographic profile of the Respondents:**

It is observed from Table 1 that the respondents vary in gender, age and education. Total number of respondents is 100 out of them 60 are males 40 are females. 46 respondents' falls in age group 60-65, 37 respondents in age group 66-70, 17 respondents are above 70. 26 respondents education is below graduation, 56 respondents education is graduation, 18 respondents are post graduate.

**Senior citizens are worried about their Financial need:** It is observed from Table 2 that 63% respondents are worried about their financial need, 23% are no worried about their financial need, 14% respondents are neutral for this statement.

**Have you planned your financial need:** It is observed from Table 3 that 48% respondents planned for their financial need and 34% in process of planning, 18% respondents are neutral for this statement. How you are going to fulfill your financial need :It is observed from Table 4 that 17% people are dependent on their children for their financial assistance and most of them are above 70 years. 38% dependent on their own investment and near about 29% people dependent on both, 16% respondents who were government employee are dependent on their pension.

**Are you aware of various investment option :** It is observed from Table 5 that 37% respondents are aware about various investment options, 49% people are partially aware, 14% not aware and they are mostly above 70 years and females. Are you Aware of different modes of investment :It is observed from the Table 6 that the level of awareness is high in the

case of bank fixed deposit (93%), LIC pension plans (89%), Post office monthly saving scheme (85%), national saving certificate (76%), SCSS (66%). The level of awareness is low about share market (66%), Bonds and debentures (53%) Mutual fund scheme (47%), and company deposit (47%) and very low awareness in case of Reverse mortgage Scheme (97%).

### **Adoption of different investment option:**

It is observed from the Table 6 that the level of Adoption level is also high in case of Bank fixed deposits (94%), LIC pension plan (92%), Post office monthly saving scheme (89%). The adoption is low in case of bonds and debentures (39%), company fixed deposits (35%), and not ready to adopt reverse mortgage scheme (98%) and share market (54%). As is clearly evident from above table 6, the senior citizen here is seen preferring traditional investment avenue rather than modern investment avenue.

**Preferable investment option for securing your financial life for future:** In this senior citizen asked to rank (1 to 5) 1 for highly preferable investment and so on. This data also provide us to know the investment portfolio of respondents. It is observed from Table 7 that top five preferable investment options for senior citizens are Bank fixed deposit, Post office scheme. LIC pension plan, Rental income, Senior citizen saving scheme (SCSS).

**Preferred source of information for making investment decision:** In this senior citizens are asked to rank (1-3) 1 for highly preferable source of information and so on. It is observed from Table 8 that the highly preferred sources of information for making investment decision is friends and family than financial advisor and then print media



Lower dependency on advertisement and internet.

**Factors affecting before making investment decision:** for this Likert scale of 5 points is used with 1=Strongly agree, 2=Agree, 3=Neutral, 4= Disagree, 5=Strongly disagree.

It is observed from Table 9 that 56 respondents strongly agreed on safety and security for their investment and then regular income with 53 responses is major concern for senior citizen for making any investment decision. An interesting observation above the table is that mean is varying between 1.47 to 2.49 and overall mean 2.01. analysis shows that respondent are strongly agree, and agree with all the factors safety and security and regular income having same mean 1.47 so conclusion from table is that senior citizen needs safety for their investment and fulfilling the everyday need they wants regular income.

**Are you satisfied with interest or return given by financial institutions to senior citizens in India :** For this Likert scale of 5 points is used with 1=highly satisfied, 2=Satisfied, 3=Neutral, 4=Dissatisfied, 5=highly dissatisfied. It is observed from Table 10 that respondents are dissatisfied (35 respondents) and highly dissatisfied (27 respondents) with the interest rate an return by financial institutions on their investment . it is observed from table 10 that senior citizens preferred investment avenue is bank fixed deposit ,post office scheme but they are not satisfied with return on their investment.

## 6. Findings

When people enter into the category of senior citizens the worry of financial need is

high among them and they start planning for the same.

The senior citizens fall into age group 60-65, 65-70 are mostly dependent on their own investment less interested on depending on children's income but age group above 70 are dependent on both. Senior citizens are partially aware about various investment avenues. Awareness is high in males less in females. Senior citizens preferred avenue is banks fixed deposit, post office saving scheme, LIC pension plans, rental income, SCSS.

Reverse mortgage scheme which is specially designed for senior citizens by financial institutes are less popular among senior citizen.

For making investment decision senior citizens preferred suggestion from friends and family and then financial advisor and print media.

Safety and security and regular income is major concern for senior citizens for making any investment decision. Bank fixed deposit, post office scheme, LIC pension policy are preferable safest avenue for senior citizens.

The interest rate and return given by financial institutions to senior citizens is not sufficient for them as they are not satisfied with this rate.

## 7. Recommendations

Senior citizens should be provided proper information regarding different investment option by financial institutions. Through this study we found that financial institutes provides one good option for regular income for senior citizens who are asset

rich. And cash poor that is reverse mortgage. But most of the senior citizens are unaware about it. Financial institutions should have one help desk for senior citizens which can provide financial literacy to senior citizens and help them in identifying and selecting the best portfolio for their regular income.

The government of India should look after the needs of senior citizens by providing them best suitable investment option with inflation adjusted return so that they can survive easily.

## 8. Conclusion

The study on preferred investment avenue among senior citizens has been undertaken with the objective to analyze the awareness and adoption of different investment avenues for people in Indore city. Analysis of the study was undertaken with the help of a survey conducted. After analysis and interpretation of data it is concluded that in Indore city respondents are worried about their financial position after retirement and they start a planning for getting regular income. They are more concerned about safety and security and regular income from their investment for fulfilling this need. They preferred bank fixed deposit, post office scheme and LIC pension policy. Most of the senior citizens are not satisfied with the return on interest what they are getting from financial institutions but for the safety concern they have no other option. Government of India and financial institutions of India have to pay attention to this category of population as they are also very important part of our society and increasing in numbers year by year.

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**Table 1. Demographic profile of the Respondents**

		Number	%
<b>Gender</b>	Male	60	60
	Female	40	40
<b>Age</b>	60-65	46	46
	66-70	37	37
	Above 70	17	17
<b>Education</b>	Below Graduation	26	26
	Graduation	56	56
	Post-Graduation	18	18

**Table2 Senior citizens are worried about their Financial needs:**

Particulars	Number	%
Worried	63	63
Not worried	23	23
Neutral	14	14
Total	100	100

**Table 3 Have you planned your financial need**

Particulars	Number	%
Planned	48	48
Process of planning	34	34
Neutral	18	18
Total	100	100

**Table 4 How you are going to fulfill your financial need**

Particulars	Number	%
Dependent on children	17	17
Own investment	38	38
Both	29	29
Pension	16	16
Total	100	100

**Table 5 Are you aware of various investment option**

Particulars	Number	%
People are aware	37	37
Partially aware	49	49
Not aware	14	14
Total	100	100

Table 6 Are you Aware of different modes of investment

Investment option	Awareness of the option (%)			Adoption of the option (%)		
	High	low	Not aware	High	low	No
Bank fixed Deposit	93	7	-	94	3	3
Company Fixed Deposit	26	47	27	22	35	43
Senior citizen saving scheme(SCSS)	66	23	11	49	27	24
Post office monthly saving scheme	85	13	2	89	8	3
Mutual Fund Scheme	30	47	23	25	28	47
Share Market	20	66	14	18	28	54
National saving Certificate	76	17	7	55	31	14
Reverse mortgage Scheme	2	1	97	-	2	98
Bonds/Debentures	32	53	15	18	39	43
LIC pension Scheme	89	11	-	92	6	2
Kisan vikas Patra	54	32	14	34	24	38

Table 7 Preferable investment option for securing your financial life for future

Investment option	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Bank Fixed Deposit	29	22	13	14	12
Senior citizen saving scheme(SCSS)	8	10	14	16	14
Post office scheme	26	26	19	14	13
Mutual Fund scheme	12	13	11	11	15
Real Estate ( Rental Income)	4	9	15	10	16
Company Fixed Deposit	-	2	-	5	7
Share Market	-	-	5	4	6
Reverse mortgage	-	-	-	1	2
Bonds/Debentures	4	3	-	7	5
LIC pension scheme	15	14	20	13	7
Gold/silver	2	1	3	5	3
Others	-	-	-	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Table 8 Preferred source of information for making investment decision

Sources of information	Rank 1	Rank 2	Rank 3
Print media (News Paper)	15	18	27
Friends and family members	43	24	16
Financial Advisor	23	19	29
Past experience	13	25	15
Advertisement	4	10	8
Internet	2	4	5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Table 9 Factors considered before making investment decision

Particulars	Mean	1=SA	2=A	3=N	4=D	5=SD	Total
Liquidity	1.61	43	35	4	18	-	100
Regular income	1.47	53	47	-	-	-	100
Safety and security	1.47	56	41	3	-	-	100
Return	2.30	34	37	6	11	12	100
Market reputation	2.11	37	40	7	7	9	100
Investment Amount	2.19	34	37	11	12	6	100
Lock in period	2.49	26	40	8	11	15	100
Time for maturity	2.02	42	36	7	8	7	100
Tax Benefit	2.44	28	38	9	12	13	100
<b>Overall Mean</b>	<b>2.01</b>						

Table 10 Are you satisfied with interest or return given by financial institutions to senior citizens in India.

Particular	1=HS	2=S	3=N	4=D	5=HD	Total
Interest / return on investment	-	23	15	35	27	100

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## RESEARCH

# The Encumbered Growth of E-commerce In India: Can We Help?

Himanshi Agarwal\*, Dr. Shailja Dixit\*\*

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### ABSTRACT

India has witnessed a drastic switch in the purchasing and selling pattern of various goods and services during the last 15 years. The introduction of e-commerce has revolutionized both global and domestic economies. A number of developed economies like the USA, China and the UK have demonstrated a clear leadership in e-commerce attributing to higher internet penetration, technological advancement, infrastructure facilities and the increased use of smart phones, laptops/PCs and tablets. However, India, being a developing economy, is experiencing a much slower growth of e-commerce in spite of having a larger number of internet users as compared to the top ranked e-commerce market, the USA. The very obvious reasons behind this stunted development are India's infrastructural, social, legal and political drawbacks which need immediate consideration so that strategies could be devised to uproot those challenges which are hampering the expected uptake of e-commerce in India.

This paper aims at presenting a comparative analysis of the internet penetration and e-commerce growth between India and top three countries having the biggest ecommerce market in the world, i.e., USA, China and UK. The focus is on discussing those issues which have hindered the e-commerce growth in India and suggesting few strategic measures that are being followed by the e-commerce giants and it is expected that few judicious policy implications will make India a competitive e-commerce market in the near future.

**KEYWORDS:** E-Commerce, Internet Penetration, Network Connectivity, Payment Gateways, Logistics, M-commerce

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### Introduction

E-commerce is the exchange of goods and services using the capabilities of the internet (Shahar, 1997). This definition highlights the internet as the leading factor responsible for the growth of e-commerce

sector. A global data on the number of internet users and e-commerce sales (figure 1) reveal that they both increase hand in hand, that is, the growth in number of users directly affect the volume of online transactions.

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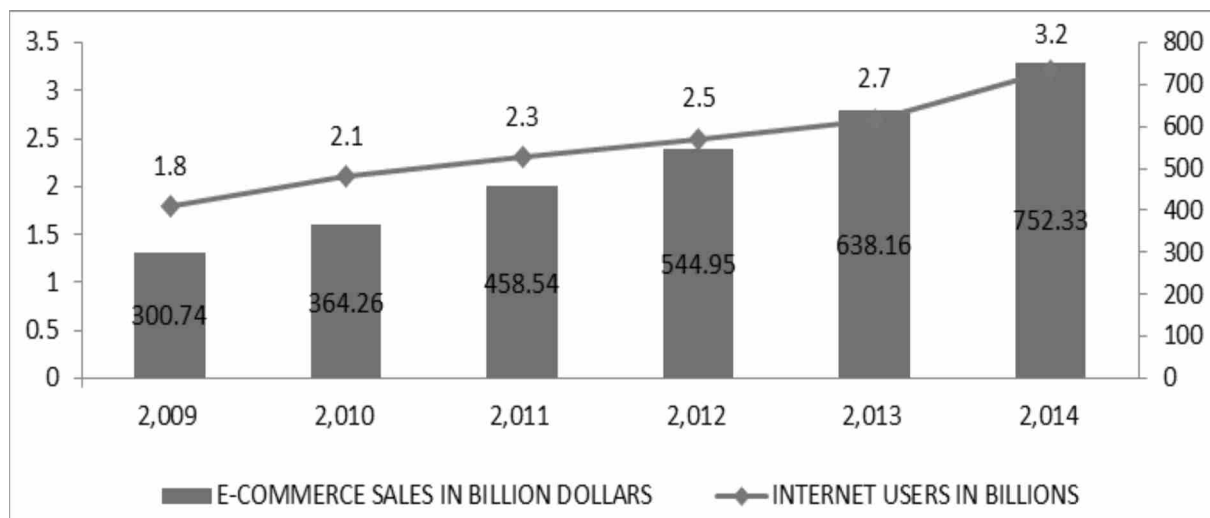
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Figure 1: E-Commerce Sales and Number of Internet Users in The World



Source: Internet live stats, statista.com&wevio.com

While e-commerce has become a familiar part of life in developed nations, it is still considered an innovation in developing economies like India. Despite having a large number of internet users and being the third largest smart phone market in the world (Mallya, 2015), the country has proceeded at a relatively slow pace in the e-commerce area. At present, only a small number of business organizations and consumers are using e-commerce as a preferred mode of exchange. A recent report titled 'India on the go-mobile Internet Vision' by IAMAI & KPMG said that the overall internet user base in the country is expected to touch 503 million by 2017, which stood at approximately 350 million as on June 2015. That has made India the second largest internet user base in the world only behind China. It is among the three fastest growing markets for internet usage worldwide, according to a study conducted by ASSOCHAM & Comscore in October 2012. But the Forrester Research estimates that only 13.25% of the internet users in India purchased products online in 2013 and this figure is expected to rise to 28% by 2017. This is only a small proportion and if all the

internet users in India would have involved in online shopping, the Indian e-commerce market holds the potential to surpass that of the USA.

No doubt, the annual growth rate shown by Indian e-commerce industry during the past decade is appreciable still India holds 83rd rank out of 130 in the global e-commerce market according to the UN Conference on Trade and Development. So the questions which naturally arise are: why Indians have been so reserved in adopting e-commerce channel? What are the factors that are creating hindrance in the way of e-commerce to expand to its maximum capability?

This paper contributes towards addressing the above questions and highlighting few major challenges faced by the e-commerce growth in India along with some suggested measures to overcome these hindrances.

### Objectives

1. To study the present scenario of e-commerce in India.
2. To justify that internet is the most

- important factor that is driving the e-commerce growth.
3. To present a comparative analysis between India and top three e-commerce markets of the world.
  4. To identify factors that hampers the e-commerce growth in India.
  5. To suggest few strategies that could help Indian e-commerce market to tackle those challenges.

## 2. Literature Review

E-commerce is a general term for any type of commercial transaction or business that involves the transmission of information over the Internet. Or e-commerce can be defined as the use of computers and electronic networks to carry out business with other businesses (B2B) or with customers (B2C) over the internet or another electronic network.

According to the definition given by US Executive Office of the President “e-commerce is a commercial interaction over the internet, which can lower costs dramatically and facilitating new types of commercial transactions. As the internet empowers citizens and democratizes societies, it is also changing classic economic paradigms. New models of commercial interactions are developing as businesses and consumers participate in an electronic marketplace and reap the resultant benefits. The internet has the potential to revolutionize retail marketing. Commerce on the internet could total tens of billions of dollars by the turn of the century. (UNCTAD, 2000).

Rosen (2002) states that e-commerce refers to the online business activities for products and services and it is useful to any form of business transaction in which the buyers and sellers interact electronically rather

than by direct physical contact.

According to Laudon & Traver (2008), e-commerce is the use of the internet and the web to conduct business, that is, it's a digitally supported commercial transaction among businesses and individuals.

Another definition states that e-commerce is the process of buying, selling or exchanging products, services or information based on the following existing conditions in the developing countries: 1) availability of the Internet and e-mail in these contexts and will be used to communicate business transactions, and 2) use of the World Wide Web to enhance business activity (Turban, King, McKay, Marshall, Lee, & Viehland, 2008).

From the above definitions, we can say that the working of the e-commerce highly depends upon the internet and World Wide Web. The Internet is a global network of interlinked computers, and, the World Wide Web is a global collection of electronic documents (Holden, Belew, Elad, & Rich, 2009, p. 3) that supplements a graphical element to the Internet (Senn, 2004, p. 86). In other words, internet can be regarded as the backbone of e-commerce.

E-commerce is fundamentally changing the economy and the way in which businesses are conducted today (Barua et.al., 2001). It compels the firms to find new ways to expand their markets, to attract and retain the existing customers by modifying products or services according to their needs and restructuring their business operations to deliver high quality products and services more efficiently and effectively (Chan & Davis, 2000).

Apart from the studies mentioned above, there are a number of research reports and

survey based studies done by IAMAI, IMRB international, PwC, ASSOCHAM, BCG, Internet & online Association, etc. which presents the status of ecommerce existing in the country with quantitative figures.

### 3. Research Gap

Various studies as stated above discuss one or the other aspects of e-commerce. Much work has been done with respect to the concept, origin and growth of ecommerce as well as the major factors which have driven this growth. The review of the available literature suggests that there are many challenges in Indian context which are creating hindrance in the way of e-commerce penetration because India's economy, geography and demography is very different from that of western countries. Thus, the present study intends to identify those challenges which are hampering the e-commerce growth in India and suggest few strategies which could help online market to expand to its full potential.

### Contribution of The Study

This descriptive research work would help to identify those factors which are hampering the growth of ecommerce development in India and how could these obstacles be tackled with successful implication of the few measures discussed alongwith. This will help the ecommerce firms to expand their online businesses and become profitable in near future.

### 4. Methodology

It is a descriptive survey that is exploratory cum applied in nature. It is based on the analysis of secondary data and generalizing conclusions from them. It is important to flag that the secondary data is used here

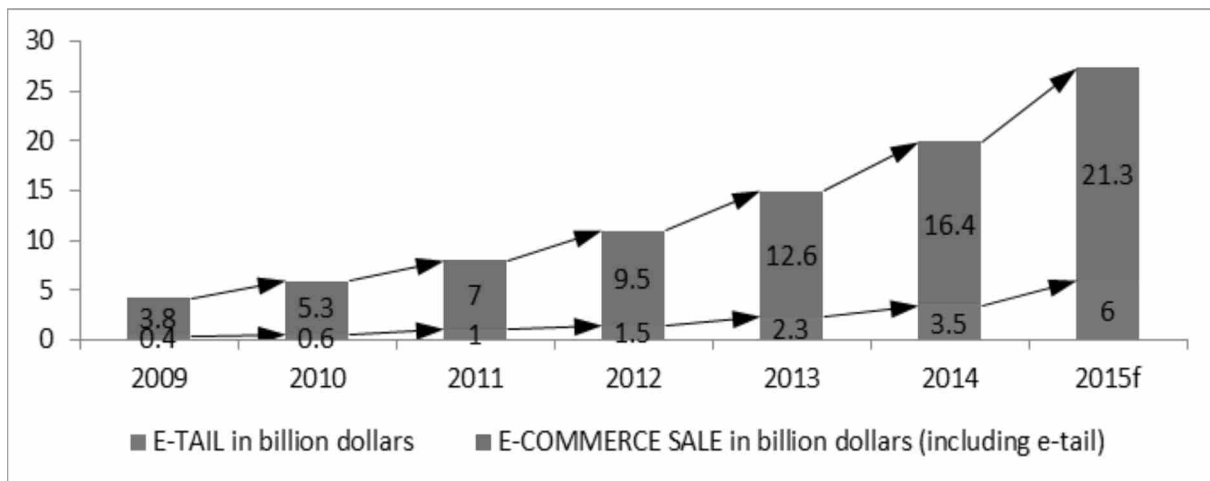
which refers to a period from 2009 to 2014 and is availed from various journals, reports, magazines, books and internet.

Data analysis is done using statistical techniques. Linear regression tool is employed on the quantitative data to surface the relationship between e-commerce and internet usage. SPSS software and MS-excel is used for efficient data analysis. Data has been depicted in the form of charts and tables.

### 5. Current Scenario of Ecommerce In India

Online commerce in India is riding on the high pace at a growth rate of 60-70% annually to capture the market which has a huge hidden potential. E-commerce in India has progressed significantly in the last decade and what is interesting is that the entire evolution of e-commerce in India happened over 15 years. In advanced markets like the USA, it took over 50-60 years. The Indian e-commerce sector has seen a remarkable growth in 2014. Rana Kapoor, the President of ASSOCHAM India, quoted in a report Future of e-commerce: Uncovering Innovation, "Increasing internet and mobile penetration, along with the growing acceptability of online payments and favorable demographics has enriched the e-commerce sector in India with the unique opportunity to fundamentally alter the way companies connect with their customers. Due to this digital revolution, the e-commerce sector in India become 4 times its size, from \$3.8 billion in 2009 to \$17 billion in 2014, growing at a CAGR of 37%. It is expected that the sector will cross the \$100 billion mark by 2020 and will contribute over 4% to India's GDP."

Figure 2: India's E-tail And E-commerce Growth

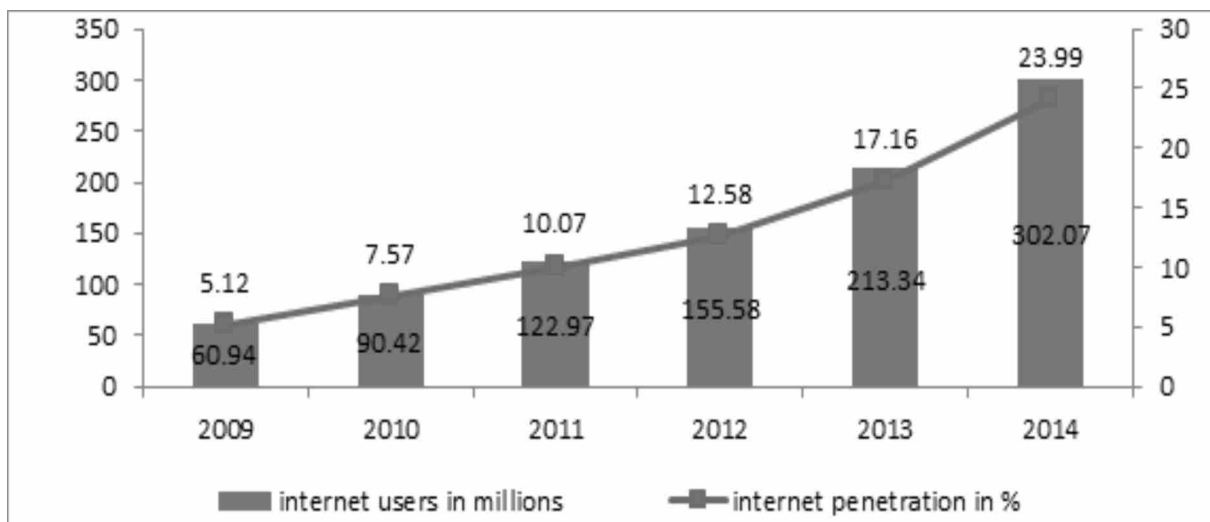


Source: IAMAI, CRISIL, Gartner, PwC Analysis and industry experts

According to Forrester Research, only 17% of India's total population in 2013 was online and out of it only 14% or 28 million people were online buyers. This figure raised over to 40 million as the level of internet penetration rose to 24% in 2014 and with a gradual increase of 27% in the number of internet users during the first half of 2015, the total internet subscribers

in the country crossed 350 million with around 27% penetration and this will result in the further increase of online buyers. According to the PwC report Future of India - The Winning Leap, introduction of new technologies, especially laptops, tablets and mobiles, have brought a social change in India that is difficult to enumerate.

Figure 3: Number of Internet Users & Internet Penetration in India

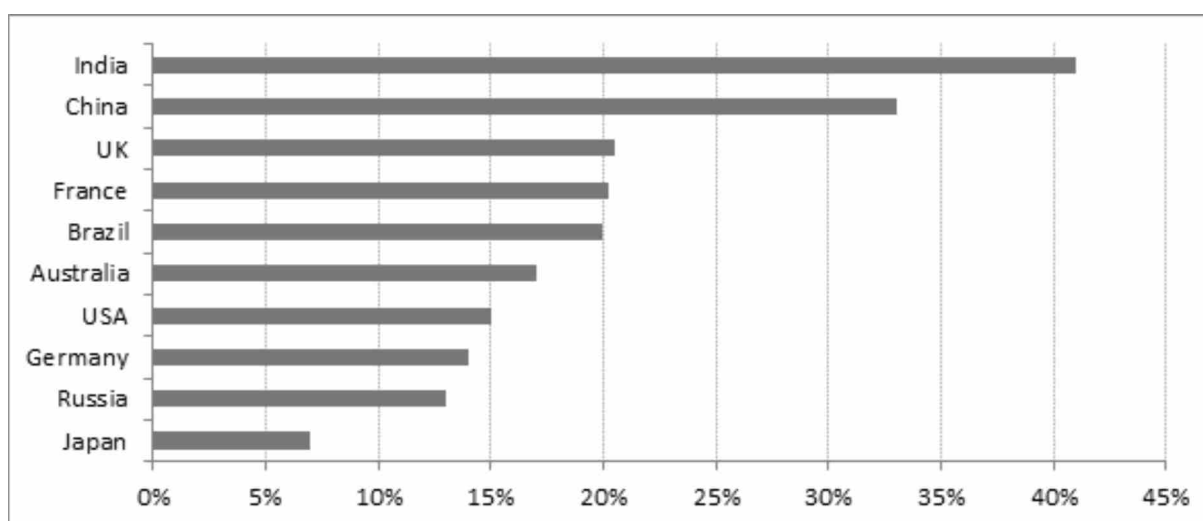


Source: Internet Live Stats & Statista.com

According to KPCB partner Mary Meeker's [2015 Internet trends report](#), India is the largest country in terms of new Internet user additions by adding 63 million Internet users by the end of 2014 that is more than double of China which added that 31

million Internet users during the year. The report also stated that 41% of total e-commerce sales in India come from mobile devices which indicate that India is the leader in use of mobile devices for e-commerce transactions.

**Figure 4: Mobile as % of Total E-commerce Sales, 2014**



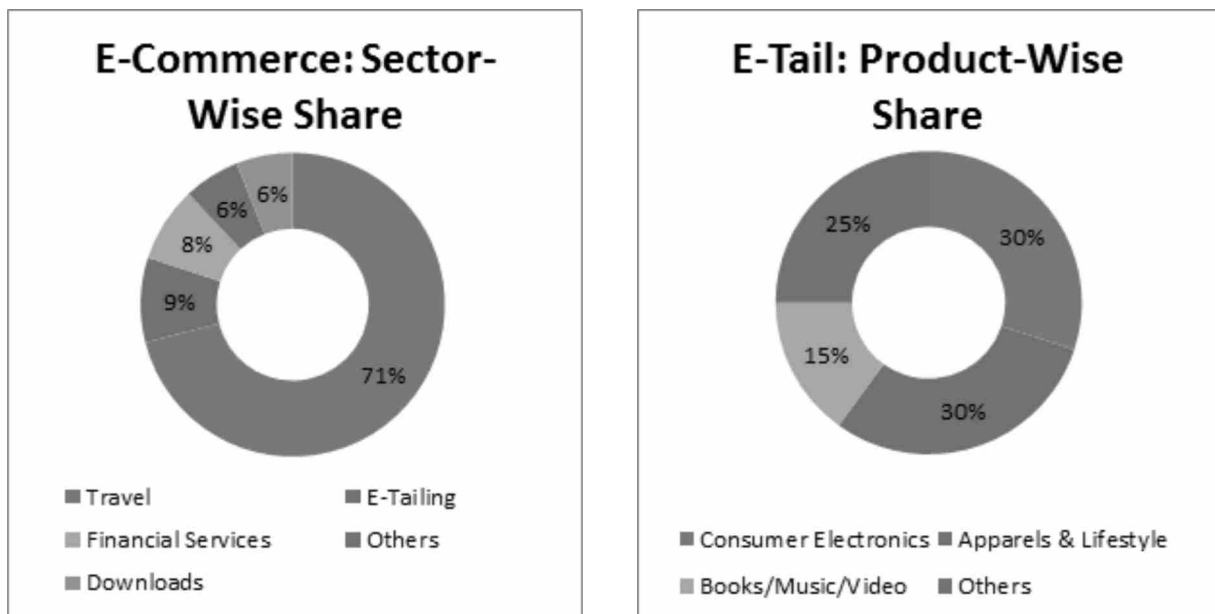
Source: Stanley Morgan Research & KPCB

The number of smart phone users is expected to grow at a CAGR 91% from 2012 to 2016 when it jumped from 29 million to 382 million. Similarly, the number of 3G subscribers could expand at a CAGR of 84% from 23 million to 266 million during the same period, revealed the report by PwC, E-commerce in India: Accelerating Growth. Mobile commerce is also growing rapidly as a steady and safe supplement to the e-commerce industry.

Travel is the most profitable sector in India's e-commerce with around 71% share. This business has grown at a CAGR of 32% over 2009-13. According to the report Future of e-commerce: Uncovering Innovation by ASSOCHAM, currently, the

etailing market in India accounts for only 8.7% of organized retail with \$1.6 billion which is just a miniscule fraction of India's overall retail industry that stands at \$500 billion; retail e-commerce has achieved a three times growth since 2011, that is mainly driven by million dollar investments initiated by domestic and foreign investors. In the coming few years, E-tail is set to spring up to \$6-8 billion. E-tailing has become the fastest growing segments in the larger markets having grown at a CAGR of around 56% over 2009-14. Apparels & accessories, electronics and books are the highest selling products through internet, constituting around 30% of the product distribution.

Figure 5: E-Commerce & E-Tail in India



Source: Technopak Analysis

Undoubtedly, India is one of the most rapidly growing e-commerce markets in the world and holds the second position only after China with 31.5% annual growth rate, still it is almost 10 years behind China in the e-commerce space.

Today's consumers are highly pressurized due to scarcity of time as well as they are attracted by the convenience and increased use of plastic money, thus, making their way towards more online consumption. Furthermore, favourable demographic profile, limited geographical accessibility by brick & mortar retailers, increase in internet penetration, increased use of smartphones & reducing data charges are the basic factors that offer high market potential for e-retailing in India.

The Modi Government has initiated the ambitious 'Digital India' project with an aim to offer a one-stop shop for all the Government services. This will further

boost the sector by introducing internet and broadband to each and every remote corner of the country and will thus help to increase trade. This initiative has proposed investment of nearly \$17 billion and it is expected that this will definitely transform India into a connected and developed economy. It would also attract foreign investments and create millions of jobs.

Although, it has been 15 years since the e-Commerce trend is making rounds in India but the appropriate ecosystem has now started to take its place. Moreover, the Indian e-Commerce market has enjoyed an extraordinary growth of almost 50% in the last five years. Factors like increasing internet access, astounding penetration of mobile phones and healthy investment have driven the growth of this industry and if current projections continue to go by, India is on the verge of becoming the world's fastest growing e-commerce market.

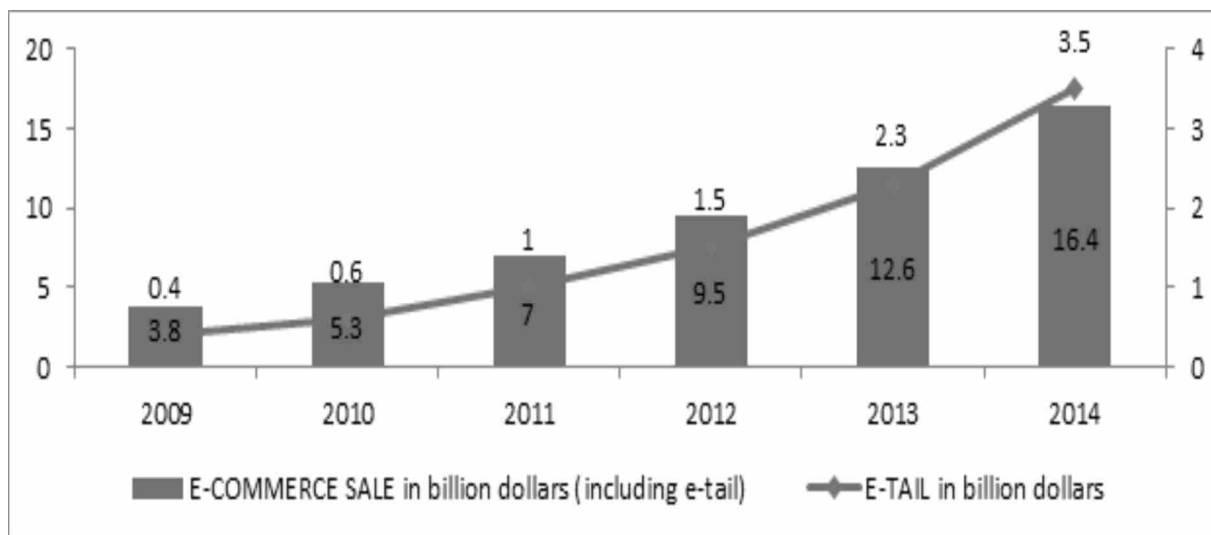


## 6. Data Analysis

The review of the available literature states that the growth of Indian e-commerce industry is very high. However its growth depends upon a number of factors, the most important among which is internet connectivity. The growing number of internet subscriber base due to increased availability of broadband, 3G and 4G data

facilities has been the foremost reason for the swift growth witnessed in e-commerce sales volume. The high rate of the adoption of internet and smart phones is the biggest reason for the growth of e-commerce in India. The growth trend between the number of internet users and the e-commerce sales volume in India during the period of 2009 to 2014 is shown in the following figure:

**Figure 6: E-Commerce Sales & Number of Internet Users in India**



Source: IAMAI, CRISIL, Gartner, PwC analysis, Internet live stats & EKOS global & Wikipedia

Analysing the evolution and trends in the volume of e-commerce sales in the market, it should be highlighted that a strong growth has been experienced in the recent years which runs parallel to the increasing number of internet users in the country. To analyze the degree of relatedness between the two variables, a simple linear regression statistical technique is applied on the

available data, in which, the e-commerce sales volume is taken as the dependent variable that gets affected to a considerable extent by the increasing number of internet users. The output generated by the SPSS software through the above data is given below:

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996 <sup>a</sup>	.993	.991	.45568

a. Predictors: (Constant), NO. OF INTERNET USERS

**Coefficients<sup>a</sup>**

Model		Unstandardised Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.668	.408		1.637	.177
	NO.OF INTERNET USERS	.054	.002	.996	23.205	.000

a. Dependent Variable: E-COMMERCE SALE

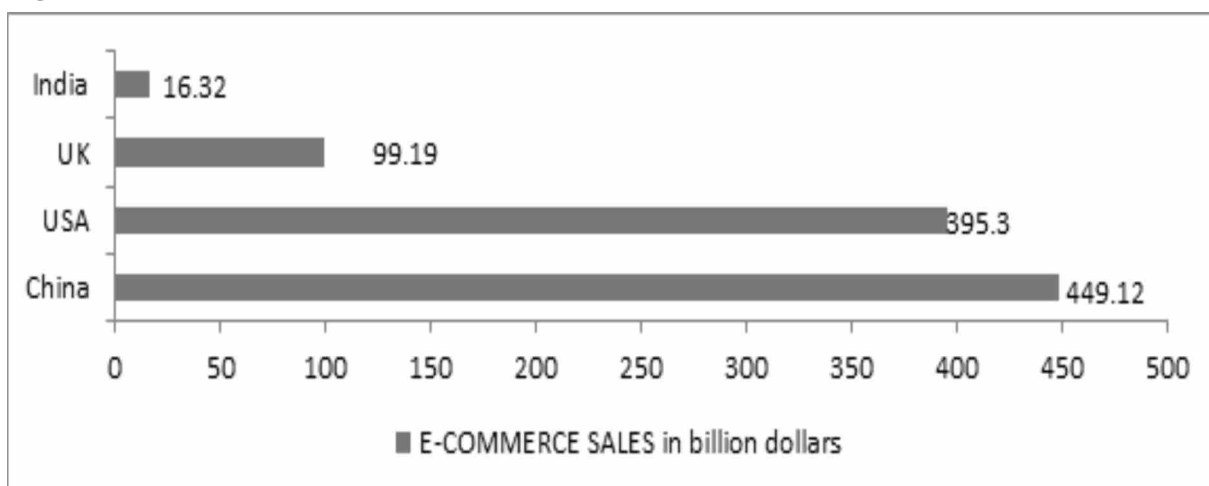
From the above output, the co-efficient of correlation comes out to be 0.996 which signifies that a very high degree of positive correlation exists between the two variables, that is, the e-commerce sales volume experiences an upward growth as the number of internet user's rise in the country. This reveals that the growth in the use of the internet positively influences the development of e-commerce.

Undoubtedly, the current value of the Indian e-commerce industry is the outcome of the fact that India is witnessing a rapid growth in the number of internet

subscribers since last few years. Indeed, India is lucky to have around 302 million internet users (as in 2014) that is the second largest internet user base in the world only behind China when it surpassed that of USA in December 2014.

Still the rate of internet penetration is quite low and the e-commerce sales volume is far behind the top three e-commerce markets of the world, the USA, China and the UK. In comparison to these countries, India ranks 83rd out of 130 global e-commerce markets.

**Figure 7: E-Commerce Sales in India & Selected Countries**



Source: Reports by Internet World Stats, statista.com, EKOS, forester research and emarketer

The following table presents a comparison among the top three global e-commerce giants and India. The data presents the situation as on December 2014.

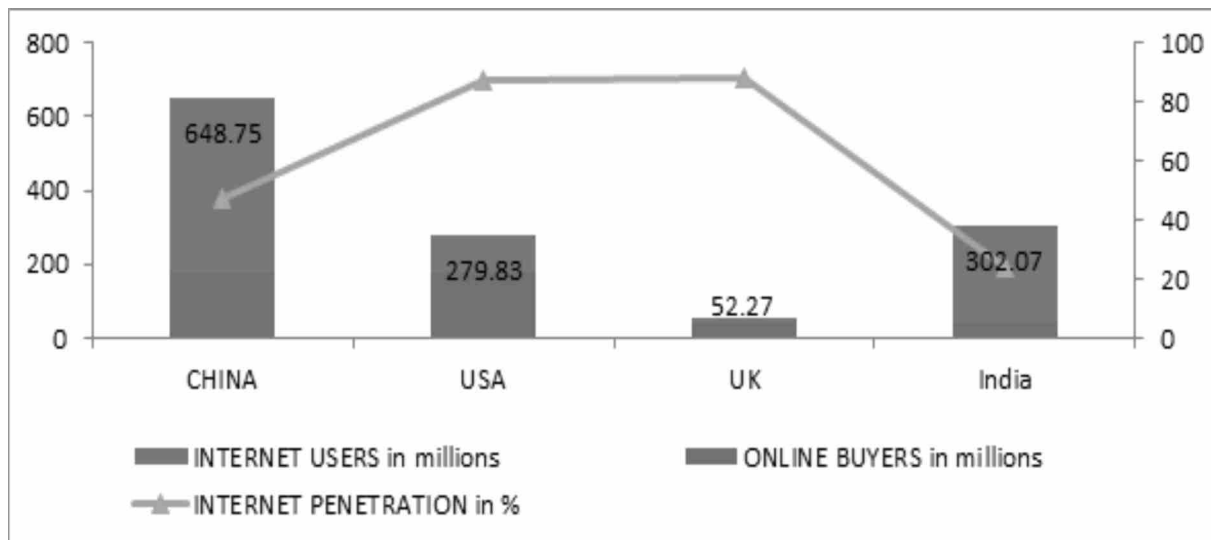
	<b>CHINA</b>	<b>USA</b>	<b>UK</b>	<b>India</b>
POPULATION (in millions)	1367.82	318.86	64.77	1259.70
INTERNET USERS (in millions)	648.75	279.83	57.27	302.07
INTERNET PENETRATION	47.43%	87.76%	88.40%	23.99%
ONLINE BUYERS (in millions)	178.41	176.29	41.81	40.02
ONLINE BUYERS (as % of internet users)	27.43%	62.85%	73.68%	13.25%
COUNTRY'S SHARE OF WORLD INTERNET USERS	21.97%	9.58%	1.88%	9.81%
TOTAL E-COMMERCE SALE (in billions)	\$449.12	\$395.30	\$99.19	\$16.32

Source: Reports by Internet World Stats, statista.com, EKOS, forester research and emarketer

An empirical analysis of the above table highlights that India being the second most populated country and the second largest internet user base of the world, stores an immense unidentified opportunity to overtake the total e-commerce sales of the USA. But, in India, the internet penetration is quite low, moreover, people mainly use internet for activities like sending emails, playing games, using a

search engine to find information and social networking. Only 13.25% of the total internet subscribers use it for online buying. As a result, total e-commerce sales in India is just approximately 4% of that in the USA, 8% of that in China and 16% of that in the UK. In contrast to it, the UK & the USA have much lower population but there internet penetration is much higher as illustrated in the following figure:

Figure 8: Internet Penetration in India & Selected Countries (Dec 2014)



Source: Reports by Internet World Stats, statista.com, EKOS, forester research and emarketer

Thus, it is justifiable to say that reaching a significant group of prospective customers who are consistent users of the internet may convert this mass of users into a large market to become profitable enough and subsequently attractive to firms.

“Technological disruption has driven change in the e-commerce industry with shoppers embracing multiple touch points in their purchase journeys. Overall, there is humongous potential for the e-commerce companies helped strongly by a growing internet user base and advancements in technology. However, this will not be without its share of challenges –operational, regulatory, digital, etc. A company's ability to prepare itself proactively to meet these challenges will decide the difference between a successful venture and a failed one” remarked Sanded Ladder (Technology Sector Leader, PwC India) “It's (e-commerce) taking off in India and you have some companies like Flipkart that are getting through but at the aggregate level

India is still a small player though the potential is very big in India”, said Torbjorn Fredriksson, chief of the Information and communications technology analysis at UNCTAD.

A report 'Major challenges faced by e-commerce industry in India' by mavens (2012) writes that the Indian e-commerce industry is flourishing at a remarkable pace owing to high penetration rate of internet and advanced electronic devices. Still, the current growth rate of e-commerce in India is far lagging behind than other developed countries. There are many major obstacles and challenges faced by an online merchant.

Thus there is a need to discuss those challenges and devise strategies to tackle them so as to ensure a better e-commerce growth. Discussion of these challenges and measures for the betterment of e-commerce is the task of the following sections.

## 7. Discussion & Recommendations

### a) Challenges To E-commerce Growth In India

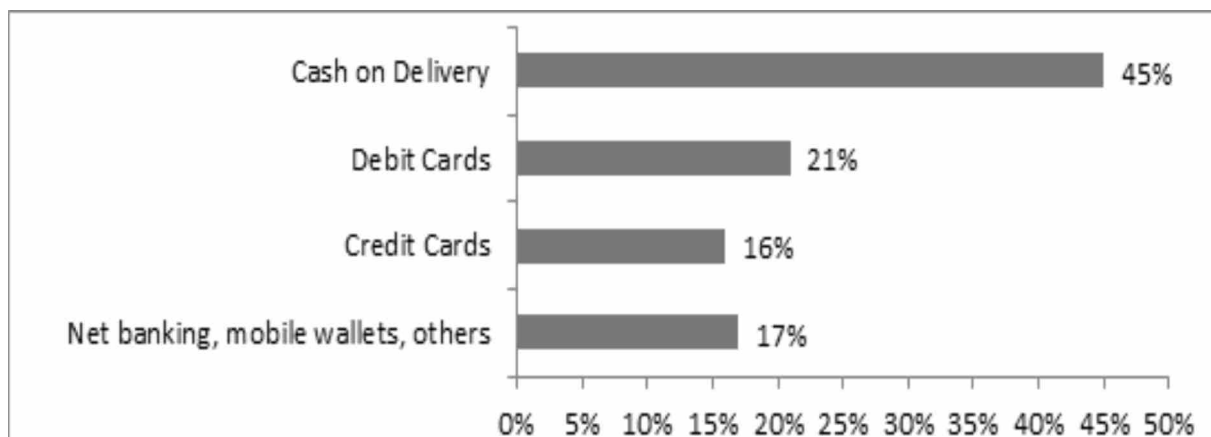
The rapid growth of ecommerce in India is attracting massive attention of many e-commerce merchants around the globe. India is the second most populous country in the world with 1.2 billion people and the number of internet users in India is also the second largest in the world. This shows that India hides an immense potential for the growth of e-commerce and this makes India one of the most appealing emerging markets for ecommerce, despite of having lower per-capita purchasing power. But India is far from being a bed of roses. Following are the top challenges confronted by the online businesses in India.

- **Network Connectivity and Internet Penetration is Low:** Internet is the foundation of e-commerce. Disappointingly, Internet penetration in India is still 24% which is just a small miniscule of what could be found in several other western countries.

Moreover, the average speed of internet in India is only 2.3 Mbps which is quite low as compared to 17.4 Mbps in developed countries. Besides, the cost of internet access is also high.

- **Problem of Logistics and Reverse Logistics:** In India, metropolitans and other major cities have fairly robust logistic facilities but there are thousands of towns that are not easily accessible. Several Furthermore, the rate of goods returned by the customers is very high and for the e-commerce retailers these returns are extremely expensive since the cost to manage the return can be higher than the value of the product.
- **Impractical Policies Negatively Affect Profitability:** To face the intense competition among the ecommerce retailers who are doing the same business, vendors adopt aggressive pricing strategies, heavy discounts and offer coupons, free shipping, etc. This is the reason that even the firms like flipkart and snapdeal are yet to reach their break-even points.

Figure 10: Various Modes of Payment in India



Source: IAMAI

- **Absence of Consistent Cyber Laws:** Privacy is a significant issue of concern for both current and prospective ecommerce customers. The Indian customers are quite hesitant of giving their personal details due to the increasing risk of scams played by hackers. To regulate transactions on the Net, the Indian parliament passed The Information Technology Bill on May 17, 2000 but, as it stands today, this Bill does not pay attention towards cases such as individual property rights, content regulation to privacy and data protection specific legislation.
- **Digital Illiteracy and Unique Consumer Psyche:** The Indian consumers have little knowledge about the use of internet for purchasing. They are more convenient in buying products from nearby brick & mortar stores. Companies that deal with products like apparels, handicrafts and jewellery face major challenges to sell their products as the buyers prefer to see and touch the product before they purchase.
- **Lack of trust and confidence:** Trust is very important in an e-business activity which is based on various factors like brand recognition, product description, payment related issues, terms and conditions, money back guarantee, return and exchange policy, etc. Lack of trust by consumers often results in a heavy loss of goodwill and revenues.
- **Lack of quality standardization and product specification:** Customers often face a problem when an online ordered product does not match its specifications. That's why, people often hesitate to order those products which carry little specialization like that in the case of clothes or footwear where it

is not sure that a particular size of a dress would actually fit or not. Thus, having a global standard regarding the size of these products would help to reduce this doubt in the customer's mind.

- **Lack of proper website management:** Most of the websites don't carry any digital datasheet, nice looking photographs for their products, mechanism to check for daily prices and product availability. Information overload is another major problem associated with the rapid growth of the web contents. When customers try to find something for online shopping, they get frustrated with a number of popup and banner ads interrupting them. This only makes customers switch to other sites or drop their purchase decision.
- **Tax structure:** In India, the tax structure differs from sector to sector. This factor generates accounting problems for the Indian online businesses. Besides, there are few other countries like US which sustain zero duty on e-commerce to prosper it in the country.

There is huge possibility for ecommerce companies due to the flourishing internet user base and advancements in technology. However, this will come with its proportion of digital, operational or regulatory challenges. Company's preparation to tackle these obstacles will decide its success. Therefore, it is important to trounce difficulties in Infrastructure, Financing, Logistics and Consumer Loyalty to escort the next surge of sustainable growth in e-commerce. Appropriate laws for e-commerce are required to tackle the issues in legal and regulatory structure. Banks also need to play a lead role as 'Facilitators' to



offer cost effective cash management solutions, safe and secure payment gateways and other related banking services.

## B) Suggestions For The Success Of E-commerce

Although many e-commerce companies are initiating to take benefit of the potential of online environment in India, there are many crucial challenges which remain to be tackled before e-commerce would prove to be an asset for the people. Few of the above mentioned challenges are impossible to remove in near future owing to external factors which are not under control of business owners but we can work around and solve many others. Here are few strategies which could be followed:

- **Customer Experience:** As the customer moves forward from research to purchase fulfilment stages, their anticipations change rapidly so E-commerce vendors need to know and appreciate these expectations and devise their policies according to it. Convenient channels for delivery and returns need to be build up along with the specification of touch and feel the merchandise before purchasing. They must also ensure adequate after sales service. Online product reviews and ratings, more advanced sizing and fitting tools along with supporting videos should be provided.
- **Addressing Logistics:** The Indian e-Commerce sector needs to carefully observe the expansion of their marketplaces in the Tier 2 and 3 cities. The brand image of e-commerce ventures gets stained due to shortage of adequate logistic services. The prominent problems faced in e-commerce logistics are untimely or no delivery, damaged or lost parcels, unfriendly attitude of delivery staff, lengthy and complicated return procedures and no allied facilities such as installation of the product. To handle such problems, vendors should either set up their own logistics system or get hold of the existing logistics providers. Strategic alliances among e-commerce firms and third-party logistics could produce better results
- **Tax and Regulatory Environment:** Laws regulating e-Commerce in India are still developing and do not have precision. An encouraging regulatory atmosphere would be a crucial step towards unleashing the ability of e-Commerce and bring effectiveness in processes, creation of new jobs, development of the industry and investments in infrastructure.
- **Operational Framework:** Various business models have been developing fast in the e-Commerce sector mainly due to increased competition and incapability of the vendors to prolong high costs. E-commerce firms need to adapt and innovate regularly to continue with their enterprises.
- **Digital Infrastructure:** Digital interruption has brought transformation in the e-Commerce sector with buyers adopting multiple touch points in their purchases. Companies need to spend adequate finance on technological advancements and advertisements. In the voyage of digital business transformation, entrenching SMAC technologies in the business is very important.
- **Localization of Internet Content:** English is still not widely used in India. Spokesperson of Google India says that search of web contents in Hindi has

grown 155% in the past year. Localization of content on internet is a unique innovation. Snapdeal and MakeMyTrip have already introduced their multilingual interfaces in regional languages, others also need to follow the trend.

➤ **Analytics & Personalization:**

Personalized product suggestions do not directly amplify the trust of the customers but they do express that the online vendor is making best efforts to understand the needs of the customers and is trying upon them. This implicitly builds the confidence level that the retailer is not just acting to sell its products but is making a sincere attempt to build direct relationship with its customer.

➤ **Fraud Protection:** An online retailer should setup suitable security certificates to deal with the transactions related to checkouts and the private information about customers and payment details should be stored in coded format. A customer will feel more comfortable if they will be charged after their order ships. So, it will be beneficial for the retailers to reflect the amount of payment at the time of order but charge the card only when the order ships.

➤ **Inclusion of M-Commerce:** Currently, e-commerce uses PCs and browser-based interface but in the near future, it is expected that smart phones will rule the online transactions owing to the increasing sales of smart phones. So, it will be beneficial for the e-commerce vendors to develop easy to use mobile apps if they want to increase the reach of their website.

➤ **Omnichannel Retailing:** Omnichannel or multichannel retailing means the use of more than one channel of

retailing in the customer's shopping venture which includes retail stores, online stores, mobile app stores, mobile stores, telephone sales and other methods to transact with the customers. Many of the vendors like Walmart, Target and Costco have already introduced this method of retailing; others are also advised to mount on this technological bandwagon.

The ambitious 'Digital India Project' launched by Modi Government and the advancement of 'India Post' is expected to positively affect the e-commerce industry. The Digital India Project aims at offering a one-stop shop for all government activities and will have the mobile phone as the backbone of all functions. This program is expected to give a robust lift to the e-commerce sector as the initiation of internet and broadband to distant corners of the country will increase customer awareness as a result online trade will rise. The government is also enthusiastic to develop its own distribution channel for India Post and other services related to e-commerce since India Post transaction business valued 280 crore INR in the CoD segment for e-commerce firms such as Flipkart, Snapdeal and Amazon. Both the two projects are expected to have considerable affect on increasing the access of e-commerce players to generally non-accessible areas, thereby boasting the e-commerce growth.

Remarking upon the solutions for the problems faced by the Indian e-commerce industry, K S Bhatia, The Founder & CEO Pumpkart.com said at RMAI Rural Conclave 2015, "We need a strong presence of government with a partnership of private for better logistics development

in the country. We need to work together as partners in the process of development not just for the businesses but also for the rural areas of the country that will benefit from our presence.”

## 9. Conclusion

Ecommerce is the future of shopping in India. It would be apt to quote William Gibson's line, "The future is here. It's just not widely distributed yet." The Internet economy will continue to grow robustly; internet users would buy more products and more frequently online: both new and established companies will reap profits from it.

Online shopping has great potential in India. This holds true especially when real estate costs are sky rocketing, more and more websites are being launched on daily basis offering various products and services. This coupled with favourable demographic dividend (young population, rising standards of living and upwardly mobile class) and rising internet penetration, strong growth in e-commerce is expected. E-commerce has wide scope of study especially in developing countries like India. Internet is being given much attention as it is an important factor which has significant impact on online sales. In this paper, various challenges have been listed which hamper the growth of e-commerce in India and few strategies have also been suggested which could drive the e-commerce revenue. E-marketers should try to address these factors and develop appropriate marketing strategies to convert prospective customers to active ones while retaining their existing customers. We need to update ourselves to greet e-commerce and reap its benefits.

## Limitations Of The Study

This study is based on the facts and figures collected through various secondary sources like newspaper reports, articles and journals. The measures suggested above to out stretch the reach of ecommerce activities in India are based on the analysis of recent trends followed by other countries to extend their online activities. There is a possibility that these suggestive measures might not prove relevant in Indian context.

## Scope For Further Research

This research is descriptive in nature, hence, few strategies are suggested here to help ecommerce companies flourish to its fullest potential. There is a need for further researches to prove the relevance of these strategies for the growth of ecommerce in India.

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*“No one has ever made himself great by showing how small someone else is”*

**Irvin Himmel**

*“The human spirit needs places where nature has not been rearranged by the hand of man.”*

*“The human spirit is stronger than anything that can happen to it.”*

*“Exploration is really the essence of the human spirit.”*

*“Difficulties are meant to rouse not discourage the human spirit.  
Is to grow strong by conflict.”*

*Man never made any material as resilient as the human spirit.*

**Anonymous**



## RESEARCH

# Digitalization & Customer Perception towards the Banking Services

Deepa Joshi\* & Sapna Parihar\*\*

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### ABSTRACT

All banking transaction from home without visiting and spending time in queues and all the services are available for 24x7 are the main attraction of the e banking system. Even after catering so many facilities the customer perception differ in service quality issues. The present study reveals the customer perception towards the service quality in e-banking facilities. Respondent were asked to responded on various service quality dimensions such as privacy, transparency, reliability, technical difficulty, ease of transaction etc. the data has been collected through a self designed questionnaire from 100 respondents and analyzed through chi-square test. The results show that e-services ensure privacy, service quality, conveniently transfer the information within the bank, increase the service and also cheaper than the manual service. On the other hand customers also believe that digitalization creates the issues of accuracy, threats of losing information and technical problem while transactions.

**KEYWORDS :** E- banking, Service, Digitalization, Transaction

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### Conceptual Framework

In the era of digitalization, the life of human being has become faster. It has emerged as strategic resource for efficiency, improved productivity and faster the frequency of operations. Banking sector and financial sector has not been untouched from digitalization. The traditional process of banking transaction has been changed. People do not need to visit banks for deposit or withdraw every time. All the banking facilities are on tip. The money transaction in business has become faster, which results in the expansion of business and economic growth. Various e-banking services ease the process of online shopping. It also allow customers to submit their applications for different services, make

queries on their account balances and submit instructions to the bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transaction online (Afrouz, Firouzeh, 2006). It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours availability and faster delivery of financial services. Ultimately the emergence of digitalization reduces the manual operational work of bank's employee increase the work efficiency and also save the time of bank customer.

### Progression of E-Banking

The evolution of e-banking has started in UK and USA in 1920's and notably popular

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in 1960's. The concept of web banking came into existence in 1980's. E-banking system is fairly new development in India. The credit on launching e banking services in India goes to private sector banks such as ICICI Bank, HDFC Bank and City Bank. Later on Government of India and RBI have also taken so many measures for the infrastructural development of the banking system.

E- Banking services facilitates ATM, Internet banking, mobile banking, electronic clearance service, Electronic fund transfer and many more. Complete all banking transaction from home without visiting and spending time in queues and all the services are available for 24x7 are the main attraction of the e banking system although there is still a larger portion of the country, specially the rural India where the traditional methods of banking services are being used.

### **Government on the verge of Cashless Economy**

On November 8, 2016 the government of India has taken a crucial decision of ceasing the usage of all 500 and 1,000 banknotes of Mahatma Gandhi Series on the recommendation of the Reserve Bank of India (RBI). The term of ceasing the currency as legal tender is known as demonetization. Demonetization is the act of stripping a currency unit of its status as legal tender. The decision was taken to cater some prime objectives such as remove black money from the system, terrorist funding, reduce corruption, and cashless economy. The present government is strongly in the opinion to have complete cashless transaction in the country or the complete use of e banking system for any kind financial transactions. To go for

cashless economy there is a strong need to understand the opinion and perspective of the customer toward the e-banking services such as service quality, risk, information, reliability and educate about the technical aspects of the system. The present study is an attempt to know the opinion and perspective of the customer toward the e-banking services.

### **Review of Literature**

Dr. Richard Nyangosi, Dr. Samuel N. Nyangau, Dr. Kennedy O. Nyariki, Dr. Andrew S. Nyangau (2104) explored that internet and mobile technologies gained momentum in recent years and are influencing the working of every process including financial services. Financial service providers including banks are turning toward the technologies. In the essence it has been made obligatory by situations and conditions in the market that they should be adopted to meet customer demands.

Joseph et al. (1999) examined the influence of internet on transactions. In this regard, banks are going to utilize the delivery of banking services. They found six primary internet facility for customer's transactions. The dimensions of e-banking service quality such as reduce paper work, and will give quick response to customer convenience and accuracy, feedback and complaint while they remain in their office or at home. The financial management, efficiency, queue management, accessibility services industry was one of the first to recognize the and customization.

Mathivanan and Kavitha(2015) revealed that Internet banking enables a customer to perform banking transactions through the bank's website. This is also called virtual

banking or anywhere banking. It is like bringing of the bank to one's computer at the place and time of one's choice. This can be very useful, especially for banking outside bank hours through internet access. The number of customers who choose online banking as their banking usually offers features like electronic bill payment. There are a growing number of banks that operate exclusively online due to cost advantage compared to traditional banks.

Kumbhar (2011) evaluates major factors (i.e. service quality, brand perception and perceived value) affecting on customers' satisfaction in e-banking service settings. The study also evaluates influence of service quality on brand perception, perceived value and satisfaction in e-banking. Security/Assurance, Responsiveness, Easy to Use, Cost Effectiveness and Compensation are predictors of brand perception in e-banking and Fulfillment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness, Problem Handling and Compensation are predictors of perceived value in e-banking.

Lal and Saluja (2012) conclude that In India, E-banking is in an emerging stage. Indian banks are making genuine efforts for the implementation of advanced technology and installation of e delivery channels but still masses are suspicious of the concept. Banks are making sincere efforts to popularize the e-banking services and products. Younger generation is beginning to see the convenience and benefits if e-banking. In years to come, e-banking will not only be acceptable mode of banking but will be preferred mode of banking.

## Objectives

1. To reveal the customer's view point towards the e banking services
2. To study the growth and progress of electronic banking.

## Research Method

The study was conducted in various stages. In the first stage various journal, magazine and articles were reviewed to get the in depth knowledge of the context. In order to get the idea about the service quality in banking sector various service quality scales was reviewed. On the basis of the parameters of service quality scale a self design questionnaire was prepared for the banking sector. Convenient sampling was used and the sample respondents were asked to give the response on various items. The data was collected through 100 respondents and non-parametric chi-square test was used to analyze the data.

## Hypotheses

- H01 There is no association between the Digitalization of bank and the service quality in terms of privacy.
- H02 There is no association between the Digitalization of bank and the service quality in terms of transparency.
- H03 There is no association between the Digitalization of bank and the confusion in performing the transactions.
- H04 There is no association between the Digitalization of bank and the improved service quality.
- H05 There is no association between the Digitalization of bank and the physical efforts of bank employees.
- H06 There is no association between the

	Digitalization of bank and convenient transfer of information within bank.	H011	There is no association between the Digitalization of bank and faster means of communication between bank and customer
H07	There is no association between the Digitalization of bank and easier access of accounts of customer.	H012	There is no association between the Digitalization of bank and the reliability in bank transactions.
H08	There is no association between the Digitalization of bank and accuracy of online information.	H013	There is no association between the Digitalization of bank and online payments technical problem for customers.
H09	There is no association between the Digitalization of bank and the service efficiency through IT.	H014	There is no association between the Digitalization of bank and the cost associated with transactions.
H010	There is no association between the Digitalization of bank and threats of losing information.		

## Results and Interpretation

Table 1: IT does not ensure privacy						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	39	50	-11	4.84	1	0.028*
No	61	50	11			
Total	100					

Table 1 shows that the chi-square value is 4.84 with p value (.028 <.05) which revealed that people are significantly more likely to prefer that digitalization in banks ensures the privacy in banking transactions.

Table 2: IT ensures more transparency						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	23	50	-27	29.16	1	0.00*
No	77	50	27			
Total	100					

Table 2 shows that the chi-square value is 29.16 with p value (0.00<.05) which revealed that people are significantly more likely to prefer that digitalization in banks do not ensures more transparency in banking transactions.

<b>Table 3: IT creates more confusion</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	29	50	-21	17.64	1	0.00*
No	71	50	21			
Total	100					

Table 3 shows that the chi-square value is 17.64 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banks do not create confusion in banking transactions.

<b>Table 4: IT improves service quality</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	88	50	38	57.76	1	0.00*
No	12	50	-38			
Total	100					

Table 4 shows that the chi-square value is 57.76 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banks improve the service quality.

<b>Table 5: IT reduces the physical efforts of employee</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	71	50	21	25	1	0.00*
No	29	50	-21			
Total	100					

Table 5 shows that the chi-square value is 25.00 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banks reduces the physical effort and the manual work of bank employees.

<b>Table 6: IT made convenient transfer of information within bank</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	94	50	44	77.44	1	0.00*
No	6	50	-44			
Total	100					

Table 6 shows that the chi-square value is 77.44 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banks made convenient transfer of information within bank.

<b>Table 7: IT made easier access of accounts of customer</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	95	50	45	81	1	0.00*
No	5	50	-45			
Total	100					

Table 7 shows that the chi-square value is 81.00 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banks made easy access of bank accounts.

<b>Table 8: Online information is always accurate</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	29	50	-21	17.6	1	0.00*
No	71	50	21			
Total	100					

Table 8 shows that the chi-square value is 17.60 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that online information is not always be accurate.



<b>Table 9: Service efficiency increased through IT</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	90	50	40	64	1	0.00*
No	10	50	-40			
Total	100					

Table 9 shows that the chi-square value is 64 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banking sector increased service efficiency.

<b>Table 10: Threats of losing information increased through IT</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	79	50	29	33.64	1	0.00*
No	21	50	-29			
Total	100					

Table 10 shows that the chi-square value is 33.64 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banking sector increased the threat of losing information.

<b>Table 11 : IT provides faster means of communication between bank and customer</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	93	50	43	73.96	1	0.00*
No	7	50	-43			
Total	100					

Table 11 shows that the chi-square value is 73.96 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banking sector provides faster means of communication between bank and customer.

<b>Table 12 : Information provided is always reliable</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	51	50	1	6.46	1	0.072
No	49	50	-1			
Total	100					

Table 12 shows that the chi-square value is 6.46 with p value ( $0.07 > .05$ ) which revealed that people are insignificant about the reliability of the information after the digitalization of banking sector.

<b>Table 13: Online payments create technical problem for customer</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	68	50	18	12.96	1	0.00*
No	32	50	-18			
Total	100					

Table 13 shows that the chi-square value is 12.96 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banking sector and online payments create technical problems for customers.

<b>Table 14: IT services are cheaper than manual services</b>						
	Observed	Expected	Residual	Chi-Square	DF	Asymp. Sig
Yes	89	50	39	60.84	1	0.00*
No	11	50	-39			
Total	100					

Table 14 shows that the chi-square value is 60.84 with p value ( $0.00 < .05$ ) which revealed that people are significantly more likely to prefer that digitalization in banking sector decreased the cost as compare to manual services.

## Conclusion

The present study concludes that Indian customers accept the digitalization of banking sector. The e-services provided by banks ensure privacy, improve the service quality, conveniently transfer the information within the bank, easily access of account, increase the service efficiency of employees and also cheaper than the manual service as it saves time and can be performed at any given time. On the other hand customers also believe that digitalization in banking sector creates the issues of accuracy, threats of losing information and technical problem while transactions. By and large people are enjoying the electronic services provided by bank such online payment transfer, e wallet etc. The manual work has also been reduced which increased the service efficiency of the bank employees. But still due to lack of fully protected e-banking system, customer perceives the higher risk of losing the information, technical problem while transferring and reliability issues. With the rise in smart phones users and more digitally savvy populations, banks have been striving to get a larger share of the customer's digital wallet. However, in this process, the banking applications by lenders are becoming increasingly vulnerable to risks such as phishing, identity theft, card skimming, etc. The most common types of frauds in the banking sector as of now includes identity thefts, internet banking related frauds such as hacking and online fraud, siphoning of funds by taking the customer's data etc. However, banks assure that transacting via the mobile phones or on the internet are secure and necessarily require a two-factor authentication.

In the current scenario where the government is also putting efforts and trying to become cashless economy there is a strong need to educate people about the e banking services and establishing the full proof protected banking system to reduced the risk. So that the possibility of fraud can be reduce and people can freely enjoy digitalization.

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## Innovative Practices In Marketing

Shivakumar Upavasi\*

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### ABSTRACT

*As marketing companies practice traditional marketing techniques of product Life cycle, market segmentation and marketing mixes to market their products resulting into the failure of a lot of new products among consumer sovereign markets. The following article focuses on such innovative applications of products life cycle that can generate empirical evidences followed by the quantitative methods in the proposed models. This study aims to create the new markets for new products rather than products battling with the substitutes in a saturated market. The learning curve applications are used effectively to check the sales growth respective of the phases changing in the process of the Product Life Cycle. Further continued the research paper directs the marketing companies to change their views about the traditional methods of marketing. Decision Sciences is one of the better areas where a lot of research has to be carried out for studying the consumer behavior.*

**KEYWORDS:** Customer, Marketing, Products, Substitutes, Phases

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### Introduction

In all spheres of life, marketing plays a vital role in reaching out consumer aspirations followed by their needs, wants and demands. As civilized societies need standard products that are affordable in buying a value for an exchange has created a huge demand in standardization and adaption of existing products as well as new products. Global Corporate giants have put a lot of money for searching new markets to markets their products in diverse cultures of consumer community. Due to highly innovative communication strategies it has become very easy to reach out customers on a large scale. As marketing distributive channels provide a greater exposure to sales it has helped the marketers to display their

products both online and offline. New promotion strategies have been adopted to launch new products and various techniques are in use to collect the feedback of the products. Apart from all these efforts the marketing companies fail in matching consumer's proposed values in a desirable product and hence markets seem to be saturated lacking opportunities for a new product. The following article will be representing two models of products A & B and in both models the targeted markets as well as the new customers represent the marketing opportunities of the product promoter.

Learning curve applications are applied to study the product life cycle related to opportunities in a new market.

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T.P. Wright of Curtiss Buffelo, USA, introduced the theory of learning curve. When the production quantity of a given item is doubled the cost of that item decreases at a constant rate. Theory of learning curve has been formulated on the basis of this formula. [The Institute of Chartered Accountants of India]. The applications are more effective for studying cost of production at a large scale such as manufacturing of Helicopters, FMCG, Heavy Vehicles etc.

The learning curve theory is applied for studying the product life cycle phases of a new product launched respective of the targeted customers and new customers of a product in this article. Every product has four major phases when it is launched in the market. The beginning stage is called product development stage which is prior to launching the product in a targeted market.

- 1) Introduction - The product's first launch in the market and it is made available for customers to buy at their convenience.
- 2) Growth - This stage focuses on to increase its market share because as already the product is known to the customers.
- 3) Maturity - At this stage the product sales are at peak and substitutes enter the market.
- 4) Decline - In marketing philosophy "Every product has to die one day" and this stage predicts the replacement of this product by new product.

### Objectives

1. To study technical aspects in a saturated market by applying the applications of the Learning Curve Theory.
2. To generate empirical evidences to prove

that the slow change in the different phases of the life cycle will certainly affect the sales market.

3. To prove that opportunities for a promoter only exist where the new customers do exist.

### Methodology

In the following article the two models are used and two products A and B representing specific markets are described to understand the applications of the learning curve effectively related to PLC. Other sources are academic books, notes and journals are used for reference.

### Product-A

**Following are the Assumptions in a consumer market.**

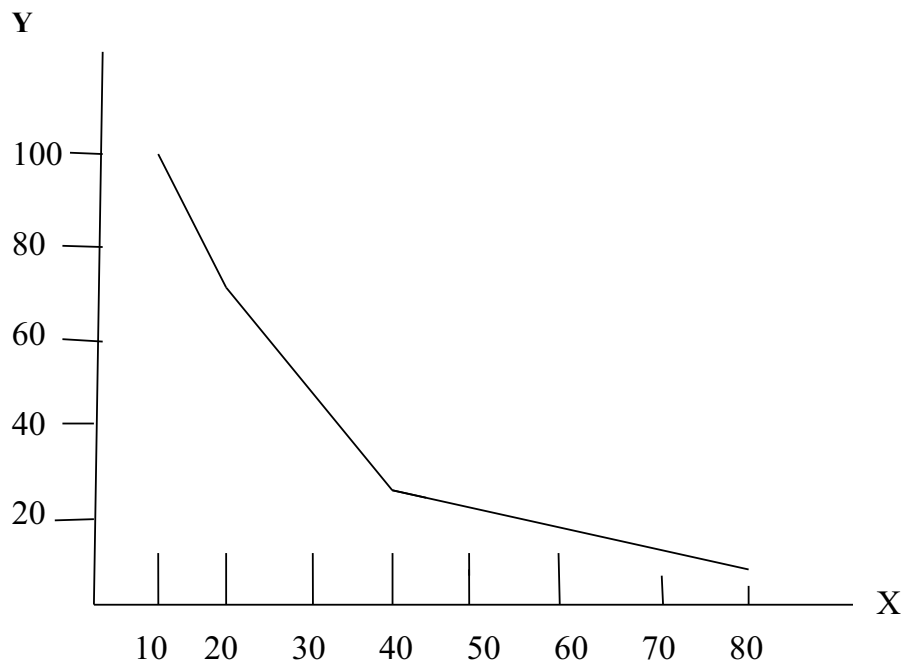
- 1) Let us assume that the life span of a product is 100 months and production will double after each phase in the PLC.
- 2) The (X) production is multiplied with the life span (Y) which results into (XY) the targeted customers and the difference between two consecutive targeted customers (Z) is the new customers who represent new opportunities.
- 3) The difference between two consecutive phases of the customer targeted customers represents the new customers

**Hypothesis:** If a product takes a long time to change from one phase to another phase of a product life cycle then it is marketed into a saturated market and if no new customers exist for a product that indicates the lack of opportunities.

Table A .1 Readings of the Learning curve theory applied for studying the product life cycle

Phases of a product life cycle	Production in lots 1 lot = 10 units (X)	Life span in months 50% decreasing (Y)	Customers in a targeted market (XY)	New Customers (Z)
Introduction	10	100	1000	-
Growth	20	50	1000	-
Maturity	40	25	1000	-
Decline	80	12.5	1000	-

A.2 Graph representing the readings of table A.1



Scale

X- axis- units produced (lots)

Y-axis- life spam in months

### Findings

- 1) If there are no new customers for a product the product is marketed in a saturated market.
- 2) The steady-state phase (no learning curve effect) indicates the operation will stabilize failing to identify new customers and create new markets



- when production crosses 80units.
- 3) As the life span decreases the product will vanish from the market.
  - 4) Targeted customers represent the market size and the new customers create new market for a product

#### Limitations

- 1) Sales are important for marketing operations and the model do not provide the number of units sold proportionate to the customers.
- 2) Finding new customers may not be possible for every new product launched in the market.
- 3) The scope of the research defends the pertaining case only.

#### Product-B

##### Assumptions

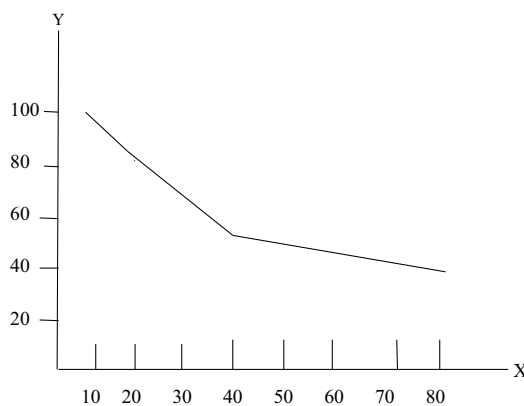
- 1) Let us assume that the life span of a product is 100 months and production will double each phase.
- 2) The production (X) is multiplied with the life span (Y) which results into (XY) the targeted customers and (Z) new customers.
- 3) The difference between customers of two phases represents (z) the new customers of the market

**Hypothesis:** If a product takes a short time to change the phases of a product life cycle then the product is marketed into opportunities market and the number of new customers indicates the new opportunities.

**Table B.1** Readings of the Learning curve theory applied for studying product life cycle

Phases of product life cycle	Production in lots 1 lot =10 units (X)	Life span in months (Y) 75% decreasing	Customers in a targeted market (XY)	New Customers (Z)
Introduction	10	100	1000	-
Growth	20	75	1500	500
Maturity	40	56.25	2250	750
Decline	80	42.19	3375	1125

#### B.2 Graph representing the readings of table B.1



Scale

X- axis- units produced ( lots)

Y-axis- life span in months

### Findings

- 1) If there are new customers for a product it indicates new markets and new opportunities.
- 2) If a product takes short time to change from phase to phase the product is not marketed into a saturated market.

- 2) Customers may be the potential customers
- 3) The scope of the research defends the pertaining case only.

### Limitations

- 1) Exact sales cannot be determined.

### Other applications of the learning curve.

- 1) Calculate the targeted customers for 30 lots of production if 75% is the decreasing rate of life span of the product.

$$Y = ax^{-b}$$

$a = 1000$  (targeted customers in the beginning)

$x = 3$  (cumulative serial no of the quantity produced)

$$b = \frac{\text{logarithm of rate of life span 75\%}}{\text{Logarithm of 2}}$$

$$= \frac{\text{Ln } 0.75}{\text{Ln } 2}$$

$$= \frac{-0.2876}{0.6931}$$

$$= -0.4149$$

$$a = 1000, b = -0.4149$$

$$y = ax^{-b}$$

$$\log y = \log (ax^{-b})$$

$$= \log a - b \times \log x$$

$$= \log 1000 - b \times \log 3 \text{ (cumulative serial no of the quantity produced)}$$

$$= 3 - 0.4149 \times 0.14771$$

$$= 3 - 0.1979$$

$$= 2.8020, \text{Antilog of } (2.8020)$$

$$= 634.0 \text{ per 10 lots (1 lot = 63.40)}$$

$$= 63.40 \times 30 \text{ lots}$$

1902 are the targeted customers (XY) for the production of 30 units

**Discussion:** The article's sole objective was to study the products life cycles using the applications of the learning curve in order to pursue research in case of products are marketed in a saturated market. As the results analyzed are more effective to prove that the new opportunities exist only when new customers enter into the market. Even though marketing companies adopt segmentation, PLC, mixes etc. it is not easy to get through the competitive markets. The global markets are rapidly changing due to technical aspects, the traditional

PLC needs a few changes and a lot of research work has to be carried out to match the present scenario.

**Suggested readings:**

The product life cycle- buried or resurrected by the diffusion literature-Dr. Paul Steffins

**Reference:**

The Institute of Chartered Accountants of India-Notes

Marketing Mechanics –text- Shivakumar Upavasi

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**QUOTES**

*“There is something in the human spirit that will survive and prevail,  
there is a tiny and brilliant light burning in the heart of man that  
will not go out no matter how dark the world becomes.”*

**Leo Tolstoy**

*“Poverty is mean and degrading to the human spirit, whereas a life of conscious  
simplicity can have both a beauty and a functional integrity that elevate the human  
spirit.”*

**Duane Elgin**

*“Exploration is really the essence of the human spirit.”*

**Frank Borman**

*“Simplicity is the glory of expression.”*

**Walt Whitman**

## IOT - A Platform to Manage Crowd and Queues

Aniket P. Bhisikar\*

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### ABSTRACT

*The article explains the journey of the Global Citizen Leadership Project and the opportunities explored while working on it, executed by Team PAPAPS batch: 2015-17. Ultimate goal is to define a hidden opportunity which could be explored if IOT is introduced in our day to day lives. Introduction to the IOT with a simple example, which will relate readers to understand the subject in a crisp fashion. Facts and figures which describes the expansion of IOT in the future. Critical thinking when brought into working of an idea could be transformed into a business and how the ideas can help the nation develop simultaneously. The project journey went through different phases with due engagement of the stakeholders. The readers will get an idea of how a project could be transformed from a small idea to a completely different platform.*

**KEYWORDS:** IoT, Crowd and Queues, Data Analysis, Public Places

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Internet of Things or IOT is an emerging trend that will move the world to make it a better place to live. Best Quoted as, "The IOT, where the web and the physical world will meet." – Dr. John Barret.

The IOT is a network of some physical things which are connected to the internet to send or receive or exchange the data. A simplest example could be, an electronic system that notifies authorities when a fire extinguisher is missing from its designated location or when its pressure falls below safe operating levels. Alerts can be sent directly through an instant email, phone call or a SMS notification to proper agencies and supervisors. Figure 1:

This could be simply achieved by creating a

unique Id to the respective objects or things we desire to connect. Putting senses to these objects like sight, smell, hearing, touch and taste, with multiple embedded electronic circuits readily available. This could be achieved by very low cost hardware, high availability of resources, low level of difficulty to compile them and highly digital and connected environment.

According to a McKinsey report, Foreseeing the success of IOT, it can make an economic impact of around 4USD trillion to 11 USD trillion, which is about 11% of world economy, IOT by 2025 will be an integral part of Humans, Healthcare, Manufacturing, Vehicles, Factories, Buildings, Offices, Worksites, Cities, etc.

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**Note:** This was his Global Citizen Leadership project with his team members - Ankur Parswani, Pratik Chichani, Pratik Varade, Priyal Shah & Shersingh Saud. **Faculty Guides:** Prof. Dr. Kaustubh Dhargalkar & Prof. Dr. Pradeep Pendse.

**Industry Guide:** Mr. Rohit Nalavde, Keeptrack Solutions

Given a chance few months back, me and my team PAPAPS was working on an academic project to study Elevators in the Vertical Transportation space, find an area of improvement in it and to use IOT in order to make those improvements possible. Problem Statement being, "To reduce traffic congestion and waiting time of elevators for a user along with significant reduction in the working time of elevators." With due Primary Research and generating insights through interaction with the stakeholders, we revised the Problem Statement to, "To create a common platform to solve the issues related to Occupancy Sensing, Weight Sensing and Maintenance issues with the help of IOT. We broadened our scope to Occupancy Sensing for – Meeting/ Discussion Rooms, Classrooms, Washrooms, Hotel Rooms, Elevators, Parking Lots, Cabs, etc.

Weight Sensing for – Personal weighing machines, Cranes, Trucks and Goods Carriers. Maintenance Platform for – Elevators, Cranes, Pulleys, Car Lifts, Conveyer Belts, Rollercoasters, Escalators, Ramps, etc.

Realizing the project is ultimately for people or the crowd and the interaction with the stakeholders led us to change the problem statement to, "To create a common platform for Crowd and Queue Management," using IOT technologies like Bluetooth Low Energy Beacon, Proximity, etc. to bring together all the stakeholders to avoid Crowd and Queue. To implement this technology or platform, Railway Stations, Residential Buildings, Institutes, Worksites, Hotel Chains, Airports, Shopping Malls, Temples, Concerts, other public places, etc. are the appropriate choices.

However, penetration of this subject in India is not yet prevalent, few reasons for this could be the knowledge and skills required to handle this, cost of training, traditional way of approach to every step in any kind of industry or household purpose, etc.

Revealing the opportunity behind this to reduce the crowd and queues:

At Shopping Malls: Smart Carts to allow shoppers to buy goods faster and pay with digital medium; Deliver in - store offers and e-catalogues; guide visitors the floor plans, events, deals to generate traffic and revenue; Evacuation Plan in case of emergency.

**At Restaurants:** Create a link between the chain of restaurants to guide the customers to other restaurants in the chain to avoid waiting; Attract customers with new offers and promotions.

**At Railway/Metro Stations:** Display on Platforms showing density of people in particular coaches of the arriving train, which will help passengers to divert themselves to board in less crowded coaches.

**At Public Spots:** Provide mobile or virtual tour to guide people and avoid crowding; Help tourists to explore heritage places; Track people at particular places or spots. Tracking Data at various locations will add up to Big Data and this is where the IOT plays an important role:

- Track customer location, change and manage their buying behaviors, track quantity of specific products required monthly or annually, this will change the perspective of brands to Market

- and advertise a product to an individual.
- Time spent by customers at hotels, frequency at which people visit hotels, track customer's food preference data or eating behavior can help Restaurant Owners.
- Data about the devotees visiting religious place could be helpful to Indian Railways and Management trusts of the respective Religious or Pilgrimage Places.
- Improvised data for Safer Constructions of Buildings.
- Ticket Vending machines enabled with IOT will help to track travel patterns of various people, rush hour frequency of people, etc.

- In case of emergencies, devices could send direct alarms to Hospitals, Police, Fire Brigades, etc.

This will simultaneously help Indian Government with Digital India, Swachh and Swasth Bharat, to create Smart Cities for smarter people of India. Also imagine the business potential of these ideas when brought into reality. This will lead to an open space for Idea Generators to innovate from time to time, develop IOT integrated smart cities to save on Electricity, Water and other useful resources and gradually come back to a Safer, Healthy and Cherished Life.

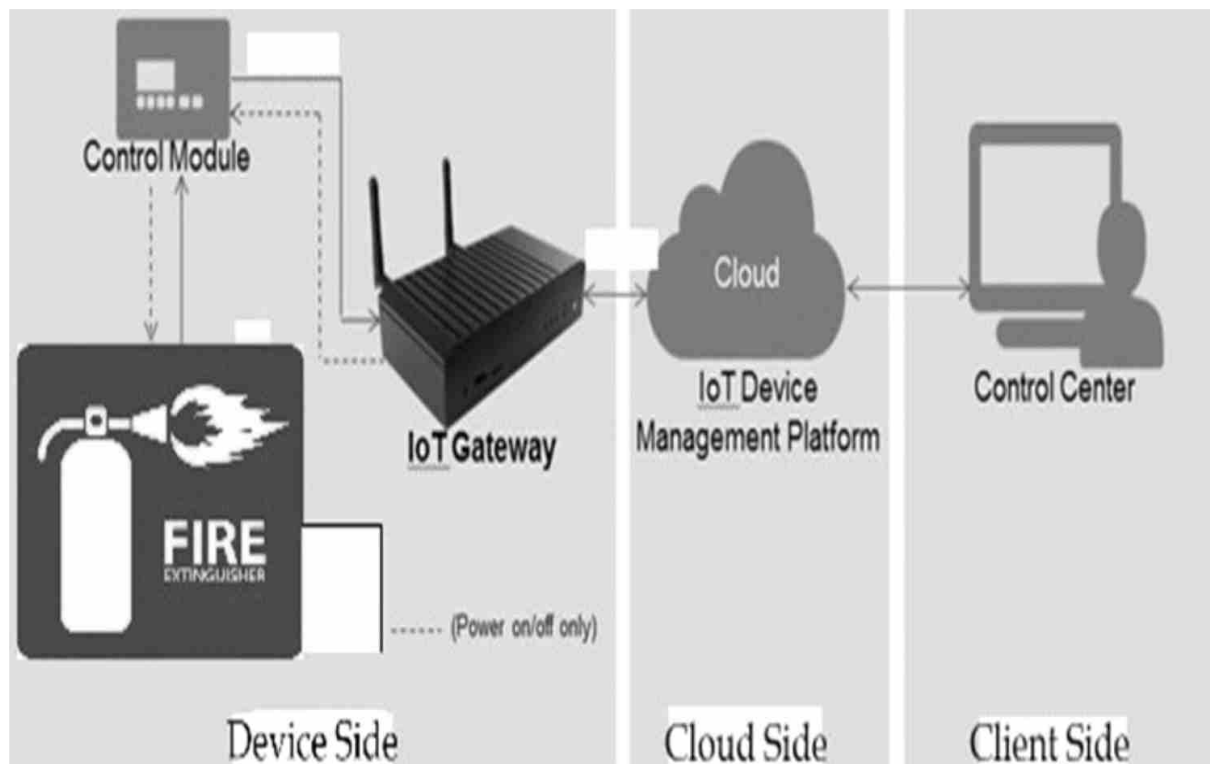


Figure 1: Describing Example of Fire Extinguisher.



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**QUOTES**

*“The human spirit is indomitable no one can ever say you must not run faster than this or jump higher than that. There will never be a time when the human spirit will not be able to better existing records.”*

**Roger Bannister**

*“Never underestimate the power of dreams and the influence of the human spirits.”*

**Wilma Rudolph**

*“The human spirit will not invest itself in a compromise”*

**Robert Fritz**

*“It is possible for the human spirit to win after all ”*

**Jack Kerouac**

*“Belief in oneself and knowing who you are – that’s the foundation of everything great”*

**Jay-Z**

*“Enjoyment is an incredible energizer to the human spirit.”*

**John C. Maxwell**

*“Man never made any material as resilient as the human spirit.”*

**Bernard Williams**

### Data Analytics

**Sumeet Manerikar\***

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It is the science of examining raw data with the purpose of drawing conclusions about that information. It involves applying a mechanical process or algorithm to derive insights. For instance, running through a number of data sets to look for meaningful correlation.

Data Analytics is needed in Business to Consumer applications (B2C).

Organizations collect data that they have gathered from customers, businesses, economy and practical experience. Data is then processed after gathering and is categorized as per the requirement and analysis is done to study purchase patterns and relations between each other.

B2B marketing is also benefiting from many of the same automation and analytic technologies and techniques being used in consumer marketing, but applied to a much smaller range of targets and in a one-to-one fashion that many consumer marketers might only dream of.

Companies use Data analytics to make data driven decisions. The insights gained by DA enable these companies to optimize and automate their business processes. In fact, data driven companies that use data analytics achieve a competitive advantage because they are able to:

·Conduct data mining (explore data to find new patterns and relationships)

- Complete statistical analysis and data analysis to explain why certain results occur.
- Test previous decisions using A/B testing and multivariate testing
- Make use of predictive modeling and predictive testing to forecast future results

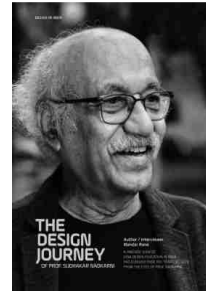
Data Analytics provide support for companies in the process of making proactive tactical decisions, and Data Analytics makes it possible for those companies to automate decision making in order to support real time responses.

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## BOOK SUMMARY

<b>Title</b>	: The Design Journey of Prof. Sudhakar Nadkarni
<b>Author</b>	: Prof. Mandar Rane
<b>Publisher</b>	: Self Published
<b>Pages</b>	: 96 pages
<b>Price</b>	: Rs 500/- Available on Amazon.in



**From painting cinema hoardings, decorating Ganeshas and designing press layouts to nurturing a design culture through education in India**

**The journey of Prof Sudhakar Nadkarni, the maverick design thinker and the Founder-Guru of democratic design culture through IDC and WeSchool unraveled in his biography ...**

2017, Mumbai: As IDC is about to enter the 50th year of its glorious existence setting many milestones on the way, the book titled 'The Design Journey of Prof Sudhakar Nadkarni' is indeed a fitting tribute to the indomitable spirit of Prof. Sudhakar Nadkarni. The book describes the troubles and triumphs during the life and times of the visionary Nadkarni as he became the game changer not only in establishing design education but design thinking philosophy in India. Going beyond personal achievement and glory, he had the vision to open the avenues of this unique stream of education to Indian youth through the Masters degree in Product design and Communication Design at the Indian Design center - IDC (IIT, Bombay) as early as in 1969, later founding Department of Design, (IIT Guwahati, 1997), followed by a two year, full time MBA program in Business Design at S.P.Mandali's Prin. L.N. Welingkar Institute of Management (WeSchool), Mumbai, 2003), thereby establishing design and design thinking firmly on Indian soil. This book written in a dialogue form is sure to remind the discerning readers of the peripatetic dialogue by Plato and Aristotle, as they are indeed a culmination of various discussions between Prof. Nadkarni and Prof. Mandar Rane, alumnus and currently faculty at IDC, IIT Bombay who interviewed him.

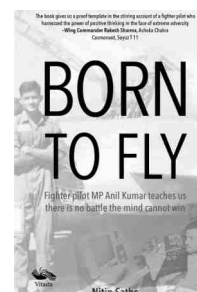
In this book, Prof. Nadkarni comes across as a very committed academician, administrator, designer, businessman, loving patriarch and a much adored friend but above all he comes across as a visionary with the heart of a social activist, fired with dynamism, passion and determination to contribute to the progress and development of the multitudes through all his efforts by enhancing design and design thinking education in India. The dream seen by Prof. Nadkarni to make design and design education, important forces in fulfilling the national agenda and becoming contributors to the development of the deprived and downtrodden Indian masses is yet to be fulfilled; the journey is far from over.

The book chronicling the life journey of a great visionary is painstakingly put together by Prof. Mandar Rane and his team. It was launched on the occasion of IDC's Alumni meet at the department of Industrial Design Centre, (IDC) Auditorium, IIT Bombay Campus, Powai on Sunday 11th June.

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## BOOK REVIEW

Title	: Born To Fly
Author	: Nitin Sathe
Publisher	: Vitasta Publishing Pvt Ltd
Pages	: 250 pages
Price	: Rs 279/-



This is a must read motivational book for everyone- friends with spinal cord injury and their families especially. 'Born to fly' brings to life the story of an exceptional human being, a Fighter Pilot MP Anil Kumar (MP). Air Commodore Nitin Sathe, has poured his heart, mind and soul into researching every aspect of MP's life and written this story before and after his motor cycle accident in such an evocative fashion that one can visualize each and every incident unfolding right in front of our eyes. The author and MP trained at NDA (National Defence Academy) though were not friends then. Post MP's accident the author spent hours with him during his holidays in Pune and bonded closely as friends.

The book traces MP Anil Kumar's life as a child, as a MiG21 pilot in IAF (Indian Air Force) to a motor cycle accident in 1988 at a young age of 24 years only and becoming a quadriplegic-paralyzed neck down. He created a meaningful second life as a writer, and media commentator. In fact his first mouth essay 'Airborne to Chairborne' is included in school curricula, encouraging children to face all adversities without losing hope. As the author states in his profile "MP never got tired despite his disability". His mantra for survival kept him going. His life was about grit, determination and will power of the highest order. His zest for life should be the guiding light for many of his situation and in fact for us all, able and disabled. His never-say-die attitude enabled MP to lead a productive life." MP died two weeks after celebrating his 50th birthday in style in the ICU because of cancer. Reading his life story taking hairpin twists and turns, with summersaults, we quietly wish that he was still amongst us. A rare human being full of positive energy and optimism.

Role of professional counseling, love and care is highlighted rightfully. 'Sarah', a sweet nurse, who went beyond her call of duty, like a magician put a smile and spark of life back into MP. They became close and love blossomed, spending her duty and off duty hours sharing and conversing. She chatted, spoke, loved and cared. This gave MP the mantra to live moment to moment. He realized mind-control, was the key to survival.

Another lady 'Josie' suggested Anil start writing with his mouth. This started his journey as a writer par excellence.

I had been fortunate to see and meet MP, just a year post my paragliding accident and spinal cord injury in 1996, when Dr V. C. Jacob (my physiotherapist) and my late sister Dr Nina Doshi took me to PRC, Pune. Whoever reads this wonderful book would say "I wish I had seen him alive." Well I was fortunate to meet him!!

His photographs, his hand and mouth written letters, and his newspaper articles included in the book add a visual dimension to MP's life. This is a special charm of the book.

I recommend this book be translated in several Indian languages and circulated widely in schools, colleges, companies as it will give a booster dose of inspiration to all.

**Reviewed by:** Dr Ketna L Mehta, Editor & Management Advisor,  
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## BOOK REVIEW

**Title** : Making IT Big  
The Inspiring Story of Nepal's Billionaire in his own words  
**Author** : Binod Choudhary (Autobiography)  
**Publisher** : Penguin  
**Pages** : 411 pages  
**Price** : Rs 399/-



A fiction can be written in multiple ways, but when you pen down a reality you know it is only one way, the way it happened. Narrating a reality requires you to follow rules – no tweaking, no hiding, no super hero and no fantasy, but you have one option and that is customization. It is like plucking flowers from a garden only to make a new bouquet which again is a complete whole. This is a tale of his journey to becoming a billionaire.

Hailing from an Indian Marwari family involved in trade for decades, business was in his blood. His grandfather shifted to Nepal on invitation by Bir Shumsher the Prime Minister of Nepal towards the turn of twentieth century. He started his own business of fabric and clothes and had to fight with Newar the local traders of Nepal and the local authority. This book talks about the hardships of a businessman when trying to establish trade in a foreign land and the controlling power of local people. It talks how an earthquake gave them an opportunity to win the trust of the local people and the administration. In the author's words "The earthquake that shook the foundation of Nepal led to the foundation of Choudhary Group".

Binod Choudhary emphasizes the importance of knowing the local culture and language for doing business in a foreign land. It is reflected in the sentence "Personal allegiance & animosities, based on racial, linguistic and communal difference also played a part. That guy is a Nepali and this other guy is a foreigner. At a time when a person's nationality was judged by his language, dress and the food he ate the marwaris were a thorn in their side for some local families". He also emphasizes the importance of public relations, networking and engaging with people in business when he talks about his grandfather opening the shop early in the morning because he could meet and talk to many people as morning is the only time when most of the people have some spare time. He elaborates the importance of practical experience for success in business and job. As the saying goes seeing is learning so even if you may not be involved in a job, observation teaches you a lot. According to him reason behind your failure in a job or business may not always be because of your lack of capabilities it is many a times governed by external factors. Changing market and new trends play an important role in shaping the business and being the pioneer gives you monopoly over the market.

Binod's first step in business was set with a school project where he was expected to collect some money and open a shop with his team. They started a save money campaign, where they saved their snacks money in a piggy bank named "school project". With a saving of Rs. 150 after a month they stocked their shop with items high in demand, which they would sell during lunch break in the classroom to the other students. Post this they had to report their accounts to their teacher. In his words "This was my first baby step into the world of business. Forty five years later, I do not see any real difference between the business I do these days and the business I did back then at school. Only the scale is different".

Government of India organized a conference to attract foreign investment and invited entrepreneurs from Nepal in the official delegation. But Nepali law did not allow investing abroad. Binod started a campaign to establish a multinational company on the premise that if foreign companies are allowed to invest in Nepal, then Nepal should also be allowed to invest abroad. If Maggi was allowed to compete with waiwai in Nepal, why cannot Waiwai take on Maggi in India? He laid the foundation of his first multinational company in Singapore followed by Taj venture (partnership with Taj Group) his first international expansion. After this he never looked back. Today Binod Choudhary is the president of the Choudhary Group (CG Corp Global), a multinational conglomerate with a portfolio of 122 companies spread over five continents and with seventy-six renowned brands. Internationally respected name in the FMCG as the man behind "Wai Wai" the most iconic brand from CG.

In-all this book is written very beautifully and gives you a peek through the life of Binod Choudhary. Still I feel the initial part describing his childhood days and the professional journey of his grandfather and father is a little over stretched and tires you by the time you reach the latter part wherein he talks about his life and journey to success. Not to ignore his exceptional skills in detailing things in a way that they come alive while reading through the book.

**Reviewed by:** Dr. Shweta Vats, Assistant Professor, S.P. Mandali's Prin. L.N. Welingkar Institute of Management Development & Research, Mumbai. **Email:** shweta.vats@welingkar.org

## POEM

### A Present For The Future

**Swar Kranti\***

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Business had slumped  
Fate had turned  
This Xmas was not  
To be like before.

Mummy and Daddy  
Prepared their son  
That Santa might not  
Visit all homes like before.

On Xmas morning  
Near the window  
Was found a unique present  
Unlike ever before.

Seemed like dozens a candies  
Packed in shining wrappers  
Actually re-used covers of sweets  
Contained with dozens a seeds.

Mummy and Daddy astonished  
For they hadn't kept any gift at all  
Their son had gifted himself a present  
For their future to bloom after all.

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**3. Result oriented, Process driven Work Ethic:**

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**4. We Link and Care:**

We support and collaborate with all our stakeholders through mutual trust and respect.



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We shall endeavor to do this by:

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