BHU Management Review

imBHU

Purchase Intention of Indian Luxury Consumers with Respect to Store Attribute Preferences.
Dr. Jagriti Mishra, Dr. Sougata Banerjee

Relationship Among International Trade in Services, Economic Growth and Financial Development in India
Anurag Maurya, Prof. Madan Lal

Assessment of Social Marketing Benchmarks for Public Health Programs in Indian Context
Bakul Sharma, Dr. Monica Sainy

Online (eWOM) and Offline (WOM) Channel Evaluation by Indian Higher Education (HE) Students, for Choosing Business Administration Degree in the UK
Sandip Sanyal, Dr. Manish Kumar

Doctors and Administrative Staffs' Perception towards Healthcare Services of Specialty Hospitals in Rajasthan
Prof. Maithili R.P. Singh, Dr. Jugal Kishor

India's Export: An Analysis of Directional Change using Regional Hirschman Index (RHI) and Trade Intensity Index
Dr. M Rashid Malik, Prof M.H. Sharieff

A Study on Customer Perception Regarding Service Quality of Banks in India
Dr. Sheetal Kapoor, Dr. Vibhuti Vasishth

Undertaking Corporate Social Responsibility through Creating Shared Value Approach: A Case of Nestle India Limited in Punjab
Dr. Amritjot Kaur Sekhon, Dr. Lalit Mohan Kathuria

imBHU

BHU MANAGEMENT REVIEW

A Refereed and Peer Reviewed Journal of Contemporary Management Research

Editorial Panel

Purchase Intention of Indian Luxury Consumers with Respect to Store Attribute Preferences.

Dr. Jagriti Mishra*
Dr. Sougata Banerjee**

ABSTRACT

Retail store attributes are instrumental in shaping the image of the store in the mind of the consumer (James, Du Rand, & Dreeves, 1976) which is a major influence on purchase behaviour especially with respect to luxury or status brands. The study focuses on identifying the purchase intention of Indian luxury consumers market based on their preference for various store attributes and how these attributes drive their purchase decision using logistic regression analysis. A survey was conducted on 200 respondents who had purchased from major luxury shopping destinations across different cities of India like Emporio Mall in Delhi, UB City in Bangalore, etc. The variables which were submitted to logistic regression were based on high loading factors from a previous factor analysis and further variable with high correlations were eliminated. The variables finalized as predictors to be included in the model were made to measure facility, loyalty card membership, lighting, and invites. Logistic Regression method has been used for purchase intention determination.

Keywords: Retail, Purchase Intention, Store Attributes, Luxury

1. BACKGROUND

Indian luxury market is growing at the compounded annual growth rate (CAGR) of about 25% and has crossed $20 billion. According to a recent KPMG-ASSOCHAM study, the market size was estimated to be around $14.7 billion in 2015 (Smart Research Insights, 2015). In the year 2013, the size of the luxury market in India was $8.5 billion (Arpels, 2014). India is currently estimated to be amongst one of the 10 largest luxury markets globally (Niwash, 2015).In a recent luxury conclave, it was projected that the luxury market has the potential to grow from to $50 billion by 2020 and to $180 billion by 2025 (Agarwal, 2016). Indian luxury market has shown a huge potential for luxury retail. Retail store attributes are instrumental in shaping the image of the store in the mind of the consumer (James, Du Rand, & Dreeves, 1976) which is a major influence on purchase behaviour especially with respect to luxury or status brands. This study is focussed towards the identification of important store attributes with respect to luxury consumers and how they affect the purchase intention.

2. LITERATURE REVIEW

There are several ways in which store image has been defined by researchers and the focus of these definitions has been different but complementary. While some researchers have defined store image in terms of individual attributes (Arons, 1961; Lindquist, 1974; Pessemier, 1980) some have defined it in form of overall experience or impression (Keaveney, 1992). Store image is a composite which defined in consumers mind as a total of functional and psychological attributes

* Assistant Professor & Centre Coordinator, Department of Fashion Management Studies, National Institute of Fashion Technology, Gandhinagar- 382007, Gujarat;E-Mail: jagritimishra84@gmail.com

**Assistant Professor & Centre Coordinator, Department of Fashion Management Studies, National Institute of Fashion Technology, Salt Lake City, Kolkata-700098.WB; E-Mail: drsouban@gmail.com

(Martineau, 1958). These characteristic attributes help a customer in differentiating one store from others. While functional attributes are an assortment of merchandise, layout, location, price, value, relation, and service which may be directly used to compare a store objectively with others; psychological attributes include factors such as how attractive and luxurious a store is.

It is important for a retailer to determine the unique market segments he wants to target and accordingly develop a store image to successfully tap the segments (Berman & Evans, 1995). The purchase decision process is affected to a large extent by store attributes but reference towards different store attributes varies considerably with the type of store (Westbrook, 1981). Quality of merchandise, ease of shopping and post-transaction satisfaction are very important factors when it comes to department stores. Grocery shoppers are more concerned about merchandise mix, ease of shopping, location, and cleanliness. Several studies also suggest that for hyper market price and assortment become more important criteria for store choice in comparison to convenience (Seiders & Tigert, 2000). Price to quality aspect and satisfying property of merchandise were also considered important by some researchers (Lumpkin, Hawes, & Darden, 1986).Numerous studies have suggested that store attributes are contributory in helping consumers decide where to shop(Shim & Mahoney, 1992). Some of these attributes were merchandise and some service related, specifically quality, assortment, return policy, delivery, etc. which determine the target consumer satisfaction.

Table 1: Studies conducted on store attributes

S.No	Researcher	Concepts given
1.	(Martineau, 1958)	One of the initial researchers who pointed out that attributes such as layout, architecture, symbols colours, advertising and sales personnel determine the image of a store.
2	(Kunkel & Berry, 1968)	They concluded that product, convenience, and service are the most important store related factors that shape the store image after going through key elements of store image from 19 researchers' outputs
3	(Lindquist, 1974)	They highlighted the importance of institutional factors and post-transaction satisfaction in determining the store image.
4	(Peter & Olson, 1990)	The unique attributes acknowledged included elevators, lighting, air-conditioners, toilet, the layout of the store, aisle space, carpet area, architectural style, etc.
5	(Sheth & Mittal, 2004)	They stated that store image is also determined by the store ambience, advertising, and store personnel.
6	(James, Du Rand, & Dreeves, 1976)	They came up with several important store attributes which have an impact on the store image, the prominent ones included credit availability, store return policy, at-home delivery option, social class appeal, etc.
7	(O'Connor, 1990)	Emphasized on convenience attributes such as location, convenience, parking, etc. other than merchandise and service related attributes.
8	(Visser, Preez, & Noordwyk, 2006)	They gave two novel categories of attributes including institutional factors associated with brand image etc. and post-transaction satisfaction.

9	(Varley, 2005)	They identified a variety of factors including merchandise, physical facilities, services, atmospherics, etc. and stated that store attributes play an important role in modelling the store image which in turn becomes an important criteria for store choice.
10	(Kaul, Sahay, & Koshy, 2010)	They stated that if a store has contemporary equipment, ease in transactions and decenthygienic physical facilities, it can exhaust the best possibilities for store sales.

Diverse demographics, differing consumer & lifestyle characteristics are the reason for differences in the prominence given to particular store attributes (Haynes, Pipkin, Black, & Cloud, 1994). Hence a study of important store attributes with respect to purchase intention of luxury consumers seems crucial.

3. OBJECTIVES

- The study is focussed towards fulfilling the following objective:

- To identify the relative weightage of various store attribute affecting the purchase intention of luxury consumers and ascertaining the individual importance of the same.

4. METHODOLOGY

The research design chosen for the study was conclusive and the research was quasi-quantitative in nature. Both primary & secondary sources of data were used to conduct the research. For this study, primary data was collected through the quantitative survey on 200 respondents based in several cities of India at major luxury shopping destinations including Emporio Mall Delhi, Palladium Mumbai, UB City Bangalore, Quest Kolkata, etc.A questionnaire was designed to study the important store attributes which luxury consumers value which consisted mostly closed ended multiple choice questions. The respondents were requested to rate around fifty store attributes on a Likert type scale from 1 to 5 (1= Strongly Disagree, 2= Disagree, 3= Neither Agree nor Disagree, 4= Agree, 5= Strongly Agree). Furthermore, in the second stage, a few more questions were designed to study the consumer buying behaviour and purchase preferences. The research aimed at predicting the purchase intention of luxury shoppers based on the presence or absence of selected store attributes. In the stated method both categorical and quantitative variable determinants may be used to predict a binary categorical variable (Menard, 2000) (Chatterjee & Price, 1997). The variables with higher factor loadings were subjected to the analysis, after eliminating those with higher correlations.

4.1. Variable Selection & Data collection

Around fifty store attributes have chosen as variables for the study. The store attributes were identified after the literature review in the previous section and included map to trace store location, value of the products, style, size, colour options, availability of new products (Paulins & Geistfeld, 2003), parking facilities, proximity to ATM, location, ease of payment, seating area, ease of movement, lift or escalators (Oates, Shufeldt, & Vaught, 1996), mobile charging points, comfortable restrooms, ease in billing, online purchasing facility, ease of finding items, convenient and fast checkout(Bearden, 1997), store personnel assistance, alteration facilities, home delivery, made to measure facilities (Chang & Tu, 2005), communication regarding new arrivals and discounts, in-store promotions, loyalty cards, gift vouchers, invites, store reputation, return policy, sales promotion offers, carry out facility, phone in facility (Haynes, Pipkin, Black, & Cloud, 1994), ambience, lighting, music, fragrance, fixtures, signage readability (Hornik, 1989), un-crowded store, quality, price, variety, assortment, colour story, location of various sections within store, store entrance, cash counter design and temperature (Chiagouris, 1991). Factors such as Map to trace location or the directory for the mall, comfortable restrooms,ease of payment, seating area, ease of movement, lift or escalators, ease of finding

items, ease in billing, mobile charging points etc. have been considered as an important parameter in various store attribute studies primarily those conducted on elderly and female customers (Bearden, 1997). Various other variables such as style, size, colour options, availability of new products, value of the products with respect to the investment made in the product in terms of money, time and efforts, etc. have been deemed important by customers belonging to all classes (Chang & Tu, 2005).

A survey was administered in shopping destinations like Emporio Mall in Delhi, UB City Mall in Bangalore, Quest Mall in Kolkata, Palladium Mall in Mumbai and various other prime luxury shopping destinations. Around fifty store attributes listed in the previous section were subjected to a five-point Likert scale. Later on, the attributes were reduced using factor analysis to five factors.

As a result of the survey, factors with highest loadings on conducting factor analysis were obtained which included loyalty cards, music, fragrance, assortment, made to measure facilities, invites and lighting (Mishra & Banerjee, 2014). But to finalize the variables to be inserted in the study, first correlations were observed, then factors with high correlations were eliminated and then the variables finalized as predictors to be included in the model were made to measure facility, loyalty card membership, lighting and invites.

Logistic Regression Model has been used for purchase intention determination.

5. ANALYSIS & INTERPRETATION

Logistic Regression method is an advanced method applied in research for non-metric categorical dependent variables (Chatterjee & Price, 1997). The dependent variable responses are essentially recorded in dichotomous form, for example, yes-no, member-non-member, etc. Usually, in this method, the dependent variables are categorical and dichotomous in nature. In a multiple regression model, the dependent variables and their corresponding weights are used to determine a value for the dependent variable whereas in the logistic regression method the independent variables are put together to determine a probability from 0 to 1 to determine whether or the subjects fall in a particular category (Gonick & Smith, 1993). For example, if a researcher wants to determine the odds whether a customer will purchase from a particular retail store:

Odds (Purchase) = [Prob (Yes)] ÷ [Prob (No)]

But there are several important advantages associated which make the analysis a widely accepted method. There are various advantages of the logistic regression model (Schulman, 1998) which have been elaborated as below:

- In a logistic regression method, a linear relationship between the dependent and independent variables is not presumed.

- It is acceptable if the independent variables are not interval, do not hold a normal distribution, have a non-linear relationship and/or don't have equal variances within each group.

- Since the data collected has no requirements of linearity, normality or equal variances as stated above logistic regression is extremely popular and well accepted method of analysis (Hair, Anderson, Tatham, & Black, 2005).

The step by step analysis for logistic regression is detailed as under:

Correlations: First a correlation was run in the variables; we can see that they are all positively correlated; positive correlation score of the predictor variable is more likely to indicate a positive purchase intention. Negative variables cause a suppressive effect; it tends to cancel out the predictive ability of a variable showing a positive correlation which affects the positive prediction of the equation, i.e. consumers with positive purchase intention. Thus positive correlations are desirable but not extremely high values of correlation between correlations.

Table 2: Correlations

		Made to measure	Loyalty card	Lighting	Invites	Purchase Intention
Made to measure	Pearson Correlation	1	.344[**]	.411[**]	.478[**]	.240[**]
	Sig. (2-tailed)		.000	.000	.000	.001
	N	200	200	200	200	200
Loyalty card	Pearson Correlation	.344[**]	1	.412[**]	.293[**]	.181[*]
	Sig. (2-tailed)	.000		.000	.000	.010
	N	200	200	200	200	200
Lighting	Pearson Correlation	.411[**]	.412[**]	1	.315[**]	.178[*]
	Sig. (2-tailed)	.000	.000		.000	.012
	N	200	200	200	200	200
Invites	Pearson Correlation	.478[**]	.293[**]	.315[**]	1	.193[**]
	Sig. (2-tailed)	.000	.000	.000		.006
	N	200	200	200	200	200
Purchase Intention	Pearson Correlation	.240[**]	.181[*]	.178[*]	.193[**]	1
	Sig. (2-tailed)	.001	.010	.012	.006	
	N	200	200	200	200	200

[**]. Correlation is significant at the 0.01 level (2 tailed).   [*]. Correlation is significant at the 0.05 level (2-tailed).

Next, the Binary Logistic Regression was run using the Enter Method which uses all the variables together. Hosmer–Lemeshow Goodness of fit was selected which explains how well the model fits the data, how well it is going to predict the outcome. The confidence interval of 95% was selected as the default for the odds ratio. The detailed statistics have been explained next.

Classification Table in the beginning block is referred to understand how good our model is (Menard, 2000). This table is like the null hypothesis. If there were no predictor variables available, this is what the prediction would be- which means that around 88 out of 200 people would not purchase in absence of predictor variables.

Table 3: Classification Table[a,b]

Observed		Predicted		
		Purchase Intention		Percentage Correct
		No	Yes	
Purchase Intention	No	0	88	.0
	Yes	0	112	100.0
Overall Percentage				56.0

a. Constant is included in the model.   b. The cut off value is .500

This model will be able to predict who is going to buy or not with 56% accuracy without any

predictor variables involved. Next step would be to see if the percentage of accuracy is increased from 56% in the model which may be

referred to as our null hypothesis (Mittlbock & Schemper, 1996).

Table 4: Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Made to measure	11.485	1	.001
		Loyalty Cards	6.546	1	.011
		Lighting	6.348	1	.012
		Invites	7.447	1	.006
	Overall Statistics		15.271	4	.004

Variables not in the Equation: Next the variables not in the equation can be analysed. All the variables were chosen as the explanatory variables, what if they were not in the model? How strongly will they create or will be able to

create a significant model(Witte, 1985)? All these values have p-value lesser than .05 which means that these variables can be significant predictors, and they have significant individual predictive ability for purchase intention.

Table 5: Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	15.778	4	.003
	Block	15.778	4	.003
	Model	15.778	4	.003

Omnibus Tests of Model Coefficients: Now, in the next step it is analysed how the predictor variables work together for the model (Schulman, 1998). Block one is where all the variables have been entered simultaneously in the model(McFadden, 1974). The first stage is the Omnibus test of Model Coefficients. It compares the predictive model with the null hypothesis with the chi-square values(Fox, Levin, & Harkins, 1993). The significance

levels in the model are all less than 0.05 which means that the model is significant. Thus, the inference is that the model containing only the constant has a poor fit and that the predictors do have a significant effect and they will create a different model. In this table the chi-square statistic is the same for step, block and model i.e.15.778, this because only enter method was used.

Table 6: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	58.594[a]	.576	.702

a. Estimation terminated at iteration no. 4 as parameter estimates changed by less than .001.

Model Summary: The model summary table helps in estimating the significance of the predicted model. The Cox and Snell statistic indicates that 58% of the variance in the dependent variable can be explained by the Logistic model. Nagelkerke R Square statistic is considered more reliable than Cox and Snell's method as its values range from 0-1(Tjur, 2009). It also helps in predicting how much of the variance in the dependent variable in the model is caused by the predictor variables (Mittlbock & Schemper, 1996). Here about 70 percent of the variance in outcome is explained by the predictor or the independent variable, which is acceptable.

Hosmer and Lemeshow Test Statistic –This statistic also predicts how the model fits (Weisberg, 1985). Here if the p-value is greater than 0.05, then that indicates that the model is good. Inversely, if the p-value is lesser than 0.05 then the model is not as good. As per the results of the analysis, the p-value obtained is 0.512> 0.05. This desirable outcome of non-significance indicates that the model prediction does not significantly differ from the observed (Press & Wilson, 1978).

Table 7: Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	7.228	8	.512

The Contingency Table for Hosmer and Lemeshow Test- This statistic asserts how well the model predicts the dependent variable (Campbell, 1994). The model here predicts regarding the purchase intention of the shoppers i.e. whether or not they will be willing to purchase luxury apparel to be answered as a dichotomous i.e. yes or no.

It breaks the subjects into groups and then progressively tries to fit the model to the actual outcome. Upon observation of the last step in the table, the observed no of yes in a subject group is 15 and the model predicted about 15 of those, which is extremely desirable. The closer the observed and expected values are the better is the model (Cragg & Uhler, 1970).

Table 8: Contingency Table for Hosmer and Lemeshow Test

		Purchase Intention = No		Purchase Intention = Yes		
		Observed	Expected	Observed	Expected	Total
Step 1	1	16	13.633	5	7.367	21
	2	10	11.856	10	8.144	20
	3	12	11.250	8	8.750	20
	4	11	10.209	9	9.791	20
	5	7	9.275	13	10.725	20
	6	8	8.296	12	11.704	20
	7	5	7.460	15	12.540	20
	8	10	6.546	10	13.454	20
	9	5	5.401	15	14.599	20
	10	4	4.074	15	14.926	19

Classification Table- The next step is the analysis of the classification table. This table explains how good the model was in predicting the actual outcome. It can be seen here that the model was able to predict more than 71 % of the categories.

Table 9: Classification Table[a]

Observed		Predicted		
		Purchase Intention		
		No	Yes	Percentage Correct
Step 1 Purchase Intention No		62	26	70.5
Yes		31	81	72.3
Overall Percentage				71.4

a. The cut value is .500

This statistic is higher than the null hypothesis value which was 56% as recorded from the Classification Table obtained from the beginning block which consisted of the model without entering the predictor variables. Hence it is considered to be a model with very good predictive ability (Johnson & Wichern, 1982).

Table 10: Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I.forExp(B)	
							Lower	Upper
Step 1[a] Madetomeasure	.024	.013	3.242	1	.007	1.024	.998	1.051
Loyalty cards	.014	.013	1.187	1	.028	1.014	.989	1.041
Lighting	.010	.014	.525	1	.047	1.010	.983	1.038
Invites	.015	.015	1.041	1	.031	1.015	.986	1.046
Constant	-1.606	.527	9.293	1	.002	.201		

a. Variable(s) entered on step 1: Made to measure, Loyalty cards, Lighting, Invites.

Variables in the Equation

The table 10 shows from where the actual beta coefficients or the constants are obtained for the regression equation to predict the dependent variable (Kleinbaum & Klein, 2010). Exp (B) column depicts the odds ratio and higher the values of the odds ratio over 1, greater are the chances of consumers having a positive purchase intention "yes". For example, if a respondent has a high made to measure facility score then he has 1.02 times more likely to purchase luxury apparel. Each of these odds ratios has been determined at a 95 percent confidence interval.

A Wald's test is used to test the statistical significance of each coefficient B in the model(Kvalseth, 1985). Mathematically, the test first calculates a Z-statistic by dividing the coefficient B by the standard error and then squaring the value [$Z^2 = \{(\text{ß}) \div (\text{S.E.})\}^2$]. The value thus obtained is the Wald's Statistic yielding a chi-square statistic(Kerlinger &

Pedhazur,1973). The Wald's values can be assessed by looking at the significance values, and if p <0.05, then we reject the null hypothesis, which means the predictor variable makes a contribution to the dependent (McFadden, 1974). Hence the values with p <0.05 can be included in the Logistic regression model and rest can be left out. For all the variables made to measure, loyalty cards, lighting and invites p <0.05, hence all of these would be a part of the equation. The 'B' values are the logistic coefficients from which a predictive equation depicting the logistic regression can be formed. We got a binary outcome predicted by numerous categorical or numerical predictive variables. Hence, in this case, the equation would be:

P= <u>e {(.024(Made to measure)+ (.014 (Loyalty cards) + .010(Lighting)+ .015(Invites)-1.606}</u>

1+e{(.024 (Made to measure)+ (.014 (Loyalty cards) + .010(Lighting)+.015 (Invites)-1.606}

A test of the full model consisting of both constant and predictor variables against a constant only model was statistically significant, indicating that the predictors as a set consistently differentiated between luxury consumers with positive and negative (i.e. yes and no) purchase intention (chi-square = 15.778, p=.003 with degrees of freedom = 4). Nagelkerke's R^2 of .702 indicated a moderately strong relationship between prediction and grouping. Prediction success overall was 71.4 % (72.3 % for yes and 70.5 % for no). The Wald criterion demonstrated that all the variables-made to measure, loyalty cards, lighting and invites made a significant contribution to prediction (p<.05). Exp.(B) value indicates that if a respondent has a high made to measure facility score then he has 1.02 times more likely to purchase luxury apparel and likewise

6. MARKETING IMPLICATIONS

It can be inferred that the relevant store attributes of a retail store should be given prominence to attract the target consumers. The study has been conducted keeping in focus the luxury consumers. For the categorical variable purchase intention which may be responded to in yes or no, the consumers responded with the importance scores they attribute to the independent variables made to measure, loyalty cards, lighting, and invites. Hence it may be inferred from the logistic regression analysis and also from unstructured personal interviews that personalized service such as made to measure was an extremely important parameter when it came shaping purchase intention of the luxury consumers. Similarly, invites received by luxury consumers from a luxury brand regarding their fashion shows collection launches, etc. also played an important role. Such events generate interest in the shoppers regarding the merchandise collection and draw the consumers to the store. Also, the sense of belongingness is enhanced. Loyalty cards tend to increase repeat purchases from the brand and hence shape the purchase intention. Lighting, although the least important criteria amongst the four independents, still was considered important by respondents in shaping the purchase decision especially by the consumer in older age groups.

7. CONCLUSION

This study was concentrated on the impact of store attributes on purchase intention of luxury consumers and was based on the results of a multi-stage structured questionnaire survey conducted across some of the prime luxury destinations of the Indian market. As a part of the research, logistic regression was establish which can determine the purchase intention of luxury consumers based on their store attribute preferences. Finally, a logistic regression equation was established which could predict the purchase intention (yes/no) based on the predictor variables- made to measure, loyalty card, lightning, and invites. By analysing the odds ratios of the predictor variables it was observed that made to measure facility score was the highest i.e. 1.024 which suggests that if a store has made to measure facility then the consumers are 1.02 times more likely to buy luxury apparel. As a result, the above binary outcome in the form of a logistic regression predicted by numerous categorical or numerical predictive variables was obtained.

REFERENCES:

- Agarwal, S. (2016, March 29). *Luxury market to grow tenfold.* Retrieved March 30, 2016, from Live Mint: http://www.livemint.com/Consumer/5bNy9 dsaJbL8b8fovvXPiK/Luxury-market-to-grow-tenfold-Amitabh-Kant.html

- Arons, L. (1961). Does television viewing influence store image and shopping frequency? *Journal of Retailing, 37*(Fall), 1-13.

- Arpels, F. (2014). *The way Ahead: Indian Luxury Brands Going Global.* New Delhi: KPMG International.

- Banerjee, S. & Mishra, J., 2014. Importance of store attributes vis-à-vis consumer characteristics and approach avoidance behaviour for luxury apparel purchase. Bangalore, SRN Adarsh College, pp. 194-197.

- Bearden, W. (1977). Determinant attributes of store patronage: downtown versus outlying shopping centres. *Journal of Retailing, 53*(2), 15-22.

- Bearden, W. (1997). Determinant Attributes of Store Patronage. *Journal of Retailing, 53*(2), 15-22.

- Bearden, W. O., & Etzel, M. J. (1982). Reference Group Influence on Product and Brand Purchase. *Journal of Consumer Research 9, 9*(2), 183–194.

- Berman, B., & Evans, J. R. (1995). *Retail Management* (6th ed.). New Jersey: Prentice Hall.

- Campbell, G. (1994). Advances in statistical methodology forevaluation of diagnostic and laboratory tests. *Stat Med, 13*, 499-508.

- Carpenter, J. M., & Moore, M. (2006). Consumer demographics, store attributes, and retail format choice in the US grocery market. *International Journal of Retail & Distribution Management, 34*(6), 434 - 452.

- Chang, C., & Tu, C. (2005). Exploring store image, customer satisfaction and customer loyalty relationship: evidence from Taiwanese hypermarket industry. *Journal of American Academy of Business, 7*(1), 197-202.

- Chang, C., & Tu, C. (2005). Exploring Store Image, Customer Satisfaction, and Customer Loyalty Relationship: Evidence from Taiwanese Hypermarket Industry. *The Journal of American Academy of Business, 7*(2), 197-202.

- Chatterjee, S., & Price, B. (1997). *Regression Analysis by example* (2nd ed.). New York: John Wley & Sons.

- Chiagouris, L. (1991). *The Personal Dynamics of the Decision Maker.* New York: The City University of New York.

- Chowdhury, J., Reardon, J., & Srivastava, R. (1998). Alternative modes of measuring store image: an empirical assessment of structured versus unstructured measures. *Journal of Marketing Theory and Practice, 1*(Spring), 72-85.

- Cragg, J., & Uhler, R. (1970). The demand for automobiles. *The Canadian Journal of Economics, 3*, 386-406.

- Crask, M., & Perreault, W. (1977). Validation of Discriminant Analysis in Marketing Research. *Journal of Marketing Research, 14*, 60-68.

- Darden, W. R., & Babin, B. (1994). Exploring the concept of affective quality: Expanding the concept of retail personality. *Journal of Business Research, 29*(2), 101-109.

- Dickson, J., & MacLachlan, D. L. (1990). Social distance and shopping behavior. *Journal of the Academy of Marketing Science, 18*(2), 153-161.

- Fox, J., Levin, J., & Harkins, S. (1993). *Elementary Statistics in Behavioral research* New York: Harper Collins College Publishers.

- George, D., & Mallery, P. (2006). *SPSS for Windows* (Vol. VI). Pearson Education Inc.: Delhi.

- Gonick, L., & Smith, W. (1993). *The Cartoon Guide to Statistics.* New York: Harper Perennial.

- Hair, J., Anderson, R., Tatham, R., & Black, W. (2005). *Multivariate Data Analysis.* Delhi: Pearson Education.

- Hansen, R. A., & Deutscher, T. (1977). An empirical investigation of attribute importance in retail store selection. *Journal of Retailing, 53*(Winter), 59-95.

- Haynes, J., Pipkin, A., Black, W., & Cloud, R. (1994). Application of a choice sets model to assess patronage decision styles of high involvement consumers. *Clothing and Textiles Research Journal, 12*(3), 22-31.

- Hopkins, C. D., & Alford, B. L. (2001). *Academy of Marketing Studies Journal, 5*(2), 81-98.

- Hornik, J. (1989). A Temporal and Lifestyle Typology to Model Consumers' Smoking Behavior. *Advances in Consumer Research , 16*, 44-50.

- Hutcheson, G., & Sofroniou, N. (1999). *The Multivariate Social Scientist: An introduction to generalized linear models.* California: Sage Publications.

- James, D., Du Rand, R., & Dreeves, R. (1976). The use of a multi-attribute model in a store image study. *Journal of Retailing, 52*(2), 23-32.

- Johnson, N., & Wichern, D. (1982). *Applied Multivariate Statistical Analysis.* New Jersey: Prentice Hall.

- Kaul, S., Sahay, A., & Koshy, A. (2010). Impact of initial-trust-image on shopper trust and patronage intentions: a study of young, male apparel shoppers in India. *International Journal of Retail & Distribution Management, 38*(4), 275-296.

- Keaveney, S. M. (1992). Conceptualization and operationalization of retail store image: a case of rival middle-level theories. *Journal of the Academy of Marketing Science, 9*(4), 419-435.

- Kerlinger, F., & Pedhazur, E. (1973). *Multiple Regression in Behavioral Research.* New York: Holt, Rinehart and Winston.

- Kleinbaum, D. G., & Klein, M. (2010). *Analysis of Matched Data Using Logistic Regression.* New York: Springer.

- Kunkel, J. H., & Berry, L. L. (1968). A Behavioral Conception of Retail Image. *Journal of Marketing, 32*(October), 21-27.

- Kvalseth, T. (1985). Cautionary note about R2. *The American Statistician, 39*, 279-285.

- Lindquist, J. D. (1974). Meaning of Image. *Journal of Retailing, 50*(Winter), 29-38.

- Lumpkin, J. R., Hawes, J. M., & Darden, W. R. (1986). Shopping patterns of the rural consumer: Exploring the relationship between shopping orientations and outshopping. *Journal of Business Research, 14*(1), 63–81.

- Martineau, P. (1958). The personality of the retail store. *Harvard Business Review, 36*, 47-55.

- Martineau, P. (1958). The personality of the retail store. *Harvard Business Review, 36*, 47-55.

- Mazursky, D., & Jacoby, J. (1986). Exploring the development of store images. *Journal of Retailing, 62*(Summer), 145-165.

- McFadden, D. (1974). *Conditional logit analysis of qualitative choice behavior: Frontiers in Econometrics.* Waltham, Massachusetts: Academic Press.

- Menard, S. (2000). Coefficients of determination for multiple logistic regression analysis. *The American Statistician, 54*, 17-24.

- Mittlbock, M., & Schemper, M. (1996). Explained variation in logistic regression. *Statistics in Medicine, 15*, 1986-1997.

- Morrison, D. (1969). On interpretation of Discriminant Analysis. *Journal of Marketing Research, 6*(2), 156-63.

- Niwash, R. (2015). *Global Luxury Goods Market Report.* New Delhi: CS Datamation Research Pvt Ltd.

- O'Connor, M. (1990). On the subject of image. *Supermarket Business, 47*(1), 35-40.

- Oates, Shufeldt, & Vaught. (1996). *Lifestyle Segmentation: What retail store attributes are important to the elderly?* Retrieved 2014, from http://www.sbaer.uca.edu/: http://www.sbaer.uca.edu/research/sma/1996/pdf/05.pdf

- Oxenfeldt, A. R. (1974). Developing a favorable price-quality image. *Journal of Retailing, 50*(Winter), 8-14.

- Paulins, V., & Geistfeld, L. (2003). The Effect of Consumer Perceptions of Store Attributes on Apparel Store Preference. *Journal of Fashion Marketing and Management, 7*(4), 371-385.

- Pessemier, E. A. (1980). Store image and positioning. *Journal of Retailing, 56*(Spring), 94-106.

- Peter, J., & Olson, J. (1990). *Consumer Behavior and Marketing Strategy* (2nd ed.). Boston: Irwin Publishing.

- Press, S., & Wilson, S. (1978). Choosing between logistic regression and discriminant analysis. *Journal of the American Statistical Association, 73*, 699-705.

- Reardon, J. R., Miller, C. E., & Coe, B. (1995). Applied scale development: measuring store image. *Journal of Applied Business Research, 11*(4), 85-96.

- Sandhya, A., & Peeru, M. (2009). Shopping Habits and Influence of Store Attributes on Apparel Store Patronage Intention. *Advances In Management, 2*(3), 81-107.

- Schulman, R. S. (1998). *Statistics in Plain English with Computer Applications.* New York: Van Nostrand Reinhold.

- Seiders, K., & Tigert, D. J. (2000). The Impact of Supercenters on Traditional Food Retailers in Four Markets. *International Journal of Retailing and Distribution Management, 48*(4/5), 181-193.

- Sen, A., & Srivastava, M. (1999). *Regression Analysis: Theory, Methods and Applications.* New York: Springer Verlag.

- Sheth, & Mittal. (2004). *Consumer Behaviour: A Managerial Perspective* (2nd ed.). Ohio: Thomson Publishers.

- Shim, S., & Mahoney, M. (1992). The elderly mail-order catalog user of fashion products: A profile of the heavy purchaser. *Journal of Direct Marketing, 6*(1), 49-58.

- Smart Research Insights. (2015, March 31). *Report Linker: Market Research.* Retrieved December 31, 2015, from www.reportlinker.com: http://www.reportlinker.com/report/search/keywords/Analyzing%20India%E2%80%99s%20Luxury%20Market%202015

- Snedecor, G. W., & Cochran, W. G. (1989). *Statistical Methods.* IA: Iowa State University.

- Tjur, T. (2009). Coefficients of determination in logistic regression models—A new proposal: The coefficient of discrimination. *The American Statistician, 63*, 366-372.

- Varley, R. (. (2005). Store image as the key differentiator. *European Retail Digest, 46*, 18-21.

- Visser, E. M., Preez, R. D., & Noordwyk, H. S. (2006). Importance of apparel store image attributes. *SA Journal of Industrial Psychology, 32*(3), 49-62.

- Weale, W. B. (1961). Measuring the Customer's Image of a department store. *Journal of Retailing, 37*(1), 40-48.

- Weisberg, S. (1985). *Applied Linear Regression* (2nd ed.). New York: John Wiley and Sons.

- Westbrook, R. A. (1981). Sources of consumer satisfaction with retail outlets. *Journal of Retailing, 57*(Fall), 68-85.

- Witte, R. S. (1985). *Statistics* (2nd ed.). New York: Holt, Rinehart and Winston.

- Zimmer, M. R., & Golden, L. L. (1988). Impressions of retail stores: a content analysis of consumer images. *Journal of Retailing, 64*(Fall), 265-28.

Relationship Among International Trade in Services, Economic Growth and Financial Development in India

Anurag Maurya*

Prof. Madan Lal**

ABSTRACT

The study aims to investigate the relationship between financial development, economic growth and international trade in services. The Augmented-Dickey- Fuller (1981) and Phillips- Perron (1988) unitroot testsarea- pplied to test the stationarity. The co-integration test is run to examine the longrun relationship among these variables. Further, the direction of causality is tested by the Granger causality test. All the variables are found integrated at first order. The Johansen co-integration test confirms the long run relationship among all the three variables. The overall results indicate that there is long-run equilibrium among all the three variables.

Keywords: Stationarity, Co-integration, Granger causality.

1. INTRODUCTION

Many authors investigated the relationship between economic growth and financial development. Their findings suggest that financial development of the country leads to economic growth. A well-functioning financial system also ha sa positive impact on export in addition to its impact on GDP. So, financial development can be taken as a source of competitive advantage for international trade.

According to literature, financial development and trade of the country foster its growth (Rahman et. al. 2015). Several studies such as (Beck 2001), Hamdi et. al., (2013), Menyal et. al. (2014) and Gokmenoglu et. al. (2015) proved the long run relationship among economic growth, financial development, and trade of the country. But no study highlighted the combined effect of economic growth and financial development on international trade. The present study aims to analyze the relationship between economic growth, financial development, and trade in the context of India over the period 1980 to 2015. The study further investigates the direction of the relationship between these three macro-economic variables. Here, we have focused on trade in services which remained overlooked in all previous work.

2. LITERATURE REVIEW

The literature highlights the positive role of financial development and trade in economic growth. The causal relationship between economic growth, trade and financial development is identified by many authors. Some of the studies in this context are reviewed in the study to explore the nature of variables

* Research Scholar Department of Commerce, University of Delhi - 110007
  Email: anurag740@gmail.com

**Professor Department of Commerce, University of Delhi - Delhi - 110007
  Email: madanlalfms@gmail.com

and their relationship.

Beck (2001) argued that a country with a well-developed financial sector has a comparative advantage in manufacturing industries. By using panel data of 65 countries, the findings indicate that financial development has a large casual impact on both levels of export, import and trade balance of manufacturing goods.

Katircioglu, Kahyalar & Benar (2007) examined the cointegration and casual relationship between financial development, international trade and economic growth in India by using annual data from 1965 to 2004. The study found a long run equilibrium relationship between financial development, international trade and economic growth. Further, a unidirectional causal relationship was found that run from real income to exports and imports, from exports to imports, M2 and domestic credits, from M2 to imports, from imports to domestic credits. The bidirectional causality wasfound between real income and M2, and between real income and domestic credits. But no direction of causality has been obtained between M2 and domestic credits.

Muhammad, Rahman and Abdul (2012) found the long run relationship among financial development, international trade and economic development in the context of Australia. The causality analysis explained that financial development Granger causes economic growth while trade and export and import are Granger-caused by financial development.

Hamdi et. al. (2013) examined the dynamic relationship between economic growth, financial deepening and investment activities in Tunisia from 1961 to 2010 by using a VECM framework. The short-run result indicates that there is no evidence for finance led growth in the context of Tunisia while in the long run there is an inverse relationship. It also explains that investment promotes growth in boththe short run as well as long-run period.

Menyal et. Al. (2014) analysed the causal relationship between financial development and economic growth by incorporating

international trade in the model. The study is based on panel data of 21 African countries from 1965 to 2008. The study found the limited relationship between trade and financial development. The hypothesis for trade-led growth and finance led growth is rejected for a large number of countries.

Gokmenoglu et. al. (2015) investigated the long run relationship and its direction among economic growth, financial development and trade. The study found that change in economic growth leads to a change in import while financial development leads to a change in economic growth and vice-versa. The study is based on time series data of Pakistan over the period 1967-2013.

Jouini (2015) identified the positive linkages between economic growth and trade openness for six Gulf Cooperation Countries over the period 1980 to 2010. The co-integration test result showed that economic growth positively responds to trade openness in both the short run and long run.

Bhattacharya and Bhattacharya (2016) stated that all the three variables export and import of merchandise and services and economic growth are co-integrated. Further, it indicates growth in per capita GDP is Granger caused by the export of merchandise and services and import of merchandise and services in the long run. On the other side, it is also observed that import of merchandise and services and economic growth per capita Granger cause the export of merchandise and services in the long run while export of merchandise and services and economic growth per capita Granger cause import of merchandise and services in the long run. Additionally,a short-run bidirectional causal relationship is found between the export of merchandise and services and economic growth.

Yakubu (2018) analyzed the effect of financial development on international trade in Africa by using the data of 46 countries for the period from 1980-2015. The study found that private credit has no role in the promotion of trade while domestic credit positively contributes towards trade. The study suggested

that improvement in the level of private credit decreases export and trade openness while the increase in domestic credit improves export and trade openness.

3. OBJECTIVES

The paper aims to investigate the long run relationship among economic growth, financial development and international trade in services. It further tests the direction of the relationship between the variables to draw a meaningful conclusion.

4. DATA AND METHODOLOGY

4.1 Data

The present study is based on annual time series data for the period from 1981 to 2015, collected from the World Bank Indicators Database. The variables included in the study are GDP, financial development and trade in services. Since there is no direct indicator available to measure financial development, the domestic credit to the private sector as a percentage of GDP is included as a proxy variable to measure financial development of the country (Beck 2002). Although, it only measures the part of mobilized savings which is provided to the private sector. It doesn't include credit provided to the private sector by the central bank. The trade variable measures export and import of trade in services in India. the constant GDP is used as a proxy for economic growth.

4.2 Methodology

The study investigates the interrelationship among three variables i.e. economic growth, financial development and international trade in services by using time series analysis. First of all, the ADF and PP unit root test is run to test the stationarity of all the three variables. Then Johansen and Wald's test isused to examine the relationship and its direction among the variables respectively.

In our study,following the log-log model is used:

$$LTRAD_t = \beta_1 + \beta_2.LGDP_t + \beta_3.LFD_t + e_t \dots\dots\dots\dots (1)$$

Where *trad*, *GDP* and FD are traded in services, gross domestic product and domestic credit to private sector respectively. β_1 β_2 and β_3 show the elasticity of explanatory variables.

Unit root test

Prior to the co-integration test, the PP and ADF test of stationarity is run to find the order of integration of all the variables. The null hypothesis in both test states that the series has unit root i.e. series is non-stationary. If the series is found stationary at level, it is denoted by I(0) and I(1) if it has a unit root. The stationarity of data is tested with or without trend and intercept. The general model which includes both intercepts, as well as a trend, can be written as follows:

$$\Delta y_{t-1} = \alpha_0 + \lambda y_{t-1} + \alpha_1 t + \sum_{t=2}^{p} \beta_{j=1} \alpha_j \Delta y_{t-1+1} + \epsilon_t$$

$$\dots\dots\dots\dots (2)$$

Where y is an independent series, t is trend and e is white noise.

Co-integration Test

After unit root test if it is found that all the three variables have unit root and are integrated of same order i.e. I(1), then we will run a co-integration test to examine the long run relationship among all the three variables. Here we will use the Johansen co-integration test for this purpose. According to Johansen test, the variables have cointegration if there is at least one co-integrating vector (Johansen 1988).

Granger Causality Test

The Granger Causality test is performed to find out the direction of the long-run relationship among the variables. If there are co-integrating vectors in the model then simple causality under VAR approach cannot be undertaken. Therefore, the Granger Causality test is performed under a VECM framework. Granger 1988 has suggested the following model of causality:

$$Y_t = \sum_{j=1}^{m} \alpha_j Y_{t-j} + \sum_{j=1}^{m} bj X_{t-j} + e_t \dots (3)$$

$$X_t = \sum_{j=1}^{m} c_j X_{t-j} + \sum_{j=1}^{m} dj Y_{t-j} + e_t \dots (4)$$

If b_j is found non zero and significant then it can be concluded that X_t granger causes

Y_t. Similarly, if d_j is found significant that means Y_t granger causes X_t.

Multiple Regression

The multiple regression is run to identify the short-run relationship between the variables. The trade in services is explained as a function of GDP and financial development. The regression can be written as follows:

$$LTRAD_t = \beta_1 + \beta_2.LGDP_t + \beta_3.LFD_t + e_t \ldots\ldots\ldots\ldots.. (5)$$

The coefficient values β^1 and β^2 show the percentage change in trade due to change in GDP and financial development respectively.

5. EMPIRICAL RESULTS

The preconditions of co-integration analysis are that the variable must non-stationary at the level and integrated of the same order. The ADF and PP test of stationarity results are shown in Table 1. All the variables are found non-stationary at the level by both ADF and PP test. At first difference, all three variables are found stationary at first level by PP test. But as per ADF test, only two variables i.e. GDP and Trade are found stationary at first difference. So, we move further to test co-integration based on findings of Phillip-Perron test which shows that all the variables – LGDP, LFD and LTRAD have unit root or they are integrated at order one i.e. I(1).

Table 1: Stationarity Test

Variables	Augmented Dickey-Fuller Test		Phillips-Perron Test	
	At level	At 1st difference	At level	At 1st difference
LGDP	2.5183	-4.8846*	5.0245	-4.8935*
LFD	-0.5429	-2.1872	-0.1995	-5.4937*
LTRAD	-0.6293	-4.6336*	-0.6293	-4.6979*

* significant at 5 % level.   (Source: author's calculation)

Co-integration Results

After the stationarity test, Johansen Test of co-integration is used to test co-integration among all three variables- Trade, economic growth and financial development. Since the Johansen test is very sensitive to lag length, the optimum lag for co-integration model is found out by using the VECM model. The optimum lag is found 1 as per LR, FPE, SC and HQ criteria while 3 as per only AIC. So the optimum lag would be taken as 1 for the co-integration test.

In our proposed model, International trade in services is taken as the dependent variable and economic growth and financial development are as the explanatory variable. For Johansen multivariate co-integration analysis, the null hypothesis is that there is no co-integration while the alternative hypothesis says there is

one or more co-integration relationship between variables. The results of the Johansen test are shown in Table 2. According to Trace test, the null hypothesis i.e. there is no co-integration is rejected at a 5 percent significance level. The trace test statistics show only one co-integrating vector at the 5 percent significance level. Therefore, it can be inferred that there is a long run association among trade in services, financial development and growth.

Contrary, the Eigenvalue statistics of Johansen integration show contradictory results. As shown in table 2, trace statistics state that the null hypothesis i.e. there is no co-integrating, cannot be rejected at 5 and 10 percent significance level. But we can draw our conclusion that all the variables are related in the long run from Trace statistics of Johansen test of co-integration.

Table 2: Results of Johansen Co-integration Test

Hypothesized No. of CE(s)	Trace statistics	Critical value of 5 percent	Maximum Eigen Statistics	5 percent critical value
None	29.92805*	29.79707	17.44486	21.13162
At most 1	12.48319*	15.49471	11.35156	14.26460
At most 2	1.131628*	3.841466	1.131628	3.841466

*5 percent significance level   (Source: author's calculation)

Granger Causality Test

The Johansen co-integration test confirms the long run relationship among the variables. Now in the next step of our analysis, we will analyze the direction of the relationship among the variables with Granger Causality test. The findings in Table 3 shows the result of Granger Causality test. The null hypothesis of the model explains that non causality between variables. If the null hypothesis which states that independent variable Granger-causes dependent variable is rejected. The results indicate that there is no bi-directional relationship between variables. The only uni-directional relationship found between trade and financial development and between trade and GDP at 5 percent and 10 percent significant relationship respectively. In short, we can say that trade is GDP driven while financial development is trade driven

Table 3: Granger Causality Results

Independent Variables	Dependent Variables		
	LTR AD	LGDP	LFINDEV
LTRAD	----	0.328001	0.850819*
LGDP	3.202158**	----	4.294046
LFINDDEV	1.372527	0.070685	----

*5 percent level of significan ce **10 percent level of significance   (Source: author'scalculation)

Multiple Regression Results

The adjusted R^2 of the regression model is found 0.127543. The Durbin Watson statistics is found 1.53 which indicates that there is no serial correlation in the regression model. The rule of thumb is that test statistic values in the range of 1.5 to 2.5 are relatively normal. Field (2009) suggests that values under 1 or more than 3 are a definite cause for concern.

As per multiple regression results, in the short run, the impact of financial development is found positive and significant while GDP is found negative but insignificant.

Table 4: Regression Result

Variables	
Constant	0.040762 (0.895157)
LGDP	-0.317245 (-0.450378)
LFINDEV	0.616528 (2.107613)*
Adjusted R^2	0.127543
Durbin watson stat	1.531101
No. of observation	34

* significant at 5 percent level   (Source: author's calculation)

The overall results of the study suggest that all the variables – trade, growth, and financial development are interrelated in the long run but in the short run, no relationship is found between GDP and trade. Contrary, the positive relationship is found between trade and financial development. The coefficient of financial development i.e. 0.616528 indicates that in short-run 1 percent change in financial development level in the economy leads to around 0.62 percent change in trade in services.

6. CONCLUSION

The paper examined the long run relationship and its direction among economic growth, trade in services and financial development by applying Johansen co-integration and Granger causality test respectively. The Johansen test results confirm the long run relationship among all the three variables while the Granger Causality test result indicates thatthe causality is running from GDP to trade and from trade to financial development in India.

The above finding of the study found inconsistent with previous studies. The reason may be that we have included only trade in services while previous work was based on overall trade i.e. export and import of both goods and services. Here, we can conclude that GDP leads to positive change in international trade but unlike international trade, financial development may not be a source of competitive advantage for international trade in services.

The findings of the study suggest that Government of India should frame the policies which boost economic growth. The GDP growth encourages trade in services. Since trade plays a positive role in financial development, the government should allow free trade by eliminating the barriers to trade.

REFERENCES

- Agarwal, M. (2015). Mean-Variance Efficient Portfolio Selection: Model Development. In *Developments in Mean-Variance Efficient Portfolio Selection*(pp. 71-100). London: Palgrave Macmillan.

- Beck, T. (2002). Financial development and international trade: Is there a link?. *Journal of International Economics, 57*(1), 107-131.

- Bhattacharya, M., & Bhattacharya, S. N. (2016). International Trade and Economic Growth: Evidence from the BRICS. *Journal of Applied Economics & Business Research, 6*(2), 150-160.

- Calderón, C., & Liu, L. (2003). The direction of causality between financial development and economic growth. *Journal of development economics, 72*(1), 321-334.

- Dickey, D.A., &Fuller, W.A. (1979). Distribution of the Estimators for Autoregressive Time Series with a Unit Root. *Journal of the American Statistical Association, 74*, 427-431.

- Engle, R.F., &Granger, C.W.J. (1987). Cointegration and Error Correction: Representation, Estimation and Testing, *Econometrica, 55*, 251-276.

- Gokmenoglu, K. K., Amin, M. Y., &Taspinar, N. (2015). The relationship among international trade, financial development and economic growth: the case of Pakistan. *Procedia Economics and Finance, 25*, 489-496.

- Hamdi, H., Hakimi, A., &Sbia, R. (2013). Multivariate Granger causality between financial development, investment and economic growth: Evidence from Tunisia. *Journal of Quantitative Economics, 11*(1&2), 111-129.

- Jouini, J. (2015). The linkage between international trade and economic growth in GCC countries: Empirical evidence from PMG estimation approach. *The Journal of International Trade & Economic Development, 24*(3), 341-372.

- Katircioglu, S.T., Kahyalar, N., & Benar, H. (2007). Financial development, trade and growth triangle: the case of India. *International Journal of Social Economics, 34*(9), 586-598.

- Mahajan, N., & Verma, S. (2015). International Financial Integration andEconomic Growth in India: An EmpiricalInvestigation. *Eurasian Journal of Business andEconomics*, *8*(16), 121-137.

- Omri, A., Daly, S., Rault, C., &Chaibi, A. (2015). Financial development, environmental quality, trade and economic growth: What causes what in MENA countries. *Energy Economics*,*48*, 242-252.

- Rahman, M. M., Shahbaz, M., & Farooq, A. (2015). Financial development, international trade, and economic growth in Australia: new evidence from multivariate framework analysis. Journal of Asia-Pacific Business, *16*(1), 21-43.

- Ray, S. (2013). Does Financial Development Promote Economic Growth in India?. *International Journal of Economic Practices andTheories*, *3*(3), 140-151.

- Sehrawat,M. &Giri, A. K. (2016). The impact of financial development on economic growth: Evidence from SAARC countries.*International Journal of Emerging Markets*, *11*(4), 569-583.

- Tsaurai, K. (2017). Investigating the relationship between financial development, trade openness and economic growth in Argentina: A multivariate causality framework.

- Uddin, G., Khan, S., &Alam, M. (2010). An empirical study on export, import and economic growth in Bhutan.

- van Den Berg, H. (1997). The relationship between international trade and economic growth in Mexico. *The North American Journal of Economics and Finance*, *8*(1), 1-21.

- Yakubu, A. S., Aboagye, A. Q., Mensah, L., &Bokpin, G. A. (2018). Effect of financial development on international trade in Africa: Does measure of finance matter?. *The Journal of International Trade & Economic Development, 27*(8), 917-936.

- Yucel, F. (2009). Causal relationships between financial development, trade openness and economic growth: the case of Turkey. *Journal of Social sciences*, *5*(1), 33-42.

- Zahonogo, P. (2016). Trade and economic growth in developing countries: Evidence from sub-Saharan Africa. *Journal of African Trade*, *3*(1-2), 41-56.

- http://www.worldbank.org/en/publication/gfdr/gfdr-2016/background/financial-development

Assessment of Social Marketing Benchmarks for Public Health Programs in Indian Context

Bakul Sharma *
Dr. Monica Sainy **

ABSTRACT

Social marketing is an application of marketing principles for the benefit of the society with a nonprofit motive. In order to have effective social marketing, some benchmarks have been identified by the National Social Marketing Centre, UK. Till now no social marketing benchmarks in the Indian context have been developed, hence an attempt has been made to assess these Social marketing benchmarks for public health programs in the Indian Context. A structured questionnaire was developed related to social marketing benchmarks used by National Social Marketing Centre, UK. The primary data was collected from the 100 respondents through the questionnaire for the general public. A total of 8 benchmarks have been identified through Factor analysis. The result suggests that understanding the social marketing benchmarks for public health in the Indian context is helpful in designing effective public health program and for the implementation of strategies.

Keywords: Social Marketing, Public Health Programs, Marketing, Benchmarks.

1. INTRODUCTION

Public health programs in India are launched by the government in order to improve the health of the people. In a country like India, it is very important to understand the need of the audience as well as likes and dislikes of the audience before launching a public health program. It has been observed that in most of the cases programs are made in a top- down approach in which programs are made without understanding about the need of the people, rather we need a bottom-up approach in which audience needs, behaviour, segmentation and insight should be given preference for implementation of public health programs.

Social Marketing is a branch of marketing which helps in understanding the audience and gives an idea about the audience behaviour. Social marketing as an emerging field that plays an important role in the implementation of public health programs through effective use of behaviour change and use of segmentation approaches used in commercial marketing. It is observed that if some of the public health programs effectively used social marketing then it shows the positive results. Social marketing approaches have been used effectively in various disciplines ranging from education, environment to public health and are widely used in public health in various countries. In India, Social Marketing approach has been used for specific public health programs such as family planning and reproductive health programs.

It's an emerging field and its application is limited to certain specific issues. In order to have an understanding of the field, some benchmarks need to be developed. A

* Research Scholar, Devi Ahilya University, Indore
   Email:bsharmasilk@gmail.com
**Faculty, Shri Vaishnav Vidhyapeeth Vishwavidyalaya, SVVV, Indore
   Email:monica.sainy1@gmail.com

benchmark is a point of reference that is used in comparative situations. Social marketing is the application of general marketing principles for the benefit of society and societal welfare through behaviour change and application of marketing principles. Social marketing as a field has evolved in last 40 years and in order to have effective social marketing interventions there was a need for some benchmarks on the basis of which new social marketing interventions can be planned and evaluated.

Till now in most of the studies, these benchmarks have been used in evaluating various social marketing campaigns in and around the world but they have not been used and tested in understanding the public through these benchmarks and also identifying the most important benchmarks in the Indian context. These benchmarks give us an idea about overall audience understanding and also informs about the behavioural issues related to the audience.

The study seeks to understand the importance of various benchmarks among the general public and also try to find out these benchmarks in the Indian context. The benchmarks which are used in the study are based on National Social Marketing Centre. Through this study, we will also be able to identify the impact of various demographic factors on benchmarks as well as the study helps us to develop a new set of benchmarks based on the Indian context. The study also seeks to understand the current behaviour of the public. In order to understand the current behaviour of the people, we need to understand and segment them based on their behaviour. In the case of public health, if we need to understand behaviour and segmentation of the audience, we have to look at certain theories to understand the audience behaviour accurately. Stages of Change theory is used to understand the audience properly.

2. LITERATURE REVIEW

Social Marketing is an evolving field of marketing and it is mainly applied in the marketing of public health programs all around the world. Although some of the public health programs in India have used social marketing

principles in most of cases, social marketing principles are not applied professionally. Research and application of Social Marketing are done mainly in countries like USA and UK wherein most of the social change programs have used social marketing approach. Most of the application of social marketing is applied in public health mainly in immunization programs, obesity control programs, drug abuse control program, tobacco control program, etc. Social Marketing is also applied in other fields. Social Marketing is often confused with Social Media Marketing. We need to note that both are different while social marketing is the application of marketing principles for the social cause while social media marketing mainly deals with marketing through various social media. Philip Kotler and Gerald Zaltman in their article Social Marketing: An approach to planned social change discussed the application of marketing concepts and techniques in the promotion of social objectives. They discussed the fact that social causes can be advanced effectively by applying the principles of marketing. The term Social Marketing was first coined by Philip Kotler and Zaltman in 1971. They defined Social Marketing as "the design implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product, planning, pricing, communication, distribution and marketing research."Later on, various academicians started working on the concept of social marketing given by Kotler and Zaltman. According to (Andresen, 1995) "Social marketing is the application of commercial marketing technologies to the analysis, planning, execution and evaluation of programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of society."According to National Social Marketing Centre (NSMC), UK, "Social Marketing is an approach used to develop activities aimed at changing or maintaining people's behavior for the benefit of individuals and society as a whole. Combining ideas from commercial marketing and the social sciences, social marketing is a proven tool for influencing behavior in a sustainable and cost effective way".

Social Marketing Benchmarks: The concept of social marketing benchmarks evolved in the year 2002 through the introduction of benchmarks by Alan Andreasen (2002, 6 criteria). Others who have contributed to the development of social marketing benchmarks are French & Blair-Stevens (2006), Lefebvre (2013), Robinson Maynard, Meaton and Lowry (2013). Andreasen suggested following six benchmarks for social marketing to consider an approach to be called social marketing: These benchmarks are Behaviour change (Behaviour), Audience research through formative research and pretesting intervention and monitoring of interventions. (Audience Research), Audience segmentation and targeting (Segmentation), Use of creative and attractive exchanges (Exchange), Marketing Mix Using 4Ps of Marketing i.e. Product, Place, Price, and Promotion. (Method Mix). Beneficial packages in the form of products, minimizing the cost (Price), making exchange convenient and easy (Place) and communicating through media (Promotion), Competing behaviour (Competition)

Another lead was taken by the National Social Marketing Centre, the UK to develop benchmarks and French and Blair-Stevens (2006) expanded six benchmarks to eight benchmarks. NSMC has defined the following 8 social marketing benchmarks. These are Customer orientation: for intervention for behaviour change, Consumer research: to identify audience characteristics, Theory: Use of theory for intervention, Insight: for understanding about what moves and motivates customer, Exchange, Competition, Segmentation approach, and Marketing Mix.

Robinson Maynard, Audrey Pamelas in his thesis on "Social Marketing Benchmarks" identified 19 benchmarks of various social marketing campaigns. Some of the benchmarks that they have identified are formative research, peer review, pretesting, questionnaire, pilot testing, segmentation and targeting, further segmentation and targeting, upstream targeting, relationship building, clear benefits, measurable benefits, sustainability, marketing mix, multimedia initiatives, understanding target audience, marketers systematic analysis of own results, biases and flaws, incentives, disincentives.

According to Andreasen, behaviour change has been considered as the ultimate goal for any social marketing intervention. According to Hastings "Successful behaviour change is built on a thorough and well built grounded understanding of current behaviour and people engaged in it".

Andreasen suggested that there are four main drivers for behaviour change. They are benefits, costs, self-efficacy, and others. Benefits are mainly related to benefits one gets when changing behaviour, others related to the influence of other people on an individual for behaviour change, self-efficacy is the self-belief for behaviour change and the cost is related to cost one has to pay when changing behaviour.

Jeff French and Rebekah Russel-Bennett suggested few shortcomings of social marketing benchmark criteria such as equivalence, relative importance and essentiality. Equivalence criteria are a mixture of techniques and approaches, relative importance criteria seem more important and essentiality means that it is not clear about how many criteria need to be fulfilled for an intervention to be called social marketing. They propose social marketing benchmark criteria into three categories: Principle, Concept, and Techniques. The principle means social value creation through the exchange. Concepts include citizen focus, behavioural influence, social offerings, and relationship building. Techniques include integrated intervention mix, competition analysis, planning and evaluation, insight-driven segmentation, and co-creation through social markets.

3. **OBJECTIVES OF THE STUDY**

  1. To assess Social Marketing Benchmarks for Public Health Program in the Indian context.

  2. To develop a new set of Social Marketing Benchmarks in Indian Context for effective public health program

implementation.

4. RESEARCH METHODS

Tools for data collection

The study undertaken was exploratory & descriptive in nature and has provided insights into the benchmarks for effective health programs in the Indian context. A total of 48 items were created based on various social marketing benchmarks suggested by NSMC. Field study method had been chosen to systematically gather information. The population of this study consists of Indian adults more than 18 years of age. Both male and female respondents were given equal opportunity. A structured questionnaire was used to collect relevant data. Convenient sampling method was used to collect the data. The researcher distributed 120 questionnaires out of which 100 samples were completely filled and effective to use. Data on demographic profile like age, gender, education, occupation were selected along with 48 Likert items. Stages of Change Model are used. The study was conducted during December 2017-January 2018 in Indore city. All 48 Likert items depicting social marketing benchmarks were considered as the dependent variable and various demographic factors like age, sex, occupation, education was considered as an independent variable. A Likert type item scale was used to measure social marketing benchmarks. Likert scale comprised of 5 points Likert scale from 1-5 with 1 as Strongly Agree, 2 as Agree, 3 Neutral, 4 Disagree and 5 as Strongly Disagree.

Tools for Data Analysis

Coding & Editing: Total 120 questionnaire were distributed, out of which 100 were received. The filled up questionnaire were screened for completeness and the ones in which the responses to all the statements are complete were selected for further processing. After that, all the responses were scored and tabulated in MS- Excel. Different Excel sheet was prepared to represent the responses of viewers on each variable. The analysis of collected data was carried out using MS Excel and statistical package for Social science (SPSS 22.0). The final scale subjected to Principal component method of factor analysis using varimax rotation.

5. RESULTS

The first phase of data analysis begun with establishing the reliability of the scale. To ensure the reliability of the constructs Cronbach's alpha test Cronbach(1951)was carried out using SPSS-22. The standardized Cronbach's alpha was found to be high at 0.943 which is fairly acceptable. In order to understand the internal consistency of the scale, Cronbach Alpha was calculated. Total 48 items were taken included in the test and the Cronbach Alpha shows high internal consistency of the scale. Individual Cronbach alpha of the items are given in table 1

Table 1: Factor Analysis Result

Factors	Name of Factors	Items	Cronbach Alpha	Factor Loads	Eigenvalue	% of variance
1	Competition	11	.866	.532	17.338	29.871
2	Product	08	.871	.644	3.980	8.272
3	Customer Orientation (Behaviour)	05	.890	.690	3.474	7.237
4	Promotion	05	.851	.714	2.546	5.303
5	Exchange	04	.824	.728	2.423	5.048
6	Insight	03	.815	.686	2.055	4.282
7	Place	03	.779	.676	1.792	3.734
8	Policies	03	.751	.669	1.497	3.118

The KMO and Bartlett's for factors is as follows:

Table 2: KMO and Bartletts Test Results

Factors	KMO	Bartletts Test of Sphericity	df	Sig
Factor 1:Competition	.803	222.335	55	.000
Factor 2: Product	.853	176.625	28	.000
Factor 3: Customer Orientation	.859	164.129	15	.000
Factor 4: Promotion	.694	98.837	6	.000
Factor 5: Exchange	.722	78.035	6	.000
Factor 6: Insight	.726	77.476	6	.000
Factor 7: Place	.660	43.192	3	.000
Factor 8: Policies	.696	35.293	3	.000

Descriptive statistics: Out of total sample size 34% were female and 66 % were male. 66% of the respondents were in the 18-34 range. Educational qualification of the respondents was 48% graduate,12% higher secondary,18% postgraduate and others included illiterate, primary and middle-level education.42% respondents were in service,14% business class,32% student.

Factor Analysis: As one of the main objective of the study was to develop a new set of benchmarks based on the Indian context so factor analysis was used to get the new set of factors based on the 48 Likert scale items. The communalities which show the variance of the variables were checked. The communality should be more than 0.5 to be taken into consideration. As all variable has the value of more than 0.5 so all variables were taken in factor analysis.

The principal component method was used as the extraction method under factor analysis. According to Kaiser, Eigenvalues are good criteria for determining factor. The factors were extracted based on Eigenvalues greater than 1 and the correlation matrix was used for analysis. The rotation method was Varimax Rotation with Kaiser Normalization As the overall idea of the rotation is to reduce the number of factors on which the variables under investigation have high loadings. A total of 13 factors were identified initially. Based on the correlation among various factors and item scale variables factors were grouped in 8 important factors. Four factors having only one Likert scale variable and one factor had 2 variables so they were discarded. So out of 13 factors obtained from factor analysis only 8 factors were taken into consideration having 42 Likert scale items having 66.887 cumulative variances. The highest percentage of variance shown by the first factor (29.871). 42 variables loaded to all 8 Factors display a high level of correlations among the group signifying the internal consistency

The first and most important factor which was extracted was named **Competition**, which shows the overall competing behaviour of the audience. The competition factor has 11 variables like competing behaviour, lifestyle related competition, accessibility to health services, availability of time and money for health behaviour change, addiction of unhealthy products, type of work one does etc and explains maximum variance 29.871%. The second factor was **Product** which has 8 variables like   funding of health programs, health program focus on behaviour change, marketing of health programs, information about health programs, etc   explains 8.27 variance similarly the third factor was **Customer orientation** has 5 variables such as family members advice, knowledge, self belief, community participation, etc explains 7.23 variance. The fourth factor identified was **Promotion**, having 5 items such as place of promotion for public health programs like sports events, use of health related information containing disease consequences, doctors' advice in health messages, positioning of message like saving money for society and

improvement in health status by changing health behaviour showing 5.30 variance. The fifth factor identified was **Exchange** explains 5.04 variance and includes 4 items like the use of financial incentives, accessibility to health services, and regular feedback on health behaviour. Sixth Factor named was **Insight** having 3 items like motivation with health related advertisement, use of health days for motivation, laws related to public health for public motivation and explains 4.28. variance similarly the seventh Factor was **Place** and has 3 items such as the use of door to door contact, use of health workers for health information and explains 3.74 variance. Finally, the eighth factor was **Policies** having 3 items such as integration of health component in clean India campaign, banning unhealthy products, and use of volunteers for health programs and explains 3.74 variances.

The factor analysis shows that in Indian context competition factors is one of the important factors and considerable effort should be given to these factors. The highest number of items (11) falls under these factors. Product factor has 8 items. The overall factor analysis shows that under Indian context 8 factors are most important for social marketing. These factors show the overall audience opinion on various aspects of social marketing. In Indian context Policies factor has emerged as a new benchmark which needs to be considered.

According to the stage of change theory model, Following segments have been identified:

1: No intention to change health behaviour (Precontemplation) (16%)

2: **C**onsidering a change in health-related behaviour in future (Contemplation) (20%)

3: After taking the decision to change health behavior, preparing (Preparation) (18%)

4: Currently engaged in changing health behaviour (Action) (28%)

5: Changed health-related behaviour for last 6 months(Maintenance) (12%)

6: Sorted out health problem by changing behaviour(Termination) (6%)

The findings suggest that the highest numbers of people (28%) are currently engaged in changing health behaviour i.e they are in the action stage. If proper direction and awareness are generated effective results can be seen. The findings also suggest that people are ready to change their behaviour if they have given proper information. Only 6 percent of respondents have sorted out their health related behaviour independently which suggest that more guidance and support is needed to change people behaviour.

Donovan and Owen have suggested various strategies based on stages of change. According to them at pre contemplation stage raising awareness of the issue and personal relevance should be the communication objective and mass media influence is highest at this stage. At the contemplation stage communication objective should be to increase personal relevance and building response efficacy. The mass media influence is moderate to high at this stage. At the preparation stage building self efficacy and reinforcing reasons for trial should be the communication objective and mass media influence is moderate at this stage. At the Action stage maintaining motivational and efficacy support should be communication objective and mass media influence is low**.** At the maintenance stage maintaining reasons for adoption should be communication objective and mass media influence is low.

As 28 percent of the respondents are currently in action stage so in order to have effective public health program strategy we need to focus more on maintaining the current health behaviour of the audience as well as motivational support should be provided to them from time to time. Motivational support can be in the form of providing them some benefits or incentives can be given. The media influence is low at this stage because people are already in the action stage and they are involved in behaviour change so the role of media is less at this stage.

It suggests that the specific strategies need to be made on the basis of stages of change of the audience and as this may differ from state to state district to district so local level strategies need to be developed based on the stage of behaviour change. If we consider the percentage of male and female in action stage 41 percentage of the female are there in the action stage while only 21 percent male is in the action stage. It means that more efforts are required for changing the behaviour of the male audience then females.

If we consider the age group then the highest number of people in the action stage is 35% belong to the 25-34 age group. Maximum efforts are required in 18-24 years age group as 31 percent of them are considering a change in health behaviour in future so mild efforts are required for youth. For them, communication objective should be increasing personal relevance and building response efficacy and more of mass media interventions are required to be focused on them.

55 Percent of self employed and 50 percent of labour class have no intention to change health behaviour at pre contemplation stage. For them, more of mass media influence is required and general awareness needs to increase among them regarding health related aspects.

6. DISCUSSION

The study identified key social marketing benchmarks that are useful in the Indian context in the social marketing of public health programs to effectively develop interventions for the public health program implementation. The study provides a framework of benchmarks combined with audience research and segmentation to target intervention based on audience current health behaviour. The study was conducted in order to develop a fair understanding of the public perception about the benchmarks for a greater understanding to develop effective interventions through social marketing. The study has used the National Social Marketing Centre, UK Benchmarks criteria for the development of Likert scale items.

Segmentation: As segmentation is an important benchmark for social marketing therefore to segment audience stage of change theory is used. Question related to their health related behaviour was asked at the beginning which helped in segmenting the audience. The audience segmentation based on the Prochaska stages of change model. The model says that individuals at the different stage will have different attitudes, beliefs and motivations, so different approaches and communication strategies are required at different level. This model is similar to marketing buyer readiness segmentation hence strategies vary based on the proportion of people falling in different segments. Respondents were segmented into 6 stages of behaviour change regarding their health.

Highest numbers of respondents were of the opinion that health information centers need to be established at the district level with a mean of 1.5. Advice from family members was considered good for health with a mean score of 1.68. The mean score for a ban on unhealthy products like tobacco and alcohol was 1.68. People were of the view that the clean India campaign needs to be integrated with public health programs. Many people do not consider the type of work they do as a barrier in their health and also do not consider their lifestyle as a barrier in their health.

Considering other social marketing benchmarks like behaviour change, maximum people strongly agree with the fact that advice from family members is good for health. Under Product benchmark maximum support was received for the fact that unhealthy products like tobacco and alcohol should be banned. Strong support was there to increase in tax on unhealthy products and providing financial incentives for changing health behaviour. People were quite neutral about enforcing with fine to change health behaviour. Regarding marketing mix, place element people supported the fact that health information centers needs to be established at the district level. The neutral response was collected from people for rewarding in public for changing health behaviour under exchange benchmark.

Regarding competition people do not consider the type of work they do as a barrier in their health.

7. CONCLUSION

The study identified that the major factor impacting the social marketing of public health programs is Competition in the Indian context which is composed of variables like competing behaviour, lifestyle related competition, accessibility to health services, availability of time and money for health behaviour change, addiction of unhealthy products, type of work one does, etc. Other factors extracted are Product, Customer Orientation (behavior), Promotion, Exchange, Insight, Place, and Policies. The overall factor analysis and audience segmentation approach using stage of change model shows that for effective public health program implementation in Indian context social marketing benchmarks can play an important role and these benchmarks can be used as a guiding tool for various health program design and implementation**.**

REFERENCES

- Andreasen, A. R. (2002). Marketing Social Marketing in the Social Change Marketplace, *Journal of Public Policy and Marketing,* 3-13.

- Andreasen, A. R. (1994). Social Marketing: Its Definition and Domain. *Journal of Public Policy & Marketing, 13*(1), 108-114.

- Andreasen A. R. (2003**).**The Life Trajectory of Social Marketing Some Implications. *Marketing Theory*, *3*(3), 293-303.

- Donovan, R.J. (2011).The role for marketing in public health change programs. *Australian Review of Public Affairs*, *10*(1), 23-40.

- Firestone, R. R., Cassandra, M., Shilpa, Sievers. D. (2017). The effectiveness of social marketing in global health, *Health Policy and Planning*, 32, 10-124.

- Jay, M. B. (2006).Improving Health through Health Marketing, Preventing Chronic Disease. *Public Health Research, Practice and Policy*,*3* (3), A73.

- Kati, V. (2017). The Role of Andreasen's Benchmark Framework in Finnish Social Marketing Interventions: a Finnish Case Study, *Bachelor Theses,* Aalto University.

- Kotler, P., & Zaltman, G. (1971**).** Social Marketing: An Approach to Planned Social Change'. *Journal of Marketing* [Online]. 35: 3-12.

- Kotler,P.(1969**).**Broadening the Concept of Marketing. *Journal of Marketing*, 33,10-15.

- Ministry of Health & Family Welfare GoI. (2015)**.** Assessment of Contraceptive Social Marketing. Retrieved from nrhm-mis.nic.in/PubOther_Publications/Assessment%20of%20Contraceptive%20Social%20Marketing%20Programme.pdf.

- Robinson, M., Audrey P. (2013). What are the key criteria that act as the predictors of success in a social marketing campaign? *Doctoral thesis*, University of Huddersfield.

- UK Department of Health. National Social Marketing Centre. (2007)**.**Big Pocket Guide to Social Marketing. Retrieved from https://www.thensmc.com/sites/default/files/Big_pocket_guide_2011.pdf

- UK Department of Health. National Social Marketing Centre.(2008). Some are more equal than others.

- UK Department of Health. National Social Marketing Centre.(2011). Healthy Foundation Lifestages Segmentation (Report No. 01). Retrieved from https://www.thensmc.com/sites/default/files/301846_HFLS%20Report%20No1_ACC.pdf.

- UK Department of Health. National Social Marketing Centre. (2009). Review of Social Marketing within Public Health Regional Settings. Retrieved fromhttps://thensmc.com/sites/default/files/Review_of_Social_Marketing_within_Public_Health_Regional_Settings.pdf.

- UK Department of Health. National Social Marketing Centre. (2008)**.**Effectively

Engaging People: Interviews with Social Marketing Experts.Retrieved from https://www.thensmc.com/resource/effectively-engaging-people-interviews-social-marketing-experts.

• UK Department of Health. National Social Marketing Centre. Social Marketing Benchmark Criteria. Retrieved from https://www.thensmc.com/sites/default/files/benchmark-criteria-090910.pdf.

• Walsh, D. C., Rudd, R.E., Moeykens, B.A.,& Moloney T.W.(1993). Social Marketing for public health. *Health Affairs*. *12*(2), 104-119.

• World Health Organization. (2012). Assessing National Capacity for the Prevention and Control of Non Communicable Diseases: Report of the 2010 Global Survey.

Online (eWOM) and Offline (WOM) Channel Evaluation by Indian Higher Education (HE) Students, for Choosing Business Administration Degree in the UK

Sandip Sanyal *

Dr. Manish Kumar **

ABSTRACT

This research work is undertaken to understand the phenomenon of WOM (word of mouth) and eWOM (electronic word of mouth) for Indian students applying for HE (higher education) business administration degree in the UK. The prevalence of individual level factors is affected by social media exposure in the modern world of communication. The study attempts to understand student decision making journey and the extent eWOM impacts the individual student's decisions, as they collect information from websites, friends, families, agencies, apart from online social media. The results depicted that in 'search phase' WOM impacted more than eWOM, but in 'choice set' stage eWOM has preferred channel that impacted their final decision on UK business administration course and UK university choice.

Keywords: eWOM, WOM, Higher Education, Indian student, UK Business Administration Courses

1. INTRODUCTION

The concept of word of mouth (WOM) communications has gained much prominence in the marketing world since the last decades (Daugherty and Hoffman, 2014). It refers to the exchange of information about products and/or services between consumers who could be friends and friends, relatives, neighbours, co-workers. WOM is considered to be more trustworthy and credible than advertising content posted by marketers on commercial sources (Litvin et al. 2008) (Wandel, 2008). Gupta and Harris (2010) stated that it the user generated content representing views, opinion, and suggestions by consumers, shows no interest in promoting a brand/product or its sale.

Background Context

The advent of internet and computers has revolutionised the aspect of the human interactions, and the WOM 'word of mouth' that existed in social circles, eclipsed to a new form called eWOM (electronic word of mouth) (Qui et al. 2012). Even though the practices are similar, the traditional form of WOM exists in the physical world of communication, while the eWOM requires an online digital (online) platform to exist and get disseminated. Lee and Youn (2009) argued that the unique facet of eWOM has expanded from the known human interactions towards unknown people (strangers) online, as long as their orientation towards an issue and preferences are similar. It has also led to C2C (consumer to consumer) communication interactions online, which has been embedded in various forms of social media technologies, fuelling the practice of eWOM to influence decisions (Li and Zhan, 2011).

* Research Scholar, ICFAI University Jharkhand, Ranchi. Email: sandysany@gmail.com

** Assistant Professor, F.M.S., ICFAI University Jharkhand, Ranchi
Email: manish.kumar@iujharkhand.edu.in, manish_fmsbhu@rediffmail.com

The above discussion when related to students as consumers, who tend to search HE (higher education) educational institutions (college, university), shows the intense information search process for pursuing HE courses in the foreign universities. Students as consumers are faced with similar dilemmas, as to which university they must choose, which courses to select, for pursuing HE, amidst the presence of others. The methods of obtaining information about foreign HE courses by students is twofold; with the universities using a physical model of advertising in newspapers, meeting prospective students in a career fair, and through third party agencies recruiting international students for specific courses in different universities. The second mode of information gathering process is through official university websites on the internet, use of social media, blog, discussion forums, which also include eWOM in social media (Ludwig et al. 2013). The usefulness of information to the student that aids in the final choice of destination for HE study, however, may vary, between verbal WOM and eWOM usage patterns. It is yet not known which sources are more credible in terms of making the right decision which this research study attempts to undertake. This may be crucial, as any decision made based on WOM, or eWOM communication is likely to impact the students' career. Therefore the current study aims to evaluate the impact of online (eWOM) and offline (WOM) channel that influences the final choice of HE universities of students in India for pursuing Business Administration degree in the UK.

2. LITERATURE REVIEW

Social media allows the users in a group with similar thoughts and preferences to share and collaborate in the form of opinions, reviews, and suggestions against the queries (Park et al. 2009). The use of 'word of mouth' in the social circle has gained popularity due to its power of being more trustworthy (Keller, 2007), as it is user generated and reflects un-biasedness (Allsop et al. 2007). WOM as an interaction tool helps to seek more information, form online communities (Brown et al. 2007), as the process helps to relate to the gaps in consumer's

perception, at pre-purchase information search phases. Moe and Schweidel (2012) pointed out that marketers missing out on providing information fuels consumers to communicate and Daugherty et al. (2008) argued that WOM has created a power shift from the marketers to the consumer's hands. WOM has led to the information search behaviour to reach next level from being passive to an active seeker of interactive opinions, while Huete-Alcocer (2017) stated the freedom to contribute of their own in social media network is also important. Therefore the marketer point of view of a unidirectional message to prospective students (universities advertising) against the consumers' side (students) eWOM (bi-directional communication flow), who use social media to state their experiences enjoy a higher level of trust. Seeking HE (higher education) as an aspiration shows students as consumers as they seek to pay for the university fees (Parrot and Tipton, 2010), It is a high value transaction as for many international students funding HE needs education loans (Mangan et al. 2010) which affects their final 'choice set' for course (degree), university, with additional set of decisions for living costs, transport, and food costs associated in final decision. To pursue their ambition, the students are likely to engage in extensive information search about their final choice that consists of factors discussed above.

Word of Mouth (WoM)

Word of mouth has been analysed in marketing management from the consumers' perspective, while the origin can be traced back the start of the civilisation, and in sociology discipline. It involves sharing of information (O'Reilly and Marx, 2011), face to face 'one to one' or 'one to many', 'many to one' equations which have a non-commercial motive embedded in it (Litvin et al., 2008). King et al. (2014) explained that it is an informal exchange of information between a communicator and receiver, to seek answers to query (obtain), or sharing experiences (share). The interpersonal exchange of information related to consumption experience has shown to impact the individual's decision making process, and have been particularly found to impact sectors like

tourism, hospitality. Though Daugherty and Hoffman (2014) argued that the importance of WOM is that, it does impact the personal state of beliefs and alters the individual's perception against the existing level of knowledge. Thus the WOM phenomenon in a social circle generally involves opinions, concern, review of a personal experience which a particular individual has more credibility and trust (Lee and Youn, 2009), due to past consumption experience which the other party has not. The aspect traditional WOM is slow, limited to a circle where physical face to face real time communication is possible and is a private face to face dialogue/conversation which has shown 'trust' to be generated as the information is shared across WOM. Kimmel and Kitchen (2014) stated WOM in low and high involvement products or services is important, as time and complexity to achieve a final decision differs in both the cases.

Earlier studies have shown links of buyer sellers' interaction at the point of sales, consumer opinions (who have already purchased) to positively impact the final decision, with particular emphasis on high risk purchase decisions (Mangold and Smith, 2012). For the students using word of mouth, with family, friends, neighbours, is a complex decision, however, it challenges the consumerism domination of marketing making WOM to stand out, due to credibility (Brown et al., 2007).

For Indian HE students pursuing aspiration of business administration degrees in the UK using word of mouth is natural as they want to evaluate the best possible options available for their intended behaviour of the final selection of a HE course and college. The prevalence of WOM for a given batch of students is closely linked to the direct or indirect exposure to events such as foreign education career fairs, agencies offering abroad education services, banks offering foreign education loan or newspaper advertisements for student recruitment reported by the candidate's reference groups.

Electronic Word of Mouth (eWoM)

eWOM (electronic word of mouth) is an expression of a former customer statement which can be either positive or negative, for a multitude of people through an electronic medium (internet, digital media, television media) (Peres et al. 2011). The rapid growth of digitalisation in the world has led education sector to state their presence through official websites for educational institutions, blogs or discussion boards, social media platform at the supply side (Abubakar and Ilkan, 2016). Changes in the consumer behaviour while using online platform with the advent of technology (Punj, 2013), adoption of technology gadgets, linking individual self to immediate reference groups (family, friends, colleagues, neighbours) has increased in different industry sectors. Students as consumers (demand side) are also using the online platform to enquire, express about the services (at pre-consumption and post-consumption) stages in the education sector. Thus, engaging in eWOM, for searching those gaps in the information about products or services shows the trust and intention towards online reviews (Sotiriadis and Van Zyl, 2013), which helps to deal with consumer's inability due to a gap in information at pre purchase decision stages(Yeh and Choi, 2011).

The eWOM phenomenon is based on ICT (information communication technology), unlike WOM which exists in the physical world and is faster method to use communication patterns that help to discover and satisfies the need of information search. However, online eWOM has strangers talking with strangers on similar issues, which impacts the credibility issue of information quality (Hussain et al., 2018). It diffuses the original purpose of communicating a message in a review shows user having consumed a product/service is sharing experience is more authentic (Filieri, 2015), which eWOM helps to spread into a much larger network of strangers and the motive of procuring eWOM through shared opinion, review fails to be controlled and diluted denigrating information quality (Spinelli, 2010). eWOM has speed, reach, real time as default structural characteristics, which however is directed eWOM to be effective in

terms of business and consumer interaction. Sotiriadis and Van Zyl (2013) however, argued that issue of trust and credibility is more certain as consumers previous experience is expressed through eWOM, and even use of Twitter (in text mode) is able to bring involvement.

The issue of eWOM in the foreign university education particularly in HE sector, is relevant as distance matters for international students, while the presence of the self advertisement channels or digital identities of educational organisations, official university websites to proclaim university attractiveness (Wilkins and Huisman, 2013), do not contain student experiences, reviews, ratings for the services received. This has led to emergence of third party university ranking (Dill and Soo, 2005) university rating websites (web-ometrics.info, timeshighereducation.com, QS World university rankings) which uses the user generated (by ex-students, alumni) eWOM in the online platform. While the university advertises its branded courses as products, projecting university as a brand (Chapleo, 2011), in a competitive education market; the students as consumers experience the university 'taught course' over a period of time by consuming services by paying a course fee (Oldfield and Baron, 2000).

The grey areas of information about the stay, teaching quality, campus life, which is the subjective experience of a student's life, is available through eWOM from ex-students (alumni) or from those who are currently pursuing their degrees. Students who are highly satisfied with university experience is likely to express positively through the use of eWOM (C2C) affecting the surrounding social network of HE degree international aspirants (Libai et al. 2010). While eWOM is easily accessible for users who have access to internet, computers, smartphones, it can be viewed by a multitude of people in any given time (one to many), making the information to be more open across social media networks. eWOM for students hence is important for sender and receiver exchange platform, as the anonymity factor related to experiences and sharing of critical consumed experiences, may have negative image affecting university perception for global students.

As a medium, there are more choices thousands of review and comparison websites, chat rooms, discussion forums, instant messaging, email which are different forms of communication channel which students as consumers use, trying to maximise search within known and unknown social networks. Therefore the rising importance of eWOM in international HE student aspirants is gaining grounds due to its higher information diffusion speed capabilities, across wider user based social media networks. The factors of sender-receiver privacy and information credibility that aids in information exchange process impacts the international student's final choices in selecting the right university and courses for HR study abroad.

Student Decision-Making Process:

The individual factors like personal choices, economic condition and social outlook with age form a key role in the final choice of HE university and course. Mangan et al. (2010) argued the socio-economic status which comprises of income, social status, and education helps the candidates to orient themselves towards the final decision of pursuing a foreign HE degree. However, the degree of usage of social media depends on individual orientation towards physical and digital divide, as (Hargittai & Hinnant, 2008) study reported that low education level tends to use social media for entertainment instead of obtaining credible information for the final decision regarding studies.

Using the 'uses and gratifications' frame-work by McQuail shows the use of personal identity, information availability, integration and social interaction in the traditional communication platform. The advent of digital media and social media network has rendered the power of the decision making process to be 'dynamic' and at the individual level (Dahlgren, 2013). The students belong to a larger part of the social network at their lifecycle stage, which helps to form a greater number of interaction links using poly media approach (Madianou and Miller, 2013). This helps to maximise the

procuring of information digitally, that labels the individualist factors and capabilities in their social circle. It also exhibits a systematic difference in using technology against their parent's generation of procuring information through WOM. Keller and Lehmann (2008) stated that new generation preference on social interaction with higher multiple exposures than physical exposure to obtain information for their social and psychological well being is a shift which will continue. From the consumer perspective, the 'purchase influence' of the information exchanged between the sender and the receiver impacts the latter's psychological level. Therefore, the decisions based on the social connections with strangers are perceived credible (Lim and Van Der Heide, 2014), as the unknown user in an extended social network, to the receiver appeals more. The university and the course selection criteria follows the process of (pre-disposition, search and choice) for a user, where, the seeker of knowledge is bound to be influenced equally by WOM or eWOM at different stages of the decision making process.

Hence, the influence of word of mouth in university choice for an individual is likely to be influenced by the least reliable, least influential and least important source over their family and friends (Parrot and Tipton, 2010). Linking it to MSD (media system dependency) theory that elaborates about the audience-media-society relationship, helps the individual to live in the world of connectedness, outside the family, neighbourhood network. Thus student's final decision making depends on the characteristics of sender, the message (information in itself) or opinion/review (Moe and Schweidel, 2012), and the noise factors like the situational issues, enduring involvement (difficulty in searching, lack of time and lack of information) that affects the channel choice characteristics (Wom and/or eWOM) for individuals. The process of advice giving and taking is an information exchange process and happens in multiple stages. The influencers like friends, family using WOM impacts individual level engagement towards a decision for the college search, though the student challenge with the length (time factor) impacts the individual searching strategies till

the final choice is made. Therefore it is evident that different search patterns help in final decision making as individual continually looks for new information (Pempek et al. 2009). Engagement in C2C communication in online communities sharing similar preferences is a need satisfaction which in the process adds value to the existing knowledge repository for evaluation (Sheldon et al. 2011) (Mangold and Smith, 2012). This is supported by the fact that educational institutions also have adopted social media marketing channels to influence the prospective students over the existing traditional form of advertisement, roadshows, agency based student enrolment, or participating in the 'study abroad' career fairs. Social media presence of the universities is an alternate channel that generates eWOM, supports the service encounters fulfilling the foreign student's online queries for their final choice of courses, institutions (college/ university). Mangan et al. (2010) stated that there is a prevalence of online third party university rating sites, forums, and discussion boards the fuel eWOM which states course fees, living cost that forms the fundamental contribution to the final decision making process. This is a multi stage criteria process as the choices to be made by the student.

The above discussion leads to the formation of hypothesis based on the gaps which exist for the Indian HE aspirants for business administration courses in the UK. The Independent Variable (IV) is word of mouth, identified as WOM (which is in person conversations with family, friends, neighbours, course counsellors, or college representatives visiting India), eWOM (is an online expression of positive or negative statements, reviews, opinions, ratings, suggestions). eWOM here is Facebook, LinkedIn, YouTube social media networking platforms used by Indian HE students and secondly the university rating discussion boards (forum) where ratings, reviews, opinions about universities, courses are posted and read online by individuals from all across the world. The importance of universities in the UK offering business administration courses with different

specialisation offerings attracts the prospective Indian student to undergo three phases described earlier. In many instances, the aspirant is bound to form a choice set while searching information, which consists of tuition fees, university location, hostel facilities, scholarship availability and forms the basis of final decision making criteria for course and university choice.

The dependent variable (DV) is the impact of the above, which the Indian HE aspirant for UK business administration courses, perceive and express in intensity.

- **H₁:** Indian students (aspiring for HE) perceive verbal WOM to be more effective than eWOM while making their final decision to choose a university for pursuing a BA in the UK

- **H₂:** Indian students (aspiring for HE) make significant use of eWOM for information search phase when faced with 'choice set' dilemma for pursuing business administration courses in the UK

And finally the third hypothesis,

- **H₃:** eWOM (on social media networking) is perceived to have greater influence as compared to online/review websites for Indian students' information search and choice of college for doing a BA course in the UK

3. RESEARCH METHODS

Data collection

Primary data in the current research was collected using quantitative data collection methods. Quantitative data can be collected through experiments, survey, questionnaire, and case studies. However, the most feasible method to collect voluminous data in a limited time period is a survey which was implemented in the current study. Survey is also cost effective, convenient and flexible method to collect data, and can be carried out using both, online and offline techniques. Therefore, the survey was conducted by distributing structured, closed ended questionnaires to 265

students enrolled with British Council Library in different cities of India, especially Kolkata, Delhi, Chennai, and Mumbai. The raw data obtained from 265 respondents in the survey was integrated with statistical software while trying to analyse the data, the theoretical studies carried out in the literature review was revisited and triangulated with the empirical findings. The questionnaire was distributed for three days in all the four centres where students prepare for HE admission activities for the UK.

Closed ended questionnaires helped to capture the response of students with regards to given options in the survey. The questionnaires were designed based on the concepts and variables studied in the literature review to test existing theoretical claims and assumptions. The purpose of the survey was to identify whether students in India considered information on online channels (eWOM) or offline channels (verbal WOM) to make their final decision in choosing a higher education university and a course in 'Business Administration' in the UK.

4. DATA ANALYSIS

The research applied the procedure randomisation on the Indian HE aspirants on the demographic variables and their differences in the variables- gender, age and applying for UK business administration courses. The chi-square obtained wanted to test if the sample of 265 data collected from British council library centres against the whole population had no significant difference in gender (male, female) and age. However, significant differences in the other variable - applying for UK business administration courses ($X^2 = 15.92$, df 1, $p < .05$), was found. The analytical procedure and results show that the students first search and then formed choice sets that used WOM, eWOM extensively. The rating scale used 5 scales - with neither agree or disagree (neutral) eliminated with strongly agree and agree collapsed, to 'agree', similarly strongly disagree and disagree collapsed into 'disagree'.

The test of hypothesis is carried out with the chi-square test to understand the differences in WOM and eWOM perception of Indian HE

aspirant students for business administration courses and college choice in the UK. The independent variables used are UK HE university choice process, type of social media, type of word of mouth for the first hypothesis.

The traditional WOM during university choice process to be influence over eWOM for pursuing business administration courses in the UK

Table 1: Chi-Square Test of perception of traditional WOM during university choice process to be influenced significantly over eWOM for pursuing UK business administration courses by Indian students

Item	Agree	Disagree	Total
(WOM) in-person conversations with friends, family, admission counsellors, college representatives	67.5% (N=179)	32.5% (N=86)	100% (N=265)
(eWOM) Online reviews in general	55.7%(N=117)	44.3%(N=93)	100%(N=210)

The second hypothesis that states Indian HE aspirant students use eWOM significantly more than WOM to narrow down their 'choice set' dilemma for selecting the business administration courses in the UK. In this case, the online eWOM usage during the 'search phase' and eWOM usage in 'choice set' phase is segregated. The question prompts used are "following sources of information that influenced my final decision to pursue business administration courses in UK" for search phase, while "sources of information which impacted my final decision to attend _____ UK university with _____ course to which my application was accepted". The chi-square results show a significant difference (X^2=36.07, df=1, p<.05) that suggests Indian HE students aspiring to pursue business administration courses was perceived highly important in search phase than 'choice set' phase.

Table 2: Chi-Square Test of eWOM for pursuing UK business administration courses by Indian students at search phase and choice set phase

Item	Agree	Disagree	Total
Online comments in UK university and course During search phase	67.5% (N=179)	32.5% (N=86)	100% (N=265)
Online comments in UK university and course During choice phase	55.7%(N=117)	44.3%(N=93)	100%(N=210)

The third hypothesis tests had two different Chi-square tests, the first one which had Indian students who have used third party UK university rating websites for university ranking, visited forums, visited discussion boards. This is to understand the degree of eWOM used during social media engagement during the search phase, exchange of information in social media platform like Facebook, LinkedIn, YouTube, and Google+. Another test was on eWOM consumed by replying in online social media platform during the online review of universities, online review of courses in business administration to narrow down their 'choiceset' criteria towards decisional finality. The results showed a significant difference with (X^2=108.50, df=1, p<0.5) in table 3,

Table 3: Chi-Square Test of eWOM used for pursuing UK business administration courses by Indian students at search phase

Item	Agree	Disagree	Total
Online comments posted to third party university rating/ reviewing websites online	79.8% (N=182)	20.2 (N=46)	100% (N=228)
Online review/ comments posted in Facebook university page, Linkdin, Google+	30.3%(N=61)	69.7%(N=93)	100%(N=201)

In table 4, the significant difference is predicted (X^2=14.20, df=1, p <.05) as shown below; it is evident that eWOM in the search phase by Indian HE aspirants in online reviews/ ratings/forum website have influenced them a higher degree. This result disproves the third hypothesis.

Table 4: Chi-Square Test of eWOM used for pursuing UK business administration courses by Indian students at choice phase Conclusion:

Item	Agree	Disagree	Total
Online comments posted to third party university rating/ reviewing websites online	51.6% (N=112)	48.4 (N=105)	100% (N=228)
Online review/ comments posted in Facebook university page, Linkdin, Google+	33.5%(N=63)	66.5 (N=125)	100%(N=201)

The above results interpretation show that eWOM during the UK university search is a dominant factor due to the presence of multiple channels (websites, review sites, ranking sites) of UK universities that affect the Indian student's perception as they seek information. The eWOM channel and information availability surpasses the one to one face to face traditional WOM channel, as it allows maintaining the real time connectivity much more online connections. Therefore, the involvement of the strangers in online social media websites, forums/discussion boards finds a steady audience from the Indian HE students aspiring for business administration courses in the UK. The eWOM prevalence offers more options as a channel while it provides in-depth reviews from students making the information availability to be credible for individual decision making 'choice set'. Thus it meets the MSD theory discussed above, as eWOM as a channel satisfies individual career goal, individual decision for pursuing HE in business administration in the UK. Though WOM exists in the UK university search process, eWOM makes a significant impact on the Indian student's trying to decide multiple factors (course, university choices). The high preference on eWOM with strangers over social media platform satisfied the university search behaviour goals as it is distinct in rendering credible information from students who have already consumed the services. It also challenges the previous notion of parental influence, university admission agents using WOM (Levitz, 2014), along with the open day (campus tours) which have been eclipsed with a more influential source eWOM, that is affecting the Indian HE students final decision for pursuing business administration courses in the UK. To simplify the complex choice set factors, the Indian students have maximised the reach factor in social media networking platform seeking specific information (gaps in current knowledge repository) through eWOM which is a strategy to increase penetration of their queries posted during search and choice set stages.

REFERENCES

- Abubakar, A. M., Ilkan, M., & Sahin, P. (2016). eWOM, eReferral and gender in the virtual community. *Marketing Intelligence & Planning*, 34(5), 692-710.

- Allsop, D. T., Bassett, B. R., & Hoskins, J. A. (2007). Word-of-mouth research: principles and applications. *Journal of advertising research*, 47(4), 398-411.

- Brown, J., Broderick, A. J., & Lee, N. (2007). Word of mouth communication within online communities: Conceptualizing the online social network. *Journal of interactive marketing,* 21(3), 2-20.

- Chapleo, C. (2011). Exploring rationales for branding a university: Should we be seeking to measure branding in UK universities?. *Journal of Brand Management*, 18(6), 411-422.

- Dahlgren, P. (Ed.). (2013). *Young citizens and new media: Learning for democratic participation*. Routledge.

- Daugherty, T., & Hoffman, E. (2014). eWOM and the importance of capturing consumer attention within social media. *Journal of Marketing Communications,* 20(1-2), 82-102.

- Daugherty, T., Eastin, M. S., & Bright, L. (2008). Exploring consumer motivations for creating user-generated content. *Journal of interactive advertising*, 8(2), 16-25.

- Dill, D. D., & Soo, M. (2005). Academic quality, league tables, and public policy: A cross-national analysis of university ranking systems. *Higher education*, 49(4), 495-533.

- Filieri, R. (2015). What makes online reviews helpful? A diagnosticity-adoption framework to explain informational and normative influences in e-WOM. *Journal of Business Research,* 68(6), 1261-1270.

- Gupta, P., & Harris, J. (2010). How e-WOM recommendations influence product consideration and quality of choice: A motivation to process information perspective. *Journal of Business Research,* 63(9-10), 1041-1049.

- Hargittai, E., & Hinnant, A. (2008). Digital inequality: Differences in young adults' use of the Internet. *Communication Research*, 35(5), 602-621.

- Huete-Alcocer, N. (2017). A literature review of word of mouth and electronic word of mouth: Implications for consumer behavior. *Frontiers in psychology*, 8, 1256.

- Hussain, S., Guangju, W., Jafar, R. M. S., Ilyas, Z., Mustafa, G., & Jianzhou, Y. (2018). Consumers' online information adoption behavior: Motives and antecedents of electronic word of mouth communications. *Computers in Human Behavior*, 80, 22-32.

- Kimmel, A. J., & Kitchen, P. J. (2014). WOM and social media: Presaging future directions for research and practice. *Journal of Marketing Communications*, 20(1-2), 5-20.

- King, R. A., Racherla, P., & Bush, V. D. (2014). What we know and don't know about online word-of-mouth: A review and synthesis of the literature. *Journal of interactive marketing,* 28(3), 167-183.

- Lee, M., & Youn, S. (2009). Electronic word of mouth (eWOM) How eWOM platforms influence consumer product judgement. *International Journal of Advertising*, 28(3), 473-499.

- Li, J., & Zhan, L. (2011). Online persuasion: How the written word drives WOM: Evidence from consumer-generated product reviews. *Journal of Advertising Research*, 51(1), 239-257.

- Libai, B., Bolton, R., Bügel, M. S., De Ruyter, K., Götz, O., Risselada, H., & Stephen, A. T. (2010). Customer-to-customer interactions: broadening the scope of word of mouth research. *Journal of service research,* 13(3), 267-282.

- Lim, Y. S., & Van Der Heide, B. (2014). Evaluating the wisdom of strangers: The perceived credibility of online consumer reviews on Yelp. *Journal of Computer-Mediated Communication,* 20(1), 67-82.

- Litvin, S. W., Goldsmith, R. E., & Pan, B. (2008). Electronic word-of-mouth in hospitality and tourism management. *Tourism Management,* 29(3), 458-468.

- Ludwig, S., De Ruyter, K., Friedman, M., Brüggen, E. C., Wetzels, M., & Pfann, G. (2013). More than words: The influence of affective content and linguistic style matches in online reviews on conversion rates. *Journal of Marketing*, 77(1), 87-103.

- Madianou, M., & Miller, D. (2013). Polymedia: Towards a new theory of digital media in interpersonal communication. *International Journal of Cultural Studies*, 16(2), 169-187.

- Mangan, J., Hughes, A., & Slack, K. (2010). Student finance, information and decision making. *Higher Education*, 60(5), 459-472.

- Mangold, W. G., & Smith, K. T. (2012). Selling to Millennials with online reviews. *Business Horizons,* 55(2), 141-153.

- Levitz, N. (2014). *E-expectations report.*

The Online Preferences of College.

- Moe, W. W., & Schweidel, D. A. (2012). Online product opinions: Incidence, evaluation, and evolution. *Marketing Science*, 31(3), 372-386.

- Oldfield, B. M., & Baron, S. (2000). Student perceptions of service quality in a UK university business and management faculty. *Quality Assurance in education,* 8(2), 85-95.

- O'Reilly, K., & Marx, S. (2011). How young, technical consumers assess online WOM credibility. *Qualitative Market Research: An International Journal*, 14(4), 330-359.

- Park, N., Kee, K. F., & Valenzuela, S. (2009). Being immersed in social networking environment: Facebook groups, uses and gratifications, and social outcomes. *CyberPsychology & Behavior,* 12(6), 729-733.

- Parrot, T. V., & Tipton, S. (2010). Using social media" smartly" in the admissions process. *College and University*, *86*(1), 51.

- Peres, R., Shachar, R., & Lovett, M. J. (2011), "On Brands and Word of Mouth", *MSI Report 11-111, Marketing Science Institute*, Cambridge, MA.

- Pempek, T. A., Yermolayeva, Y. A., & Calvert, S. L. (2009). College students' social networking experiences on Facebook. *Journal of applied developmental psychology*, 30(3), 227-238.

- Purnawirawan, N., Dens, N., & De Pelsmacker, P. (2012). Balance and sequence in online reviews: The wrap effect. *International Journal of Electronic Commerce*, 17(2), 71-98.

- Punj, G. N. (2013). Do consumers who conduct online research also post online reviews? A model of the relationship between online research and review posting behavior. *Marketing Letters*, 24(1), 97-108.

- Qiu, L., Pang, J., & Lim, K. H. (2012). Effects of conflicting aggregated rating on eWOM review credibility and diagnosticity: The moderating role of review valence. *Decision Support Systems*, 54(1), 631-643.

- Sheldon, K. M., Abad, N., & Hinsch, C. (2011). A two-process view of Facebook use and relatedness need-satisfaction: Disconnection drives use, and connection rewards it. *Journal of Personality and Social Psychology*, 100(4), 766.

- Sotiriadis, M. D., & Van Zyl, C. (2013). Electronic word-of-mouth and online reviews in tourism services: the use of twitter by tourists. *Electronic Commerce Research,* 13(1), 103-124.

- Spinelli, C. F. (2010). Social media: no 'friend' of personal privacy. *The Elon Journal of Undergraduate Research in Communications*, 1(2), 59-69.

- Wandel, T. L. (2008). Colleges and universities want to be your friend: Communicating via online social networking. *Planning for higher education*, 37(1), 35.

- Wilkins, S., & Huisman, J. (2013). Student evaluation of university image attractiveness and its impact on student attachment to international branch campuses. *Journal of Studies in International Education,* 17(5), 607-623.

- Yeh, Y. H., & Choi, S. M. (2011). MINI-lovers, maxi-mouths: An investigation of antecedents to eWOM intention among brand community members. *Journal of Marketing Communications,* 17(3), 145-162.

Doctors and Administrative Staffs' Perception towards Healthcare Services of Specialty Hospitals in Rajasthan

Prof. Maithili R.P. Singh *
Dr. Jugal Kishor **

ABSTRACT

This study examines the doctors and administrative staffs' perception toward the healthcare services and marketing strategies of specialty hospitals in Rajasthan. Since superior healthcare servicesarethe need of allindividual.Onthe contrary, if healthfacilitiesserved in a better way, thisshalllead to patients' satisfaction level. Subsequently,it will result from buildingtherightbrand imageof the hospital in society.Effective marketing of healthcare services urges an athletic association between healthcare service providers and customers. Notwithstanding, it is requisite to stretchattention to the features that stimulate bothqualities of healthcare and specialty hospitals' performance. The scenario thus emphasizes that the hospital can be flourishedwith effective marketing strategies of thehealthcare services which can diagnosethe patient's needs, followed by the decision incorporated by the administration based on the patients' requirement.

Keywords: Healthcare, Healthcare Marketing, Perception, Specialty hospital

1. INTRODUCTION

Considering the extensive studies on marketing, it is observed that marketing is the practice of creating and communicating perceivable transformations concerning the competitors (Flemming.et al. 1999). In a healthcare context, some of the differentiating variables emerged and weighted traditional marketing characteristics. The various studies conducted on the healthcare services marketing demonstrated the unique nature of marketing in this parlance. Marketing in healthcare services tends to be governing the demand for care.

Furthermore, marketing practices in the hospital must focus on nurturing characteristics such as the quality of the healthcare services in every possible way. In this vibrant environment, every hospital is expected to be more focused on strengthening the bunch of healthcare services benefits such as time, access, convenient, and locational advantages. These distinctive factors are now considered to be patients' criteria to select a hospital and its healthcare services to access. Healthcare service providers stress on promoting the optimized usage of healthcare services, generating cost-efficient actions, and nurturing society's health awareness.

Marketing strategies are subject to the contextin which any healthcare service provider is specifically surrounded.In accordance with the premises, explanation of marketing in broadened to incorporate all forms of activities to support the hospitals in promoting their services, dissecting the healthcare services to target at numerous client segments. It is a quite ambiguous association in a competitive field, where different hospitals may practice the same or different marketing strategies. It is

* Professor and Head, Department of Management, Central University of Rajasthan

**Assistant Professor, Department of Management, Central University of Rajasthan

undoubtedly a wide-ranging concept has to be optimized to assist hospitals in the course of incorporating marketing practices.

In the previous twenty years,the hospital industry has been furnished thoroughly with international level infrastructure, modern technology, and international doctors to undergo high-level practices.With the advent of modality and comprehensive range treatment of cancer, cardiac disease, organ transplantation, and treatment of all type of the disease are offered through advanced diagnostic services. Up- surged in the skilled medical staff, maintaining the quality with the switching requirement of the patients, additional finance, the regular development of the technology, and countrywide or mainly international accreditation is obligatory for more development in the health care services.

Hospitals offerservices from patients' perspectiveby means of collecting feedback, relevant informationfor further enhancement in quality. Many authors contended that specialty hospitals are recognized in the society for their excellence of treatment and exquisiteme-asurescorresponding to neurosurgery, cancer, cardiac, orthopedic, and organ transplant. In this current lifestyle, patients' number is growing over a period. Moreover, inflow in the number of patients can be cured by optimizing the existing capacity of the hospitals. Not with standing, additional interplanetary, infrast-ructure, accommodation, and supplementary apparatus must be required, along with the same line, more finance will be required to curing patients.

Charitable and private hospitals promote their offerings and spend a standardfiveout of a hundred of their funds on the promotion of their services, underneathas no fund provision for promotionin government hospitals, they do not spend on the promotion. With the inclusion of large business communities in the health care segment, big corporate hospitals have established, flourishing new dimension to the prevailing competition.

Marketing defined as a business practice that recognizes the unidentified needs and wants

of the society, outline and analyzes the magnitude of customer expectations. Furthermore, it helps the organization to decide and select recognized market places the enterprise can attend healthier. In recent time, marketing urge to envisaged enterprises' offerings, services, and experiences to assist society. Market-ingencompasses the societal and decision-making processes which make people exchange the offerings and values to accomplish their expectations (Kotler, 1990).

Marketing integration in the healthcare sector started in the early era of the 50s. Series of arguments, moral and ethical facets accom-panied marketing practices in this sector. Furthermore, hospital offerings were implied as well as confronted the exertion for an accurate man date. The insufficient reach in the society, data access, a conventional process for the price setting and the third party payer involvement were some of the rationals for inadequate marketing practices(Radulescu, Cetina& Orzan, 2009).

Hospital marketing is considered to be a specialized arena of marketing that pacts with concerning patients, hospitals, and physicians. In the current scenario, hospital marketing is given more importance than earlier time to confirm the long-standingfeasibility of hospitals on the local as well as international level and to provide the best quality of personal health care. Since India is in the nascent eraconcerning the marketing of hospital services. Subsequently, hospitals incorporating marketing as a field for creating sales instead of as a means of generating awareness of the services offered by the hospitals in society (Nagar, 2007).

Patients are the ultimate customer of healthcare service organizations. The current scenario has changed due to the patients' demand for quality care. Numerous health care hospitals are entering in the hospital industry due to the variegated expectation of the patients and up-surged demand of the health care services. Consequently, marketing requirement has amplified for the hospitals to identify, communicate, deliver, and to exchange the

offerings to the customers. As the advent of the new healthcare providers, the service gap hasdecreased for some segment of the patients' paying capacity (Nagar, 2007)

The above discussion envisaged that-numerous factors make marketing strategy efficient and worthful. These factors, specifically in the healthcare segment, are considered to be as service leadership, technology leadership, price orientation, promotion orientation, marketing budgeting, and patient relationship teams. The scenario thus encompasses all types of variables assisting the hospital in optimizing the healthcare services.

Although, over the last few years, the buzz about the contribution of marketing strategies based on the above-discussed variables incorporated as key to upsurge the performance of the hospital.

2. LITERATURE REVIEW

In recent time, the healthcare sector phenomenon has been transformed due to the importance of economic, demographic, and regularity modifications. Consequently, numerous hospitals tend to adopt marketing practices to sustain in the industry (Malhotra, 1986). Finance apportionment for marketing practices for the hospital is considered to be a key element to make hospital adopt specific marketing strategies (Stieber, 1986)

In the early stage of the service life cycle, each hospital requires enough share of cognizance in the society and the hospital's specific field of specialization. Furthermore, variegated forms of promotion urge society to perceivethe hospital's services. Since many studies revealed that required finance must be allocated to each promotion activity to upsurge the awareness of the hospital's services in the society. To serve the existing patients of the hospitals, developing a healthy association with the doctors by means of facilitating them with required facilities for the shake of good quality of services to the patients (Flora June A, Lefebvre R (1988)

Sturn (1989) suggested that the hospital industry must allocate a marketing budget to the hospital at a growing pace over a period. Furthermore, the author argued that hospitals could escalate the reach of the hospital's services in the society by optimizing the marketing activities of the hospital, which finally last in good market share. Random facts of the hospital urge people to authenticate the level of quality of the offerings served by the hospitals (De Jaegher K, Jegers M, 2000). Furthermore, the author recommended that advertising of the services may stimulate the reach of the hospital's services in the society that may attract numerous customers to the hospital.

In the observational research, authors investigated the marketing tracking practices to explore the healthcare services offered by the hospital (Agnes jarlier & Suzanecharvert-protat, 2000). Their work revealed that mainstream hospitals were engaged in doing tie-ups with corporate, and trade tie-ups to promote the healthcare services provided by the hospitals.Notwithstanding, to accomplishthe optimal qualityof the services, the hospital must design effective advertising and optimized price strategies (Montefiori (2008).

Alrubaiee, Laith, and FerasAlkaaida (2011) envisaged that quality is one of the essential determinants to measure satisfaction as well as trust. Authors argued that the quality of healthcare services provided by the hospitals urge patients to be satisfied to repeat the visit frequently. Furthermore, the authors recommended that the SERVQUAL model can be a tool to recognize other variables that may impel customers' level of satisfaction for accessing offerings.Gangopadhyay, S., &Bandopadhyay, P. (2012) recommended the practice of marketing activities in the hospital to sustain in the present competitive industry. In India, due to the competitive and flourishing opportunity hospital sector is given priority over the period.

Kevin D Dayaratna, (2013) investigated that hospitals were inclined to offer high-level quality services to the society at minimum charges. The author argued that the hospitals within the rim of their capacity were liable to

provide health benefits to society using optimized marketing practices.Bobeica Ana Amaria (2013) portrayed the effect of marketing activities practiced in the hospital on the maximizing the reach of the hospital in the society. Furthermore, based onAmaria's research findings, one can recommend the marketing practices used in the hospital urge to assure customers' level of satisfaction regarding the services rendered.

Rajabipoor-Meybodiet al., (2009) portrayed in their work referring to patients' level of satisfaction regarding the hospitals' services. They rendered that to sustain a hospital in the industry; one has to stress on the patients' satisfaction level toward the services provided by the hospital.

Gronroos (2007) embraced the authenticity of the service quality dimensions, which are base to harvest reliable and standardize services. Nevertheless, service sectors are expected to provide quality services at optimized prices. Hence, it tends to create a different scenario for a hospital administrator to focus on all variables which are responsible for upsurging the service quality. Bjorngaardet al. *(*2007) described the distinguished perception of patients as well as administrators toward service quality offered by the hospitals. Authors further argued that both patients and administrator's perception are similarly significant to evaluate service quality thoroughly. In contrast to rising technology, hospitals are supposed to incorporate modern, competent, and scientific management tools to maintain the sustain ability of the services (Douglas and Judge, 2001).

Under the right circumstances, the use of advanced management techniques through mechanical as well as human personal leads to high patients' satisfaction. Cheng Lim and Tang, (2000) portrayed that human resource of the hospital is key in the success of a hospital in the industry provided it canidentify the hierarchy of the preferences of the patients regarding the services offered by the hospital.

It is evident that for any hospital patients are most essential customers. For the success of the hospital, administrators of the hospital should take decisions and formulate strategies based on the patients' requirements. Administrators of the hospital must imply numerous management techniques to identify the preferences of the patients toward the offerings of the hospital. So far, these management methods tend to assist the administration of the hospital in policy framing and up-surging the service quality.

The scenario thus emphasis that numerous factors are responsible for creating and estimating the hospitals' service quality and for measuring patients'satisfaction level(Mina Bahrampour. et al., 2018).Furthermore, the authors suggested that physical presence is a crucial priority factor to measure patients' satisfaction level. Further, cleanliness, post-discharge training, hospital staff devotion, and admission waiting time were other factors to measure the patients'satisfaction level.

3. RESEARCH METHODOLOGY

Hypotheses development:

The above literature insights assist researchers in framing the hypotheses enumerated below:

- H1: Marketing strategy of the hospital contribute to offering quality healthcare services to the patients.

- H2: Doctors and Administrators of the hospital give equal weight to the marketing strategy of the hospital to serve quality healthcare services to the patients.

Sample Size And Sampling Technique:

A sample size of 125 respondents was chosen for this study, keeping in mind the average size of samples used by other researchers in similar studies. A total of 25 administrators of the hospitals and 100 doctors were contacted in the cities viz Jaipur, Ajmer, Jodhpur, Udaipur, Kota, Bikaner in Rajasthan state to fill the self-framed questionnaire. Convenience sampling technique was adopted to select the target respondents. Convenience sampling is deemed as suitable because the objective of this study is not to explore point and

interval estimates of the variables, but to explore the relationships among the variables. The criterion of inclusion in this study is the local in-respondents who have been the authority to frame the healthcare services and marketing strategies at the private as well as government healthcare units.

Data Collection:

Prior to the data collection, the question-naire development process started with a qualitative analysis of the subject to setup an insight that was important to the study. Afterward, a self-administered questionnaire was framed based on the required variables of interest. Researchers framed the questionnaire on the ground of a comprehensive review of healthcare services and marketing strategies-oriented studies in hospitals. Five-point Likert scale used in relevant studies was administered to collect the responses of the respondents.

Before administering the questionnaire, respondents were demonstrated the meaning and significance of the scale and each item used in the questionnaire to collect the responses.

4. DATA ANALYSIS

A data collection instrument is reliable to collect the data if it produces a consistent outcome. Therefore, internal consistency and reliability of the questionnaire were tested using Cronbach's alpha. The Cronbach's alpha estimated .88 that validate the consistency of the responses collected through the questionnaire. The table-1 enumerated below represent the doctors' participation in the study from six major cities in the Rajasthan. The rationale behind selecting these cities was the availability of the multispecialty hospital in these big cities of the Rajasthan.

Table 1: Doctors Representation City Wise

	Frequency	Percent	Valid Percent	Cumulative Percent
Jaipur	40	40.0	40.0	40.0
Jodhpur	12	12.0	12.0	52.0
Udaipur	12	12.0	12.0	64.0
Ajmer	12	12.0	12.0	76.0
Kota	12	12.0	12.0	88.0
Bikaner	12	12.0	12.0	100.0
Total	100	100.0	100.0	

(Source: Primary data)

The following table-2 demonstrate the administrative staffs' participation in the study from six major cities in the Rajasthan.

Table 2: Administration Representation City Wise

	Frequency	Percent	Valid Percent	Cumulative Percent
Jaipur	10	40.0	40.0	40.0
Jodhpur	3	12.0	12.0	52.0
Udaipur	3	12.0	12.0	64.0
Ajmer	3	12.0	12.0	76.0

Kota	3	12.0	12.0	88.0
Bikaner	3	12.0	12.0	100.0
Total	25	100.0	100.0	

Source: Primary data

Hypotheses Testing:

In order to test the proposed hypothesis1 linear regression analysis was incorporated to analyze the influence of marketing strategies in offering quality healthcare services. In this operation, marketing strategy is the independent variable and healthcare service as a dependent variable. Results estimates (Table-3) depicts that F-value observed to be111.86 at1% (p=.025) significance level and regression coefficient is .624 indicates 62.4% variation explained in offering quality healthcare service. The likely scenario thus emphasis to accept the proposed hypothesis.

Table 3: Regression & ANOV A Result

	Sum of squares	Df	Mean Square	F-value	p-value	R^2
Regression	88.37	1	88.37			
Residual	98.02	123	0.79	111.86	.025	.624
Total	186.39	124				

(Source: Primary data)

In order to test the hypothesis2 independent T-test was applied to check the perception variation between doctors and administrators towards the contribution of marketing strategies in building quality healthcare services. Test result (Table-4) depicts that doctors and administrators of the hospital given the equal weight to the proposed relationship between marketing strategies and healthcare services. It is observed from the data evidence which estimated the test value 1.173 at 1% (p=.033) significance value. The scenario thus impels researchers to accept the proposed hypothesis.

Table 4 : Independent T-test

Test value	d. f.	p-value
1.173	123	.033

(Source: Primary data)

It indicates that there was a similar point of perception between doctors and administrators toward the contribution of marketing strategies in building good quality healthcare services to the patients.

5. CONCLUSION

This research tried to analyze the perception of the doctors and administrators toward marketing strategies and its impact in offering quality healthcare services to the patients. Since healthcare organizations and authorities tend to face significant pressure on numerous variables viz superior performance, low-cost treatment, affordable services, and focused diseases. Consequently, the system is expected to redesign and manage the competition in the industry. The current study insights into the healthcare service provider to optimize marketing strategies in offering quality healthcare services.

To escape the many parables in respect of healthcare context, where after two decades of the existence of marketing and marketing practices as public relation, now its high time for healthcare service providers to accurately outline the direction and goal of the marketing function. This research provides a framework for potential recognition and action and bringing up the peculiarities in the context of healthcare services. The results emphasise on the marketing practices in the hospitals which stress the hospital's part in recognizing, analyzing, listing priorities, and serving the

health needs of society.

The research outcome stress that in healthcare parlance, focus on marketing strategies to optimize healthcare services remains a crucial task, that must not expect to raise the demand and profit.Healthcare appropriateness and hospital quality are the essential elements to mandate healthcare services, and hospitals must incorporate marketing practices for the welfare of society.

On the healthcare service provider side, marketing practices urge each hospital in identifying its specific target patients and societal health requirements, explore its significance in serving what society depicts appropriate needs, and explain the most appropriate and sustainable ways to serve society.

Scope For Future Research:

Several implications emerged for healthcare services from the issues discussed in this research paper. Technical competency such as marketing knowledge is one of the critical characteristics to cater the healthcare marketing. It is evident from the current research that it is undoubtedly clear that traditional competency ability such as promotion is no longer sufficient to optimize the healthcare marketing and what new competency ability will provide a relevant contribution in healthcare services is undoubtedly scope of further research.

REFERENCES

- Alrubaiee, L., &Alkaa'ida, F. (2011). The mediating effect of patient satisfaction in the patients' perceptions of healthcare quality-patient trust relationship. *International Journal of Marketing Studies*, *3*(1), 103.

- Amaria, B. A. (2013). Marketing Planning in Healthcare Industry. *Marketing*, *1009*, 30.

- Bjorngaard, J. H., Ruud, T., Garratt, A., &Hatling, T. (2007). Patients' experiences and clinicians' ratings of the quality of outpatient teams in psychiatric care units in Norway. *Psychiatric Services*, *58*(8), 1102-1107.

- Cheng Lim, P., & Tang, N. K. (2000). A study of patients' expectations and satisfaction in Singapore hospitals. *International journal of health care quality assurance*, *13*(7), 290-299.

- Craig Lefebvre, R., & Flora, J. A. (1988). Social marketing and public health intervention. *Health education quarterly*, *15*(3), 299-315.

- Dayaratna, K. (2013). Competitive markets in health care: the next revolution. *Backgrounder*, *2833*(August), 1-16.

- De Jaegher, K., &Jegers, M. (2000). A model of physician behaviour with demand inducement. *Journal of Health Economics*, *19*(2), 231-258.

- Douglas, T. J., & Judge Jr, W. Q. (2001). Total quality management implementation and competitive advantage: the role of structural control and exploration. *Academy of Management journal*, *44*(1), 158-169.

- Fleming, K., Short, M., & Warren, W. E. (1999). The marketing function in managed care systems. *Health marketing quarterly*, *17*(2), 43-54.

- Gronroos, C. (2007). *Service management and marketing: customer management in service competition*. John Wiley & Sons.

- Gangopadhyay, S., &Bandopadhyay, P. (2012). Hospital Advertising: Myth or Reality?. *Indian Journal of Marketing*, *42*(6), 47-52.

- Harrison, M., Rigby, D., Vass, C., Flynn, T., Louviere, J., & Payne, K. (2014). Risk as an attribute in discrete choice experiments: a systematic review of the literature. *The Patient-Patient-Centered Outcomes Research*, *7*(2), 151-170.

- Jarlier, A., &Charvet-Protat, S. (2000). Can improving quality decrease hospital costs?. *International Journal for Quality in Health Care*, *12*(2), 125-131.

- Montefiori, M. (2008). Information vs advertising in the market for hospital care. *International journal of health care finance*

and economics, *8*(3), 145-162.

- Malhotra, N. K. (1986). Hospital marketing in the changing health care environment. *Journal of health care marketing*, *6*(3), 37.

- Bahrampour, M., Bahrampour, A., Amiresmaili, M., &Barouni, M. (2018). Hospital service quality–patient preferences–a discrete choice experiment. *International Journal of Health Care Quality Assurance*, *31*(7), 676-683.

- RajabipoorMeybodi, A. R., T Meybodi, R., & Farid, D. (2010). Evaluation of remedial services quality of hospitals by using Servqual scale (Case study: Educating hospitals dependence to medicine University of Yazd). *The Journal of Urmia Nursing and Midwifery Faculty*, *7*(4), 224-232.

- Palm, K. S. (1987). Hospitals should devote more time, money to marketing before gauging results--survey.

- Steiber, S. R. (1986). $1.1 billion spent on hospital marketing in 1986. *Hospitals*, *60*(22), 64.

- Sturm, J. A. (1989). Cutting marketing during recession can brew trouble. *Modern healthcare*, *19*(19), 28-28.

India's Export: An Analysis of Directional Change using Regional Hirschman Index (RHI) and Trade Intensity Index

Dr. M Rashid Malik *
Prof M.H. Sharieff **

Abstract

Exports play a key role in the economic development of a country. In an open economy, exports serve as an engine to accelerate economic growth. Exports have acquired a special significance in the Indian economy particularly after liberalization. This paper studies the change in direction of exports from India to various countries and regions. This study is based on secondary data. Regional Hirschman Index (RHI) used to identify concentration or diversification of India's exports, and Trade Intensity Index (T) to analyze trade intensity and export potential achieved with a specific region.

Keywords: Exports, Regional Hirschman Index, Trade Intensity Index.

1. INTRODUCTION

Economists Adam Smith and David Ricardo consider international trade as an engine of economic growth. Exports' sector serves as a catalyst agent in sustaining and accelerating economic growth (Aggarwal, 1982). Exports play a very significant role in economic development by generating surplus for investments and financing of essential imports. For any developing country, exports have special importance as they generate employment and accelerate economic activity and earn foreign exchange to import capital goods to undertake manufacturing activities for domestic consumption. The rate of economic growth in developing economies largely depends on the potential and capacity a country can expand its exports.

Countries in South-East Asia and China accelerated their economic growth largely by building their export capacities and by exploiting access to world markets through exports. Thus, it is evident that exports are an important factor for the growth of developing economies and for employment sustenance in developed economies.

Countries trying to promote growth, ignoring export may succeed in the short-run, but can-not sustain growth over a long period of time Sahni (2014). Export intensity and direction can be enhanced and improved by export diversification. Export diversification can help a country to grow rapidly. Export diversification is not only a positive trade objective in sustaining economic growth Brenton *et al*. (2007) but a pre-requisite for economic growth (Economic Commission for Africa, 2007). Export diversification can build

* Assistant Professor, School of Business Studies & Entrepreneurship, Shobhit University, Gangoh (Saharanpur)-247341.
  e-mail:- malikrashid@fmsbhu.ac.in
** Former Professor of Strategy & IB, IFIM Business School, Bangalore.

resilience to external economic shocks (Siope *et al.*,2012). Delgado (1995) in his study in African countries found that diversifying the agricultural export and the economy across sectors was central to the long-term growth strategies. Imbs and Wacziarg (2003) found that the diversification is a two-stage process in which growth in early stages of development is accompanied by diversification, and a turning point comes when the trend reverses toward increasing specialization. Imbs and Wacziarg's (2003) relationship was later examined and found relevant for developing countries by Cadot *et al.* (2008).

Hausmann *et al.* (2007) proposed export sophistication as a measure for growth and argued that future growth is significantly influenced by current export sophistication. Countries which export products of lesser sophistication than those with comparable incomes will grow more slowly unless they export more sophisticated goods. Export sophistication is basically referred to the diversification of exports into new products and usually with higher value-added. Export diversification is deeply connected to the growth dynamics (UNECA and AUC, 2007, 2011; Karingi and Spence, 2011). Brenton et al. (2007) articulated a convincing case for low income countries to focus on greater differentiation of existing products than to diversify directly into new export categories. Export growth is more dominated by intensifying trade in existing products than to undertaking new export activities (Pacheco and Pierola, 2008; Brenton and Newfarmer, 2009).

After independence in 1947, the major concern of the Indian government was to restrict the imports to reduce the trade deficit, saving foreign exchange for import of capital goods and protection of domestic industries from foreign competition. In other words, the policy of import substitution was adopted. The export promotion was neglected. The ultimate result was skewed development and negligible exports. India faced the foreign exchange reserve crisis in 1991 and its impact forced the Government of India to introduce the policy of economic liberalization. Trade reforms were an integral part of the overall structural reform (RBI, 2001-02). Emphasis was also laid on the promotion of exports. Since 1991, the promotion of exports became an integral part of industrial and development policy. Globalization, creation of the World Trade Organization and trade policy reforms focusing on liberalization, openness, transparency, and digitization have provided an export friendly environment with the simplified procedure for trade facilitation. Access to foreign markets is a key factor in increasing the export of a country. Foreign market access enhances the foreign market potential of a country. Economic liberalization coupled with globalization at that time helped Indian enterprises to access foreign markets and enhance its export potential. With a view to tap and to facilitate access to new markets, government of India launched several export trade promotion schemes such as Focus Market Scheme (FMS), Focus Product Scheme (FPS), Market Linked Focus Product Scheme (MLFPS), Market Development Assistance (MDA), and India Brand Equity Fund (IBEF) in the year 2006. All these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) in the Foreign Trade Policy 2015-2020. This paper is an attempt to study the changes in the direction of exports from India to various countries.

2. RESEARCH METHODOLOGY

The study analyses secondary data which is collected from several national and international databases viz. Ministry of Commerce (Government of India), Director General of Commercial Intelligence and Statistics (DGCI&S), Reserve Bank of India, World Trade Organization (WTO) among others. Time series data available from validated, largely government sources was adopted for analysis. Only total export figures in USD have been taken. No further break up of data on a basket of goods was considered since analysis is based on total export trade of India with other regional economic groupings like ASEAN, EU, etc. Data series of 2001-02 and 2015-16 were used for comparison and analysis purposes. Specialized indices viz. Regional

(Harfindah) Hirschman Index (RHI), Siope *et. al*. (2012) and Trade Intensity Index (T) were applied to measure the market concentration or diversification and intensity of India's export markets respectively. Export market diversification and export product diversification are two well- known forms of export diversification. We studied export market diversification since geographic or market diversification is more important than product diversification, particularly for developing countries (Pacheco and Pierola, 2008).

3. OBJECTIVES

- To examine the diversification in India's exports to different regions.

- To analyze the changes in the direction of India's exports.

- To study the magnitude of changes that have taken place with respect to the share of India's exports to different regions.

4. DATA ANALYSIS

4.1 Trends in India's Exports

Indian exports averaged USD 4641.91 Million from 1957 to 2016. India's share in total world exports stood at 1.69 in 2015. India's share of world exports declined from a peak of 1.7% in 2014 to 1.6% in 2016 though some advanced economies and peer developing economies and emerging markets have gained share. This suggests that factors like the rising protectionism and incidence of competitive depreciation might have affected the Indian export performance as depressed global demand is common to all exporting countries RBI (2016). Foreign Trade Policy 2015-20 aims to double India's exports share in global exports by 2020.

4.2 Direction of India's Exports

The direction of exports refers to the relative share of various countries or regions in a country's exports. Not just the composition of India's exports has undergone substantial change, but there has been marked a change in the relative share of Indian exports to various countries and regions signifying the new emerging economic relationship. The direction of trade moving towards developing countries, particularly Asia, Africa and Latin American Countries (LAC) was significant. Share of Asia, Africa, and Latin American Countries as a region in India's exports increased from 57% in FY 2006 to 63% in FY 2016.

Table 1: Directional Change in India's Export over the period 2001-02 to 2015-16 (USD Millions)

Regions	2001-02	2015-16	Directional Change(%)
EU (European Union)	10,155.37	44,510.69	338
North America	9,335.61	45,200.73	384
Latin America	751.95	7,530.76	901
ASEAN (Association of Southeast Asian Nations)	3,457.01	25,195.44	629
GCC (Gulf Council of Countries)	3,798.06	41,697.74	379
South Asia	2,050.38	18,176.9	787
SACU (Sothern African Custom Union)	369.02	3,804.73	931
EFTA (European Free Trade Association)	468.62	1543.46	229

| Africa | 2886.64 | 25023.29 | 767 |
| Asia | 13790.03 | 127595.4 | 825 |

It is evident from the table-1 that export to Europe and North America grew only 3.38 and 3.84 times during the period 2001-02 to 2015-16. Similarly, exports to EFTA and GCC also grew marginally 2.29 and 3.79 respectively during the same period. While exports to SACU and Latin America grew spectacularly 9.31 and 9.01 respectively. In the same way, they grew very fast to Asian Countries 8.25 followed by South Asia region 7.87, Africa by 7.67 and ASEAN by 6.29 during the same period.

4.3 Measure of export market concentration vis a vis diversification

Export diversification is the change in the composition of a country's existing export product -mix or export destinations. Export diversification strategy strengthens the country's exports and enables the country to achieve its export potentials. To measure the export market diversification, Regional Hirschman Index (RHI) was used as a standard tool. This index helps to find whether a country's exports are diversifying to new markets and if so, to what extent (Ph.D. Chamber; Siope *et. al*. 2012)). It is calculated as:

- RHI = sqrt [sum (xi / Xt)^2]

- Where, RHI - Regional Hirschman Index

- xi - Exports to the country I

- Xt - Total exports of the country

The highest possible value of market concentration/diversification index (RHI) is 1. This occurs when

total exports are made to only one market.

Table 2: RHI Values

Region	2001-02	2015-16
EU (European Union)	0.23172	0.16987
North America	0.21301	0.17250
Latin America	0.01716	0.02874
ASEAN (Association of Southeast Asian Nations)	0.07888	0.09615
GCC (Gulf Council of Countries)	0.08666	0.15913
South Asia	0.04678	0.06937
SACU (Sothern African Custom Union)	0.00842	0.01452
EFTA (European Free Trade Association)	0.01069	0.00589
Africa	0.06586	0.09550
Asia	0.38538	0.48695

India's Exports Diversification - Crisscross Outcomes. Available at: http://phdcci.in/image/data/Research%20Bureau-2014/Economic%20Developments/paper/Exports%20Diversification.pdf

Regional Hirschman Index (RHI, Table 1) shows that RHI for European Union and North America declined from 0.23172and 0.21301 in the financial year 2001-02 to 0.16987 and 0.17250 in the financial year 2015-16. RHI for EFTA also dropped from 0.01069 in the financial year 2001-02 to 0.00589 in the financial year 2015-16. Which apparently indicates that India's concentration of exports in these markets has reduced and are now tilted towards the other regions.

RHI for Africa has witnessed a significant rise from 0.06586 in the financial year 2001-02 to 0.09550 in the financial year 2015-16 and RHI for Asia has increased from 0.38538 in the financial year 2001-02 to 0.48695 in the financial year 2015-16. Similarly, RHI for GCC has witnessed a significant rise from 0.08666 in FY2001-02 to 0.15913 in FY2015-16 and marginally improved for ASEAN from 0.07888 in the financial year 2001-02 to 0.09615 in financial year 2015-16, Latin America from 0.01716 in financial year 2001-02 to 0.04678 in financial year 2015-16, South Asia from 0.04678 in financial year 2001-02 to 0.06937 in financial year 2015-16 and SACU from 0.00842 to 0.01452 in financial year 2015-16. This analysis clearly shows a shift in India's export share that is export share is increasing to developing economies away from developed countries. This implies that various schemes such as Focus Market Scheme (FMS), Focus Product Scheme (FPS), Market Linked Focus Product Scheme (MLFPS) and Market Development Assistance (MDA) have been successful in diversifying India's exports to the targeted markets. Report of Ph.D. Chamber[1] also confirms that India's exports diversified marginally to non-traditional markets in the last few years. India participates in various trading blocks in Asia and Africa. Reducing trade costs by participation in free trade agreements is found to have positive impacts on export diversification for developing countries (Pacheco and Pierola, 2008). However, there is a possibility that due to lack of technological innovation and industrial up-gradation, share to developed countries is declining or this may be due to slow down in European and American markets. Further, there is another possibility that other countries may be cornering a market share in developed countries even in the slow phase.

4.4 Trade Intensity Index

Trade intensity index (T) was adopted to determine whether the value of trade between two regions/countries is greater or smaller than expected on the basis of their importance in world trade. It is defined as the share of one country's exports to a partner country or region divided by the share of world exports going to the partner country or region. It is calculated as:

$$T_{ij} = (x_{ij}/X_{it})/(x_{wj}/X_{wt})$$

Where x_{ij} and x_{wj} are the values of country i's exports and of world exports to country j and where X_{it} and X_{wt} are country i's total exports and total world exports respectively. An index of more (less) than one indicates a bilateral trade flow that is larger (smaller) than expected, given the partner country's importance in world trade.

The value of India's trade intensity index with the European Union for FY 2015 is 0.31818, which is comparatively low. It implies that given the policy stimulus and strategies, exports to these countries can be increased exponentially. Given the low trade index intensity value with North America for the FY 2015 (0.60667), there is a need for policy correction to reorient our focus to North America. Trade intensity index with the European Free Trade Association (EFTA) is also low (0.16358 FY 2015) as the government treats them as part of EU and no separate initiative has been developed. This low value indicates that there is a need to seriously engaged in trade with EFTA countries. Index Value for CIS countries is 0.21314 for FY 2015. It is very low and probably suggests that India has not been fully able to intensify its trade with these countries in spite of focused market schemes which offer huge potential

If one looks at the trade intensity index of ASEAN countries with India, it is 0.9044 for the FY 2015. However, the RHI value is 0.09615, which indicates how diversified exports are with countries in this regional grouping. This

lower Trade Intensity Index indicates that there is still great potential to increase trade with ASEAN Countries. Trade Intensity Index for GCC countries is 3.10253 for the FY 2015. This index of more than one indicates a bilateral trade flow that is larger than expected, given the GCC country's importance in world trade. This high value shows how India has deepened trade with GCC countries. Diversification is low with a value 0.15913. The index value for Africa is 1.75699 for the FY 2015. This index value with Africa is more than one, it probably suggests that India is gaining importance in the trade as far as Africa is concerned. This also shows the success of various focused schemes. This TIJ value (1.01151) for the FY 2015 with Asia (excluding India) indicates that Indian trade is increasing with Asia larger than expected as compared to Asia's share in the world trade.

5. CONCLUSIONS AND SUGGESTIONS

Global dynamics play a very significant role in the trade flow of a country. Developed economies have in the last few years registered a slowdown in economic growth. This has caused imports in advanced economies to moderate coupled with a contraction in demand for imported goods which undoubtedly have impacted exports from India. Trade flows to these regions have been affected, giving way to increased interregional trade. Exports to the European Union, however, appears to be impacted more adversely when compared with India's exports to North America. The reason probably is the economic crises and austerity measures in Italy, Greek, Spain, and Portugal.

The structural shift in India's direction of exports from developed countries i.e. EU and USA to developing to Asia, Africa, and Latin America seems to be the result of export diversification policies undertaken by the Government apart from other developments such as the economic slowdown in Europe and USA in the recent years. Probably there is fear that India may be giving its share to newly emerging economies from Far-East and southeast Asian countries. Also, there is fear that the lack of technology up-gradation required to meet increasing quality and technology products demands from developing market is forcing India to look at other developing countries market. These diversification strategies, by design or through circumstances, have not only stabilized Indian exports in the face of economic turmoil in the major economies of the world but in fact, have boosted Indian exports to a certain extent. Through conscious trade policy, specifically ushered by EXIM policies over the years India has facilitated growth and diversification of exports boosting regional trade which has insulated it from the vulnerabilities and shocks originating in the advanced economies.

REFERENCES

- Aggarwal, M.R. (1982). Export Earning Instability and Economic Development in Less Developed Countries: A Statistical Verification. *Indian Economic Journal,* 29(3), 60-70.

- Amurgo-Pacheco, Alberto; Pierola, and Martha D. (2008). Patterns of Export Diversification in Developing Countries: Intensive and Extensive Margins. Policy *Research Working Paper; No. 4473. World Bank, Washington, DC. © World Bank. Retrieved from: https://openknowledge. worldbank.org/handle/10986/6447* License: CC BY 3.0 IGO. Retrieved on June 5, 2017.

- Brenton, P., Newfarmer, R. and Walkenhorst, P. (2007). Export Diversification: A Policy Portfolio Approach Paper Presented to the Growth Commission Conference on Development.

- Brenton, P. and Newfarmer, R. (2009). Watching more than the discovery channel to diversify exports in R. Newfarmer, W. Shaw and P. Walkenhorst (eds.) Breaking into New Markets: Emerging Lessons for Export Diversification, World Bank, Washington DC.

- Cadot, O., Carrere, C., and Strauss-Kahn, S. (2008). _Export diversification: what's behind the hump? *CEPR Discussion Paper DP6590, Centre for Economic Policy*

Research, London.

- Delgado, C.L. (1995). _Agricultural diversification and export promotion in Sub-Saharan Africa, *Food Policy,* Vol. 20, No. 3, pp. 225-243

- Hausmann, R., Hwang, J. and Rodrik, D. (2007). What you export matters, CEPR *Discussion paper 5444, Centre for Economic Policy and Research, London.*

- Imbs, J. and Wacziarg, R. (2003). Stages of diversification, *American Economic Review.* 93(1):63-86.

- Karingi, S. N. and Spence, M. D. (2011). Impact of trade facilitation mechanisms on export competitiveness in Africa. *African Trade Policy Centre Work in Progress No.84, UNECA, Addis Ababa, Ethiopia.*

- Sahni, P. (2014). Trends in India's Exports: A Comparative Study of Pre and Post Reform Period. *IOSR Journal of Economics and Finance (IOSR-JEF),* 3(2), 08-18.

- Siope V., Ofa, M. S., Simon, M., and Karingi, S. (2012). Export Diversification and Intra-Industry Trade in Africa. *United Nations Economic Commission for Africa DRAFT.* Retrieved from *https://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Export%20Diversification%20and%20Intra-Industry%20Trade%20in%20Africa.pdf.* on June 6, 2017.

- UNECA and AUC (2007). Economic report on Africa 2007: Accelerating Africa's Development through Diversification, *UNECA, Addis Ababa, Ethiopia.*

- UNECA and AUC (2011). Economic Report on Africa 2011: Governing Development in Africa – the Role of the State in Economic Transformation, *UNECA, Addis Ababa, Ethiopia.*

A Study on Customer Perception Regarding Service Quality of Banks in India

Dr. Sheetal Kapoor *
Dr. Vibhuti Vasishth **

ABSTRACT

The Indian Banking sector shows the strength and resilience of a strong sector which handles financial transactions for a large and growing economy. It is commonly acknowledged that banking is a trust-based relationship. The banks form the pivot of the entire financial system of our country. A well-functioning customer protection regime in the financial sector provides effective safeguards for retail financial services customers, while on the other hand, it empowers customers to exercise their rights and fulfill their obligations.

Standard and Poor's Global Financially Literate Survey 2015 has reported that three out of four Indians are not financially literate. In order to empower consumers and make them financially literate, the project has been undertaken. The framework of the study was based on analyzing consumer segments in different income groups, each demanding specific type of services and attention from the bank. Nearly 22 crore bank accounts have been opened under the Prime Minister Jan Dhan Yojana (PMJDY) but it was found that the knowledge of this scheme and ensuring deposit operations in these accounts is a challenge. Poverty and illiteracy are the two major hurdles why the benefits of banking have not penetrated deeply into society.

Our nation has recently witnessed demonetization which encourages greater use of electronic modes of banking. But to make it successful, it is important to empower customers with knowledge about various modes of digital payments. Many banking users do not realize that they should keep their PINs and passwords secret and are unaware of the right place to visit in case they seek redressal. There have been cases where a consumer's problem has not been successfully handled by the bank and has been harassed regarding credit cards, debit cards, and online transactions.

If consumers' problems are not redressed by internal banking mechanism and the consumers seek redressal at Banking Ombudsman or at consumer forums on one hand consumers waste their precious time, energy and money and on the other hand, it involves exorbitant costs to the government. It is required that banks become proactive and should constantly monitor and solve the complaints of the consumers instantly and focus on treating customers fairly.

In the light of these problems, this paper attempts to understand the level of financial inclusion and financial literacy in our country and amongst various consumer segments. By conducting an empirical study, the authors want to measure the level of satisfaction of the quality of banking services offered to the different customer segments.

Keywords: Demonetization, Financial Inclusion, Financial Literacy, Digital Payment, Consumer Empowerment

* Associate Professor, Department of Commerce, Kamala Nehru College, University of Delhi
   E-Mail id.: sheetal_kpr@hotmail.com
** Assistant Professor, Department of Commerce, Kamala Nehru College, University of Delhi
   E-Mail id.: vibhuti14@gmail.com

1. INTRODUCTION

Financial services play a key role in the development of any economy. Over the recent years, India has witnessed a giant leap in providing financial services from the days of standing in long bank queues for several hours to a world of online services. The extensive use of technology, innovative products and outsourcing of functions have enabled efficient conduct of various operations of banks and other financial institutions, providing greater access to consumers.

But the growth of the financial sector largely depends upon the confidence of consumers in the fairness, transparency, accountability, responsiveness, accessibility, and adaptability of service providers. In present times, customers are treated as the king and utmost importance is given to consumer empowerment and providing them fair treatment. The regulatory environment also ensures that users of financial services trust their service providers and receive fair treatment.

The significance of treating customers fairly and empowering them is now well recognized world over. The banks form the pivot of the entire financial system of our country and the regulatory aspect requires that the consumers of financial services have trust in it and receive fair treatment.

In spite of this, we increasingly come across complaining customers, who do not know the course of redressal in case of problems faced by them. Almost every year, a higher number of complaints are reported by the Banking Ombudsman.

According to RBI data, banks incurred a loss of more than Rs 12,000 crore in 2014-15 on account of banking frauds. The Banking Ombudsman Annual Report 2014-15 also states that they have received 85,131 consumer complaints which are 11% higher than the previous year.

The total expenditure of RBI on running the Banking Ombudsman in the Year 2014-15 was Rs 387 million and the cost per complaint amounted to Rs 4541. Thus, a huge governmental expenditure is involved if consumers' problems are not redressed by internal banking mechanism and the consumers seek redressal at Banking Ombudsman or at consumer forums.

Through our study, we intend to understand the issues faced by users of financial services with a focus on banking services. We intend to meet the following objectives:

1. To find out the level of financial inclusion in our country and understand the banking concerns and issues faced by users of lower income group.

2. To identify the problems faced by the users of Online Banking, Mobile Banking, Credit Card, Debit Cards/ Automated Teller Machines (ATMs).

3. To find out how consumers evaluate the above mentioned financial services.

4. To understand the awareness level of users of these services.

5. To study the supply side by analysing the grievance redressal mechanism of major banks.

Recent years have witnessed several innovations in digital payments, such as the use of Credit Cards, Debit Cards, ATMs, Banking through the internet and mobile applications. The Demonetization reform is also encouraging customers to make greater use of digital payment mechanisms. All these products and services have helped the banks to improve the quality of their services provided to customers. This, in turn, should lead to higher consumer satisfaction. Through the study, we intend to understand the satisfaction level of banking users and the problems faced by them. By understanding the awareness level and problems faced by customers, financial literacy programs can be designed for consumer empowerment. This would encourage growth and development in the economy.

This paper is organized into six sections including the current one which introduces the topic. The second section discusses the review of existing literature followed by a discussion

on data and research methodology used to conduct this study in section 3. This is followed by a detailed analysis of our results in section 4. Section 5 discussed the concluding remarks and the last section mentions the bibliography used in this study.

2. REVIEW OF EXISTING LITERATURE

This section of the study discusses the recent related work done in this area.

Bena (2010) work on evaluating customer satisfaction for a Romanian Bank. His survey concluded that customers are dissatisfied with respect to the bank's reaction to complaints, promotion of their services and communication with the banks. Devi, Sebastina, and Kanchana (2011) work on studying the awareness and opinion of consumers on Mobile Banking. They suggest that customers should be made aware of all the merits and demerits of mobile banking while offering them this service. The usage should be simplified further and as customers are wary of security issues while using technology in banking, the service providers must provide adequate security services.

Lacangellera, Liberati, and Mariani (2011) attempted to evaluate the satisfaction of customers of Banks in Italy. They highlight the importance of highly satisfied customers, and conclude that the action taken by management in response to requests by customers, effectively impacts the satisfaction. Ramchandra (2012) has done a secondary data analysis of the Consumer Protection Act related to the Banking Sector in India. Through a discussion of various related cases, he concludes that consumers have been provided positive justice against faulty banking services.

Alagarsamy and Wilson (2013) have studied consumer behavior towards banking services. Their findings suggest that a good environment should be provided by banks to deal with a large number of customers, communication network should be effectively used by the banks and all the new schemes introduced by the banks should be properly displayed on the notice board of the banks. Trivedi and Patel (2013) attempt to find out the problems faced by e-banking users in India through conducting a primary survey. They report various problems faced by users such as misuse of their cards, feeling of insecurity while using e-banking, ATM being out of order, etc.

Wadhe and Ghodke (2013) studied the awareness and perception of consumers about mobile banking in India. Their survey results indicate the lack of awareness of consumers about banking transactions that can be done through mobile applications. Users of mobile banking find it a very easy mode of transaction and greatly value the flexibility offered to them via mobile banking. But, only a limited number of customers are aware of the transactions that can be done through mobile banking. Also, not many consumers have used the facility for mobile banking. This highlights the importance of banks to reach consumers and making them aware of mobile banking services. Vennila (2014) attempted to identify the major problems by users of e-banking services in Indian private banks. Through a primary survey, he reports that customers have faced problems like unauthorized access, data being lost or damaged by hackers, infrastructure and location problems of ATMs, improper ATM service, etc.

Kaur and Kiran (2015) studied the online banking service quality and customer loyalty of Public, Private and Foreign Bank consumers in India. They highlight the importance of service quality and report a positive relationship between e-banking service quality factors and loyalty of customers. With increasingly cautious customers, service quality of online banking is highly dependent on security software for enhancing trust. A significant difference in facilities provided by public, private and foreign banks is reported. Sahoo and Gomkale (2015) studied the financial inclusion in the unorganized sector in Gujrat. They report that a significant proportion of respondents are not in the coverage of financial services.

Indian Banking Fraud Survey conducted by Deloitte in 2015 reported that more than 90% of the respondents indicated an increase in banking fraud incidents in the last 2 years. More than 100 fraud incidents have been witnessed in

the retail banking segment by 25% of institutions. The survey concludes that frauds have increased due to lack of oversight by managers, high pressures to meet unreasonable targets and collusion of employees with external parties. Fraudulent documentation, siphoning of funds and identity theft are the common frauds faced by consumers. These frauds are discovered with the help of internal whistleblowers, customer complaints and during reconciliation of accounts.

Sehrawat and Giri (2016) analyzed the relationship between the development of the financial sector and reduction of poverty in India. They conclude that by financial inclusion and providing financial accessibility to the poor, poverty can be reduced.

Though there has been a lot of research work that discusses the problems faced by users of banking services and their satisfaction level, but limited studies have focused on a detailed service wise analysis. Most of the existing work discusses the general problems faced by banking users. With this study, we intend to fill this research gap by discussing the problems of users of different services.

3. DATA AND METHODOLOGY

This section elaborates on the data and methodology used in our study.

We have used primary and secondary data sources to find out the problems faced by the banking customers.

The paper is divided into three sections (A, B and C). Section A focuses on banking users with annual income below Rs. 2 Lakhs. This is done to understand the concerns and issues of banking customers in the lower income group. For this purpose, we have surveyed a total of 300 respondents. In Section B, an attempt is made to analyze the level of satisfaction and awareness of the users of Online Banking, Mobile Banking, Credit Cards, Debit Cards/ ATMs. For this purpose, we have surveyed a total of 424 respondents.

Face to face surveys were conducted to understand:

1. How consumers evaluate financial services.

2. The level of financial literacy among consumers.

3. Level of dissatisfaction faced by them.

4. Separate questionnaires were designed for both the sections and for users of different services. A graphical analysis is used to depict the findings of the study. After analyzing the demand side, in section C a comparative analysis of grievance handling procedure of ten banks has been done. An attempt was made to understand if the complaint handling procedure of banks is consumer friendly. A detailed study of five public sector banks and five private sector banks was done in this regard.

The following section discusses the results of our study.

4. RESULTS AND ANALYSIS

Section A: Financial Inclusion and the lower income group

The Indian economy has made rapid strides recently but a sizeable population continues to remain excluded from the basic opportunities and services provided by the financial sector. Financial inclusion is a comprehensive and holistic process of ensuring access to financial services and credit to vulnerable and marginalized groups in the society. The Pradhan Mantri Jan Dhan Yojana is an initiative by the government towards universal financial inclusion where crores of JhanDhan accounts have been opened face challenges of fraud due to higher illiteracy in the remote regions of India. In order to find out the nature of problems faced by the lower income group, a face to face interview was conducted with 300 respondents.

The population surveyed comprised of 65% male population with most of the respondents being middle-aged (20-40 years of age). Though, we focused on respondents with annual income less than Rs. 2 Lakhs, more than 50% of them earn less than Rs. 1 Lakh annually. This population comprises primarily of

maidservants, drivers, labourers, etc.

Our survey reveals the following important facts:

45% of the people surveyed are not aware of the documents required to open a bank account. This highlights a major awareness problem amongst these banking users.

As indicated by Fig. 1.1, unfortunately, 23% of respondents do not have a nominee for their bank accounts and the leftover amount in their bank account after death remains unclaimed.
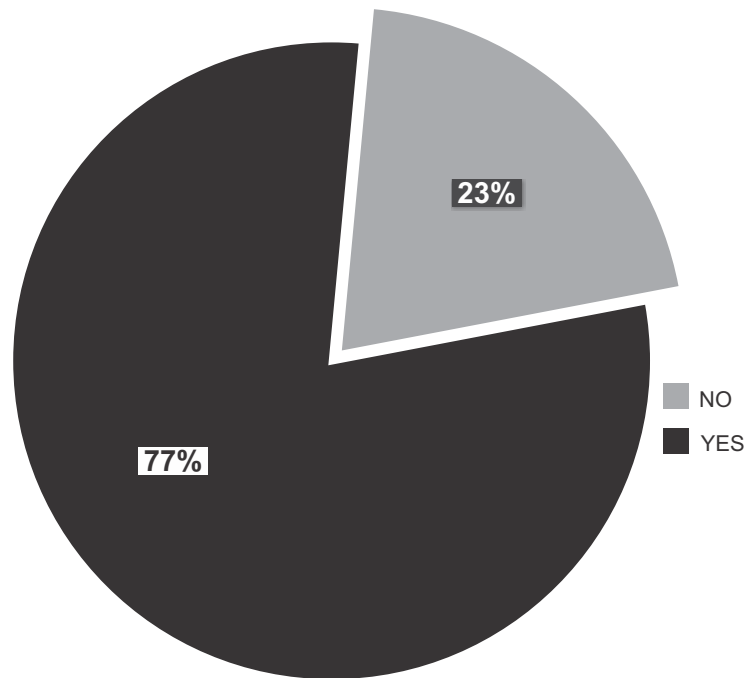

Fig 1: Respondents having a Nominee for their Account

Thus, more literacy programs must be arranged for banking users, that highlights the importance of having a nominee. At the time of opening accounts, the Bank staff must enlighten the customers and encourage them to have a nominee for their accounts, so that after the demise of an individual the money saved by him can be used by his family/friends.

Our results indicate that only 23% of respondents have accounts under Jan Dhan Yojana, whereas the rest of them were either unaware of this scheme or could not get guidance to benefit from it. 63% respondents are unaware of Pradhan Mantri Suraksha Bima Yojana"), "Pradhan Mantri Jeevan Jyoti Yojana and Atal Pension Yojna.

Though the Government has come up with

excellent schemes to encourage savings of the common man, and provide insurance benefits; many customers are unable to avail these benefits due to their lack of awareness. Thus, more literacy and awareness programs should be organized by the Government, so that a larger number of people can benefit from such schemes.

Lack of awareness is also found amongst various users as, many customers were found to be unaware of charges levied by banks, keeping PINs and passwords a secret, and remedial action to be taken whenever they face a problem. Also, maximum users never change their PINs and passwords, which leaves them vulnerable to financial frauds.

Apart from the unawareness that exists

amongst banking users, customers have also been dissatisfied on various grounds.65% of the respondents remain dissatisfied when it comes to bank officials helping consumers in opening their bank accounts.Only 20% of the respondents are satisfied with the help offered by bank officials in solving their problems and concerns. This highlights a major drawback of our Banking Industry, as in most of the cases the aggrieved customer doesn't know which course

of redressal to take and suffers losses due to this. Banks should be more helpful in solving the queries, issues, and concerns of its customers.

Finally, we asked our respondents how satisfied they are with their respective banks and would they recommend others to open an account in their banks. The following graph shows the customer response.
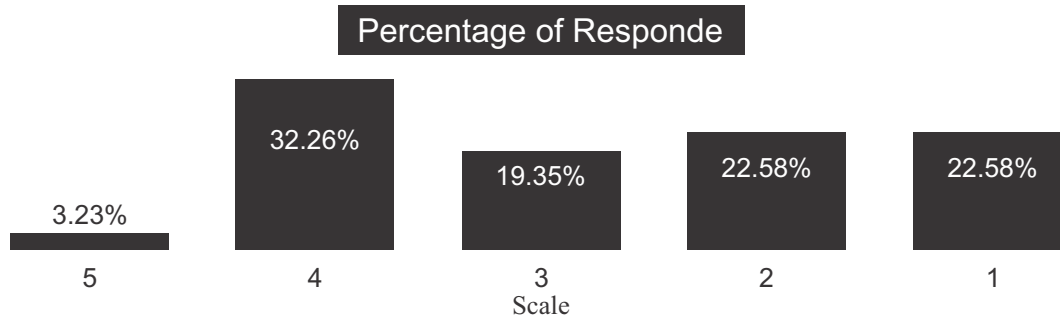
Percentage of Responde

5	4	3	2	1
3.23%	32.26%	19.35%	22.58%	22.58%

Scale

Fig 2: Satisfaction of Customers with their Banks Rating on a Scale of 1-5 (Highly satisfied to Highly dissatisfied)

This graph clearly indicates the dissatisfaction faced by customers. Less than 50% of our respondents were happy with their banks and believed in not recommending it to others.

Our results clearly indicate the need for banks to improve their customer service and having more awareness and literacy programs by various Banks, Government and Non-Government organizations to empower the banking customers.

After interacting with the lower income group, we further move on to understand the awareness level, satisfaction level and problems faced by the users of certain specific banking services, earning an income of more than Rs. 2 Lakh annually. The next subsection of this reports elaborates on these issues.

Section B: Results of Survey Conducted for Users of Specific Banking Services

The study involved measuring the level of satisfaction and the awareness level of the users of Online Banking, Mobile Banking, Credit Cards, Debit Cards/ATMs. Some general questions were asked from all the 424 respondents. Then service specific questions

Table 1: Nature of Service vis-a-vis the number of respondents

Banking Service	Number of Respondents
Online Banking	100
Mobile Banking	100
Credit Cards	100
ATMs and Debit Cards	124
Total	424

were addressed to users of the above mentioned services. Table 1.1 shows the Nature of Banking Service vis-a-vis the number of respondents. Our respondents comprised of 48% female respondents. 43%, 22%, and 35% of respondents had an annual income from Rs. 4-5 Lakhs, Rs. 5-8 Lakhs and above Rs. 8 Lakhs respectively.

30% of the consumers surveyed are unemployed, 36% and 20% are employed in the private sector and government sector respectively and 14% are self-employed. The majority of respondents are well educated and net-savvy.

The other vital parameters of the survey revealed the following results-

➢ **Passbooks to account holders:** Passbook

is a ready reckoner of transactions and is handy and compact but many banks especially private banks have stopped issuing passbooks or issue them only if the customer asks for it. Instead, they issue Statement of Accounts to Saving Bank holders. 30% of the respondents revealed that they have discontinued taking passbook and receive Statement of Accounts either on a monthly or quarterly basis.

➢ **Average monthly/quarterly Balance:** 40% of the respondents were not aware that bank charge penal interest for not maintaining monthly/quarterly balance and it varies from bank to bank.

➢ **Cheque Dropbox facility:** As per the existing instructions from RBI banks are required to ensure that both the drop box facility and the facility for acknowledgment of the cheques at the regular collection counters should be available and no respondents should refuse the same. But 80% of the respondents said that they use the cheque drop box facility and are not aware that they can deposit the cheques at the bank counter.

➢ **Information regarding redressal mechanism:** 39% of the respondents did not know where to lodge a complaint in case of any problem with the banking service.

The results from the analysis of five banking services are as follows:

➢ **Online Banking:**

Most of the respondents feel safe while using online banking and are aware of safety requirements like using a strong password. But only a few of them frequently change their passwords.
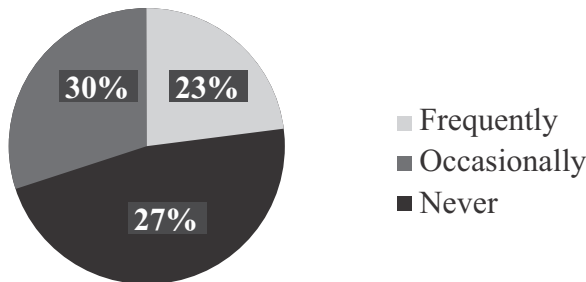

Fig 3: Frequency of Changing Passwords

Our results indicate that 30% of our respondents have never changed their passwords whereas 25% have changed them only occasionally. With the increasing usage of online banking in the future, it is necessary that banks launch awareness campaigns to sensitize the consumers about the risks which they may face if they do not change their passwords quickly. Some respondents also reported that they were not aware of the procedure for changing the passwords.
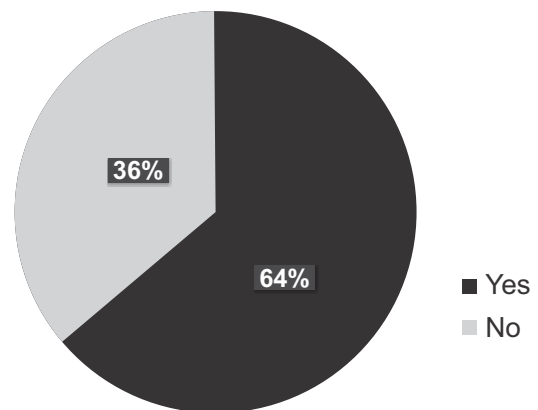

Fig 4: Customers' Fear of Unauthorized Access to Bank Accounts

More than 60% of our respondents are scared of unauthorized access to their online bank accounts. $1/3^{rd}$ of the respondents feel that banks do not provide proper information to users of online banking services. A large number of people use payment gateways for transferring money, but some of them feel insecure while using payment gateways. An awareness problem is observed as some of the respondents are not aware of various charges of the bank for online banking services. Also, some of the respondents who are aware of such charges do not feel that these charges are justified. 39% of the respondents did not know where to lodge a complaint in case of any problem with this service. But, people who did lodge a complaint have been satisfied with the resolution provided to them.

• **Mobile Banking:**

Our respondents have used this service for checking balance, making payments and purchasing goods. Most of the respondents feel

secure while using this service. 21% of the respondents are not aware of the charges for using this service and 13% respondents feel that these charges are not justified. While using this service, respondents have faced some problems due to a weak internet connection.
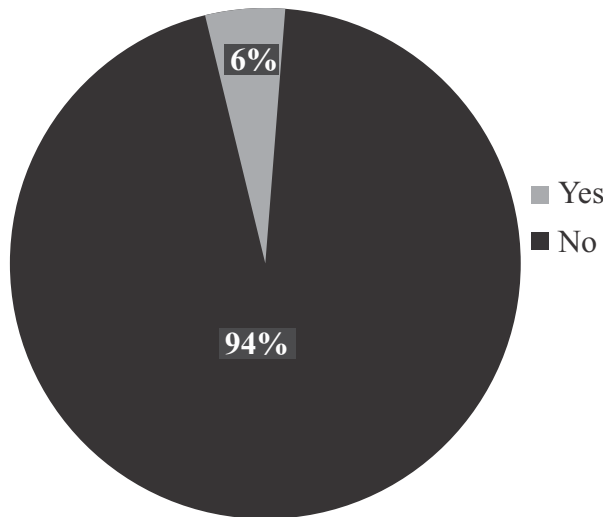
➢ **Credit Cards:**

Fig 5: Customers who Feel Charges are Exorbitant

94% of the respondents feel that bank charges for this service are exorbitant. There is a lack of awareness amongst respondents as some of them are not aware of credit card charges, most of the people are unaware of charges beyond the due date and 20% respondents are not aware of the security features available.
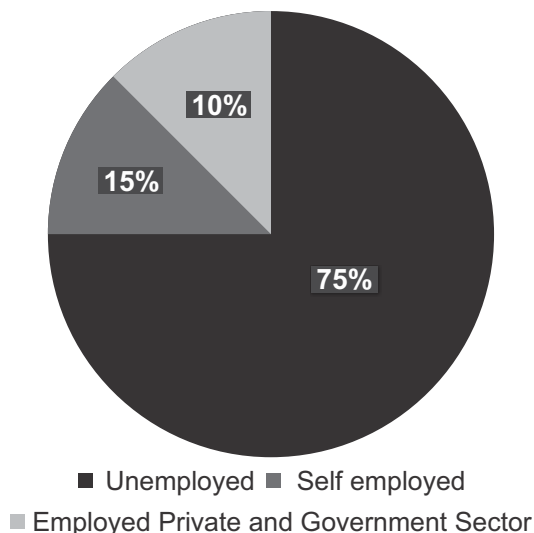

Fig 6: Awareness about Security Features

Out of the 20% of respondents who are unaware of security features, 75% are unemployed and 60% of these unemployed respondents are women.

This indicates a higher lack of awareness among females and unemployed people.

Approximately $1/3^{rd}$ of the respondents still do not use a chip and PIN card. This leaves them vulnerable to various frauds. Some respondents have faced problems of unknown purchases being charged to their card, incorrect debit related to transactional charges and additional charges that they are not aware of. Around 27% of the respondents feel that banks have not been helpful in solving their problems.

➢ **ATMs/Debit Cards:**

Most of the respondents are happy with the number and location of ATMs installed by their banks. Almost 1/4th of the respondents are not satisfied with the fee charged for ATM service. 25% of customers have faced problems, which are mostly related to incorrect debits and PIN being compromised. Moreover, problems faced by maximum respondents have not been satisfactorily resolved by the banks.
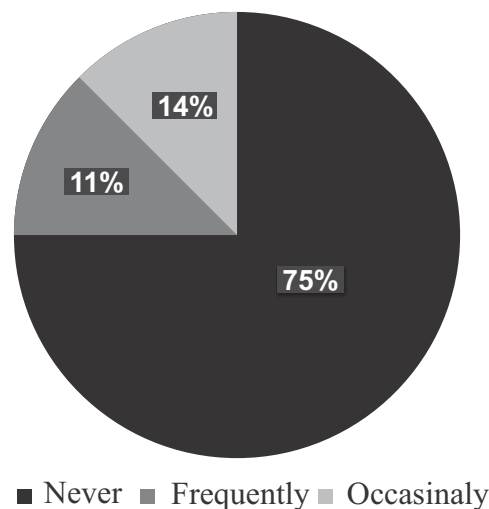

Fig 7: Frequency of Problems Faced by Respondents

Our results point out that customers are dissatisfied on certain grounds and even the bank is unable to resolve their problems

successfully. In the next section, a comparative analysis of banks is done to understand their complaint handling system.

Section C: Comparative Analysis of Banks

After interacting with customers availing various banking services, a comparative analysis of 10 banks was undertaken. For this purpose, secondary data was used. Websites and passbooks of 5 Public sector and 5 Private Sector banks were studied. Table 1.2 shows the information given on websites and passbooks of these banks which are required for a successful complaint handling the procedure.

Table 2: Comparative Analysis of Complaint Handling System of Banks

Name of the Bank	Customer Care Portal/Separate head for complaints on Website	Redressal mechanism on Website	Online tracking of complaints	Banking ombudsman information on Website	Complete grievance mechanism in Passbook
State Bank of India	Yes	Yes	Yes	Yes	No
Punjab National Bank	Yes	Yes	Yes	Yes	No
Syndicate Bank	Yes	Yes	Yes	Yes	No
Bank of Baroda	Yes	Yes	No	Yes	No
Kotak Mahindra Bank	Yes	Yes	No	Yes	No
ICICI Bank	Yes	Yes	No	Yes	No
HDFC Bank	Yes	Yes	Yes	Yes	No
Standard Chartered Bank	Yes	Yes	No	Yes	No
CITI Bank	Yes	Yes	No	Yes	No
Canara Bank	Yes	Yes	Yes	Yes	No

In this era of digitalization, the online sites need to be well equipped with information that provides the customers, a branch like view. On visiting the websites of the above mentioned banks, we found that as per RBI guidelines; all these banks have a customer care portal and separate head for complaints. Redressal mechanism and banking ombudsman information is also mentioned clearly on their sites.

But not all these banks provide an online complaint tracking facility. This highlights an important lacuna, as in today's time with e-commerce being so popular, an effective online complaints tracking facility should be available on websites of all banks. Amongst the Public sector Banks, Kotak Mahindra Bank and Bank of Baroda do not provide this facility to customers. In the Private sector, ICICI Bank,

Standard Chartered Bank, and CITI Bank do not have an online complaint tracking facility.

Also, grievance redressal mechanism is not mentioned on the Passbook of any of the selected banks. We recommend all the Banks to have this detail on the Passbook itself as it will be of great help to consumers.

5. CONCLUSION AND FUTURE DIRECTION

There is a lack of financial awareness and literacy amongst the substantial number of the Indian population, which includes users and non-users of banking services. This necessitates the importance to impart financial literacy. More initiatives must be undertaken by the Government, Banks and Consumer organizations to empower customers by imparting financial education. This would

encourage higher savings, and include more people in the banking system.

There is a lack of awareness with respect to Zero Balance Accounts and Right to Nomination.

Many users do not change their PINs and passwords regularly. Through interactive sessions, they must be informed about the importance of things such as "Right to Nomination" and "Importance of regularly changing their PINs and passwords". A general sense of dissatisfaction is observed, where users are not very happy with their banks and the help offered by banks in opening new accounts and handling customer grievances. Since, the current bank opening procedure involves a complicated and lengthy form, a simplified form with only mandatory fields can be used by the banks.

- On the basis of this exhaustive study on customer concerns and issues, the following suggestions are offered:

- Banks should devote one day in a month to solve all the important consumer issues and complaints.

- A standardized account opening form should be created by the Reserve Bank of India that must be used by all banks.

- There should be a separate customer cell for women as the survey revealed that even today, most of them are dependent upon their spouses/ male members of the family for even the petty bank-related work. Underprivileged women are reported to be hesitant in visiting bank branches. A separate cell would encourage them even more to avail these services.

- Passbooks issued by the banks on opening a new account should contain all the customer care numbers and information like minimum balance to be maintained in the bank account, and all the additional charges should be presented in a summarized manner. Also, the Banking Ombudsman form should be a part of every passbook.

- Banking Ombudsman does not address complaints related to banking frauds and in those cases, the customer has to seek redressal from consumer forums which is a lengthy process. We recommend the Banking Ombudsman to take up such problems.

Since a lot of customers are unaware of the existence of Banking Ombudsman, a National Promotional Campaign should be carried out by RBI to increase consumer awareness about Banking Ombudsman.

REFERENCES

- Alagarsamy, K. and Wilson, S. (2013). A Study on Consumer Behavior towards Banking Services with special reference to Public Sector Banks in Sivagangai Dist. *Asia Pacific Journal of Marketing and Management Review,* 2(2), 183-196.

- Bena (2010). Evaluating Customer Satisfaction in Banking Services. *Management and Marketing,* 5(2), 143-150.

- Devi, N.Y., Sebastina, J.N. and Kanchana, V.S. (2011). A Study on Consumer Awareness, Opinion, Reasons for opting Mobile Banking. *International Journal of Multidisciplinary Research,* 1(7), 218-233.

- Kaur, N. and Kiran, R. (2015). E-Banking Service Quality and Customer Loyalty: Changing Dynamics of Public, Private and Foreign Bank Consumers in India. *Global Business and Management Research: An International Journal,* 7(1), 74-92

- Lacangellera, M., Liberati, C. and Mariani, P. (2011). Banking Services Evaluation: A Dynamic Analysis. *Journal of Applied Quantitative Methods,* 6(4), 3-13.

- Ramchandra, S.V. (2012). A Study of Consumer Protection Act related to Banking Sector. *Asia Pacific Journal of Marketing and Management Review,* 1(4), 78-84.

- Sahoo, M.K. and Gomkale, M. (2015). Financial Inclusion in India: An Empirical Study of Unorganized Sector in Gujarat. *Information Management and Business Review,* 7(5), 6-17.

- Sehrawat, M. and Giri, A.K. (2016). Financial development and poverty reduction in India: an empirical investigation. *International Journal of Social Economics*, 43(2), 106 – 122.

- Trivedi, M.H. and Patel, V.B. (2013). Problems faced by Customers while using E-Banking facilities in India. *International Journal of Scientific Research,* 2(3), 121-123.

- Vennila, A. (2014). Problems faced by the Customers with reference to E-Banking services in Private Sector Banks. *International Journal of World Research*, 1(11), 44-47.

- Wadhe, A.P. and Ghodke, S. (2013). To Study Consumer Awareness and Perception towards usage of Mobile Banking. *IBMRD's Journal of Management and Research,* 112-122.

- Indian Banking Fraud Survey conducted by Deloitte in 2015

- The Banking Ombudsman Annual Report 2014-15

- https://www.rbi.org.in/

- http://economictimes.indiatimes.com/

- http://www.business-standard.com/

Undertaking Corporate Social Responsibility through Creating Shared Value Approach: A Case of Nestle India Limited in Punjab

Dr. Amritjot Kaur Sekhon *
Dr. Lalit Mohan Kathuria **

Abstract:

In the year 2015, the Government of India introduced several amendments in Companies Act, 2013 thus making Corporate Social Responsibility (CSR) expenditure mandatory for certain companies. In the light of these regulatory changes, this study aims to explore and document the corporate social responsibility activities undertaken by Nestle India Limited in Punjab region of India. It also analyzes the implications of these activities on the general public in Punjab while exploring the perception of various stakeholders of the company. Both primary as well secondary data were collected. Primary data was collected by conducting field visits to the area around its manufacturing facilities. Also, unstructured interviews were conducted to gain insights from company employees, government officials, local farmers and the general public. Secondary data was collected from annual reports of Nestle India, company websites, newspaper articles, and other internet sources. This case study improves understanding of social responsibility initiatives being undertaken by Nestle in Punjab while identifying the gap areas which further needs to be addressed by the company in the region.

Keywords: Creating Shared Value, Corporate Social Responsibility, Nestle, Punjab, water, sanitation

1. INTRODUCTION

India one of the fastest growing economies in the world has a number of social problems and developmental needs to be addressed. The corporate houses in India with various resources at their disposal are capable of carrying out public welfare activities more efficiently and effectively. With an aim to tame several developmental pitfalls the Government of India made it compulsory for business houses to contribute towards societal development. By introducing various amendments in Companies Act, 2013, India became the first country in the world to make Corporate Social Responsibility (CSR) mandatory. As per changes introduced in the Act in 2015, every company either private limited or public limited, which either has a net worth of INR 500 crore or more or a turnover of INR 1,000 crore or more or a net profit of INR 5 crore or more, needs to spend at least 2 percent of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The activities on which the companies shall spend money in order to count their expenditure as a part of CSR expenditure were also mentioned by the Government.

Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector of the Indian economy which provides employment to approximately three million people in the country thus constituting nearly five percent of the total factory employment in India. Within this sector household and personal care products, segment constitutes almost 50 percent of total market share followed by healthcare

* Faculty, School of Business Studies, Punjab Agricultural University, Ludhiana, E-mail: amritjotkaursekhon@gmail.com
**Faculty, School of Business Studies, Punjab Agricultural University, Ludhiana, E-mail: lalit_kathuria@yahoo.com

Companies Act 2013 is an Act of the Indian Parliament on Indian company law which regulates incorporation, responsibilities, directors and dissolution of companies in India.
INR stands for Indian Rupee which is the official currency of Republic of India.

products with 31 percent and food and beverages segment comprising 19 percent of the total share. This sector is expected to grow by more than double from the present level of USD 49 billion in 2016 to USD 104 billion in 2020. With strong multinational presence the sector characterizes of intense competition between the organized and unorganized segments along with low operational costs and a well established distribution network. The major players within this sector in India are Hindustan Unilever Limited, ITC, Nestle India Limited, Dabur India Limited etc.

Nestle India Limited is a leading player in the FMCG industry in India has well established its market position in various product categories. Being a pioneer in the culinary segment it offers a variety of products under the Maggi brand and has regained almost 59.5 percent market share in the first half of 2017 after facing the ban on noodles in 2015. It also has a 96.5 percent share in infant cereals segment and 65.2 percent market share in instant pasta segment. The major brands of the company in India are Nescafe, Maggi, Milkybar, Kitkat, milkmaid, Nestea, Natural Dahi etc.

Since establishment with the aim to curb high mortality rate by introducing and selling 'Farine Lactee' for the consumption of infants who could not be breastfed, Nestle has made a mark as a company with values and vision to serve society while fulfilling its own business goals. In the wake of new regulatory changes introduced by the Government of India this case study was developed to study the CSR activities undertaken by world renowned Nestle in the Punjab region of India. This case study will also explore the implications of CSR activities by Nestle on the General public in Punjab while discussing the perception of various company stakeholders in context to its social responsibility behavior.

2. NESTLE GROUP

Nestle the world's largest food and beverage company was founded in the year 1905 as a result of the merger of Anglo-Swiss Condensed Milk Company formed in 1866 and Farine Lactee Henri Nestle established in 1877. The company is headquartered in Vevey, Vaud, Switzerland. With operations in 189 countries, it provides employment to around 323000 employees all around the world. It has 413 manufacturing facilities in 85 countries of the world. The company has more than 2000 brands ranging from global icons to local favorites. Its products include baby food, healthcare nutrition, bottled water, breakfast cereals, coffee and tea, confectionery, dairy products, ice cream, frozen food, pet foods and snacks. The company reported sales of CHF 89.8 billion in the year 2017.

Over 150 years of existence of Nestle Group its Corporate Business Principles have formed the basis of the company's culture. The company's Corporate Business Principles have been in existence since its inception but as an integrated document they were first published in 1998. These principles focus on consumer welfare, employee welfare, human rights, suppliers and environment. So compliance with these principles serve as the foundation for the Company's commitment towards environmental sustain ability and creating shared value. As asserted by Paul Bulcke (CEO) and Peter Brabeck-Letmathe (Chairman):

'Since Henri Nestlé first developed his successful infant cereal "Farine Lactée", we have built our business on the fundamental principle that to have long-term success for our shareholders, we not only have to comply with all applicable legal requirements and ensure that all our activities are sustainable, but additionally we have to create significant value for society.'

The company's purpose statement clearly describes the values behind the company operations:

'Nestlé's purpose is enhancing the quality of life and contributing to a healthier future. We want to help shape a better and healthier world. We also want to inspire people to live healthier lives. This is how we contribute to society while ensuring the long-term success of our company.'

2.1 Nestle India Limited

Nestle first came to India in the year 1912 as The Nestle Anglo Swiss Condensed Milk Company (Export) Limited for importing and selling finished products in the Indian market. With India getting Independence in the year 1947, the Government started emphasizing local production. In response to India's aspirations of developing the milk economy, Nestle India Limited was formed in the year 1961 by setting up its first factory at Moga, Punjab. It has its Head Office in Gurgaon, Haryana and has total eight manufacturing facilities located at Moga (Punjab), Pantnagar (Uttarakhand), Samalkha (Haryana), Nanjangud (Karnataka), Choladi (Tamil Nadu), Bicholim (Goa), Ponda (Goa) and Tahliwal (Himachal Pradesh). Its four Branch offices are located at Delhi, Mumbai, Chennai and Kolkata.

Under the leadership of Suresh Narayanan, the Chairman and Managing Director of Nestle India, net sales of INR 101,351.1 million were reported during the year ending on December 2017, displaying an increase of 7.7 percent over 2016. The net profit was INR 12,251.9 million in the 2017 fiscal year, an increase of 22.35 percent over 2016. The company employed approximately 7527 employees as reported in the year 2017. Nestle India Limited manufactures various products with internationally famous brand names such as Nescafe, Maggi, Milkybar, KitKat, BarOne, Milkmaid etc. However, in recent years, the Company has introduced many local and new products for daily consumption such as Nestle Milk, Nestle Slim Milk, Nestle Dahi and Nestle Jeera Raita. It launched a total 30 new products and variants in the year 2016.

In 2016 the company changed the name of its Corporate Governance and Social Responsibility Committee to the Corporate Social Responsibility Committee and appointed Dr. (Mrs.) Swati A. Piramal who is an Independent Non-Executive Director as Chairperson of the Committee. The current members of this Corporate Social Responsibility Committee are Dr. (Mrs.) Swati A. Piramal (Chairperson), Mr. Suresh Narayanan (Chairman and Managing Director of the Company) and Ms. Rama Bijapurkar (Independent Non-Executive Director).

3. NESTLE INDIA LIMITED– CREATING SHARED VALUE IN PUNJAB

'As a Company, we maintain high standards and values. Stakeholders have seen that we are ethical and responsible with strong business principles. In fact, the way we do business is to Create Shared Value.' Etienne Benet (Managing Director)

The inception of Nestle India Limited was carried out in the year 1961 by setting up its first factory in Moga, Punjab. The company following its inherent philosophy of creating shared value started educating, advising and helping local farmers in various aspects like increasing the milk yield of their cows through improved dairy farming methods, in irrigation, in scientific crop management practices and in helping them with the procurement of bank loans. As a result, Moga has been transformed not only into a prosperous and vibrant milk district, but also as a thriving hub of industrial activity. By establishing milk collection points throughout Punjab, Nestle Moga collects more than 1.3 million kgs of milk per day from over 110,000 farmers. The products manufactured at Moga plant are mainly Lactogen, Cerelac, Milkmaid, Maggi Noodle, Maggi tomato ketchup and Everyday Dairy whitener.

The concept of Creating Shared Value which means generating economic value in a way that also produces value for society by addressing its challenges; was first introduced by Porter and Kramer in their article 'Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility' in the December,2006 issue of Harvard Business Review. Though this concept gained recognition much later but it was prevalent and part of Nestlé's philosophy way before. The way company ensured its success in India since 1961 while improving and developing the economic status of local

communities brings attention to the fact that this approach of Creating Shared Value was deeply ingrained in its value system and culture since incorporation. It has helped the company in fostering a relationship of trust and mutual respect with the communities in which it operates and contributed towards its growth as a global company. This approach is described as 'Saanjhapan' in India.

The main focus areas of the Creating Shared Value agenda of Nestle are nutrition, water, and rural development. In order to ensure happier and healthier lives of individuals and families, the company has introduced several programmes like Nestle Healthy Kids Programme, Nutrition Awareness Support Programmes, Swasth Janani Swasth Shishu Programme and Fortification programmes. From communities' perspective programmes like village women dairy development programme, sanitation projects in schools, global youth initiatives like Nestle needs Youth has been launched. Also, supplier engagement programmes to improve the livelihood of dairy farmers and coffee farmers are carried out. Company is also making efforts to reduce water usage across all its operations.

3.1 Assimilating Sustainable Development Goals With Creating Shared Value Approach

With a vision to end poverty, inequality and tackle climate change by the year 2030, 17 Sustainable Development Goals framed by United Nations Organization were adopted by 194 countries in September 2015. Nestle had an opportunity to participate in the development of these goals so as a part of the company's commitment to delivering on these goals the company has integrated these goals in its Shared Value framework.

Nestle In line with its purpose to enhance the quality of life focuses its social responsibility work on three main areas – individuals and families, communities, planet.

- *Individuals and Families perspective:* Nestle believes that it can play a crucial role in enabling a healthier life for individuals by supporting and providing them with healthier food choices and by inspiring them to lead healthier lives through building, sharing and applying nutritional knowledge.

- *Communities' perspective:* Nestle can support local communities in the areas of its operation by enhancing rural livelihoods, by respecting and promoting human rights and by promoting decent employment and diversity.

- *Planet perspective:* Nestle focuses on caring for water, acting on climate change and safeguarding the environment to steward resources for future generations.

By harmonizing Sustainable Development Goals with its Creating Shared Value Approach, the company has developed three comprehensive ambitions to achieve its goals along with supporting the achievement of SDGs by the year 2030. These targets are:

- *Enable healthier and happier lives:* this will include helping 50 million children lead healthier lives;

- *Help develop thriving, resilient communities:* this will include helping to improve 30 million livelihoods in communities directly connected to its business activities; and

- *Steward resources for future generations:* this will include striving for zero environmental impact in its operations.

4. NESTLE INDIA LIMITED IN ROUGH WEATHER

Maggi Noodles the Nestle India's largest revenue earning product faced a nationwide ban for six months on 5 June 2015 by the Food Safety and Standards Authority of India due to the allegations that it contained monosodium glutamate(a flavour enhancer) and lead in excess of prescribed limits. So between 5 June and 1 September 2015, Nestle had to recall 38,000 tons of Maggi noodles from millions of retail shelves and destroy them. It was ironic that a company that brands itself as the 'world's leading nutrition, health, and wellness company' fell short on quality control

especially with a harmful substance like lead.

On 11 June 2015 Nestle filed a suit against Food Safety and Standards Authority of India in Bombay High Court. On 30 June 2015, Bombay High Court allowed Nestle India to resume importing Maggi. Although Maggi was still banned in India it was declared safe by regulators in Singapore, U.K., Canada and Australia. On 13 August 2015, the Court allowed Nestle to resume its sales on the condition that 90 additional samples of Maggi were cleared by properly accredited laboratories. On 16 October 2015, Bombay High Court cleared Nestle to resume manufacturing Maggi and on 9 November 2015 Maggi was relaunched in the Indian market.

The company suffered a loss of almost half a billion dollars as a result of the Maggi controversy in India. In a statement announcing the financial results of Nestle India Limited, Chairman Suresh Narayanan said that 'the impact of the Maggi crisis extended to not just factories and employees but also partners, suppliers, farmers, retailers, and customers'. During the controversial period, the stocks of Nestle India Limited performed very poorly in the market. Nestle India reported a decline of 17.2% in its net sales for the year ended December 2015 as a result of the Maggi setback, also a Net profit for the year fell to INR 5632.7 million, from INR 1,1846.9 million in the previous year.

However, the company very gracefully bounced back and Maggi managed to regain 60 percent of market share by 2016 in a very short period of time and reported a Net profit of INR 9265.4 million.

5. CSR ACTIVITIES CARRIED BY NESTLE INDIA PAN INDIA

Though the company has been actively involved in CSR initiatives since its inception, it started incorporating CSR expenditure as a part of its profit and loss account in the year 2014 in response to regulatory requirements. In the year 2017 as reported in its annual report the company spent INR 269.1 million on Corporate Social Responsibility activities along with giving an account of the activities or programs on which this amount was spent.

Table 1: Year wise CSR Expenditure by Nestle India Limited

Year	CSR Expenditure (INR in Millions)
2017	269.1
2016	313.6
2015	206.1
2014	85.1

On the basis of its Creating Shared Value agenda, the company has narrowed down three areas of focus namely nutrition, water and rural development to carry out its social responsibility initiatives along with persistent efforts towards maintaining the environmental sustainability. Since these three areas serve as a point of intersection with respect to the needs of the company and society so the company has rolled out several responsibility programmes to mark development by addressing issues and loopholes in these areas.

Nutrition: Being a food and beverage company nutrition is the core area in which company deals, so by ensuring and striving towards the provision of nutritious food it serves the interests of society while fulfilling its own aims. In order to create a positive impact on society through its area of expertise, Nestle is persistently making efforts to make its products more nutritious and affordable to society. For instance, the entire range of Cerelac which is food for an infant was renovated by fortifying with Iron to ensure the provision of essential nutrients to infants.

The company launched '*Start Healthy Stay Healthy Programme*' in 2010 in order to create awareness among mothers about nutrition from pregnancy to toddlerhood. Under this programme more than 980 Breastfeeding Rooms were installed in clinics across 150 cities of the country and for assistance, a breastfeeding room locator app was developed to locate the facilities. Also in 2013 '*Super Baby'* campaign was initiated which generated half a

million pledges later which was converted into an action oriented social campaign to reinforce the importance of breastfeeding with the message 'When breastfed it shows' to encourage breastfeeding of infants.

In order to create awareness about health and nutrition among school age children in rural areas, the company launched the '*Nestle Healthy Kids Programme'* in the year 2009 in partnership with six leading Universities of the country. By the year 2017 the programme has reached out to over 200000 adolescents and to further promote its effectiveness, '*Magic Bus model'* was adopted in 2014 with a view of engaging children through sports and activities as a medium to bring change. This Magic Bus model has reached out to 200000 children across 21 states till date. It engages kids in interactive sessions to receive nutrition and health knowledge and encourages them to play regularly.

The project '*Jagriti*' was launched in collaboration with Mamta Health Institute for Mother and Child to educate and encourage support on good nutrition and breastfeeding practices among the community. In 2017, the project was extended across 15 districts in 7 states and 1 union territory and aims to reach out to 3 million beneficiaries by 2018. This project is a successor to project '*Swasth Jananee Swasth Shishu'* conducted by the company in 2015 and which engaged more than 100,000 people living in slum conditions in Delhi.

'*Project Serve Safe Food'* carried out in association with Government of India to train street vendors on health, hygiene, food handling, food safety, garbage disposal, and entrepreneurship was organized in New Delhi in 2016-17 engaging 500 street food vendors. This programme was rolled out in a phased manner since 2016 in Goa followed by Rajasthan, Uttar Pradesh and Kerala thus conducting training programmes for over 4800 street food vendors till date. At the end of the training, all the participants are also awarded with training kits and certificates. Nestle Nutrition Institute organizes conferences and seminars from time to time to contribute knowledge regarding nutrition among various healthcare professionals.

Water: Water is essential both for society and the operations of the company; hence making efforts in the context of water conservation is a mutually beneficial and major area of concern these days. Owing to the scarcity of clean and drinkable water in society, the company proactively started addressing this concern by constructing clean drinking water facilities in schools around all its factories in 1999. By the year 2017, the company has built around 257 water tanks benefitting over 140,000 students in the six states of the country. These water tanks source water from deep below ground level and store it in hygienic tanks enclosed in a specially designed facility to preserve its qualities. To ensure the maintenance of tanks and availability of safe drinking water periodic water quality checks are carried out involving the school and surrounding community through joint ownership of the water tanks. Since 2015 the company in partnership with the NGO Enable Health Society, provides drinking water treatment plants in the locations where groundwater does not meet quality standards.

It conducts several *'Water Awareness Programmes'* reaching out to over 92,500 students with the goal to ensure hygienic and sustainable water use by showcasing water saving and purifying demos, such as the drip method, solar water disinfection process, and rain water harvesting models to increase their understanding. Also in 2017 company in association with Government of Rajasthan identified 10 Public Health Sample Units to provide clean drinking water through its NGO partner Piramal Sarvajal. Under this single phase, bore-wells and water tanks with efficient water filtration and the delivery mechanism will be constructed.

It rolled out a programme to create water awareness in collaboration with Government of Punjab to guide farmers on direct seeding of paddy thus ensuring optimum water usage, thus engaging 25000 farmers across 16 districts in Punjab. Also, a water stewardship initiative was

launched in 2015 along with AgSRI at the Kabini river Basin in Karnataka to promote the System of Rice Intensification and the Sustainable Sugarcane Initiative. The project aimed to reduce the agricultural water withdrawal from the Kabini catchment area, while improving agricultural productivity by setting up demonstration farms and training farmers on ecologically sustainable practices. Through the NESCAFÉ Plan, Nestle is also raising awareness and providing technical assistance to coffee farmers on water conservation in irrigation, soil management, waste water recycling, and water use optimization.

In the year 2015, the company implemented '*Project Zer'Eau*' in Moga factory to enable recovery of 50 percent of water from cow milk collected everyday and recycling it to reduce ground water withdrawal by 25 percent. Over the last 15 years, the company has reduced the water usage across all its factories by 51 percent and a reduction in waste water by 57 percent. A number of water initiatives illustratively installation of Reverse Osmosis Plant at one of its factories, recycling of effluent treatment plant water at more than one site, redesigning of CIP (Cleaning In Place) circuits for optimal water consumption, reduction of usage of bore well water and replacing it with recycled water are being carried out by the company at its manufacturing facilities in to achieve these goals.

Rural Development: The company has always focused on well being of farmers and rural communities who are also the major suppliers of raw material to the company, and whose prosperity will ensure the growth and opulence of business as well. In order to support the development of milk farmers with small holdings, the company provides them with technical assistance; veterinary services and subsidized medicines to increase their milk production and quality. Till date, the company trained almost 100000 milk farmers and 2200 coffee farmers on sustainable agricultural practices.

Nestlé Group became a member of the Roundtable on Sustainable Palm Oil (RSPO) in 2009, which has developed Principles and Criteria for sustainable palm oil production. The Company is fully committed to the responsible sourcing of palm oil in its supply chain. Under its '*Village Women Dairy Development Programme*' it has educated women on good breeding and feeding practices for cattle along with animal care and treatment to increase milk production and quality by following sustainable agricultural practices. Till date, this programme has empowered 68400 women, dairy farmers.

In order to raise awareness about girl child education company changed the packaging of its most iconic brands Maggi, Nescafe and Kitkat in support to '*Educate the Girl Child Programme*'. This programme being one of the largest community programmes to educate underprivileged girl children across India is being carried out in association with Nanhi Kali. Also, the company sponsored the construction of 430 sanitation facilities at various schools around its manufacturing facilities thus benefiting around 150000 girl students across 11 states in India.

The company also supported the Indian Cancer Society in conducting specialized checks and routine health checks for men and women in the suburban localities of Mumbai, Maharashtra. As part of the efforts in response to natural disasters, the company supplied packaged food and beverages, including milk, coffee and instant noodles to the affected people in Assam and Bihar during 2016 and to Chennai and Nepal during 2015.

Environmental Sustainability: With its commitment towards environmental sustainability, Nestle has always strived towards maximizing production while minimizing the consumption of natural resources and reducing wastage and emissions at all its production sites. Over last 15 years company has made continuous efforts to reduce its energy usage by 43 percent by undertaking several initiatives which include introducing LED lighting and energy efficient fans and pumps in factories, installation of heat and energy recovery equipment, optimization of

steam consumption and steam auditing of its factories.

Nestle also reduced the emission of green house gases by 51 percent by introducing several energy reduction projects over years across all its manufacturing facilities like sourcing of Green Power at one of its factories and installation of the solar power plant at another of its factories. It also undertook an initiative of reusing spent coffee grounds as fuel for internal combustion at its Nanjangud plant thus reducing CO^2 emissions.

Also with a goal to reduce the environmental footprint of its packaging materials, the company incorporated labeling as per the Nestlé Policy on Environmental which includes identifying the material type to determine its recyclability, anti-litter and recycle logos on products with a motive to remind its consumers to dispose of in an environment friendly way. In the previous year, almost 35 percent of recycled material was used in the packaging while reducing around 800 tonnes of packaging material through packaging optimization.

Stakeholders Viewpoints

In order to understand the opinion of several stakeholders regarding CSR initiatives undertaken by the company at various locations, unstructured interviews and field visits were conducted within the premises of the company's manufacturing plant at Moga as well as in the surrounding villages. The interviews were informal and open-ended which followed no specific set of questions. As Nestle Moga collects milk throughout Punjab so keeping in view its Creating Shared Value Agenda it conducts its CSR activities all around Punjab. Major initiatives carried out in Punjab area are:'

- *Nestle Healthy Kids Programme'* which is carried out in partnership with College of Home Science of Punjab Agricultural University, Ludhiana in several government schools of Punjab'

- *Sanitation facilities'* are constructed in government schools for girl students throughout Punjab

- Educating and training women towards entrepreneurship by conducting seminars throughout rural Punjab under *'Village Women Dairy Development Programme'*

- Installing *'Clean Drinking Water facilities'* in government schools throughout Punjab in partnership with Piramal Sarvajal

The employees interviewed appreciated the company for creating a culture of work life balance for its employees. They also talked about the job satisfaction they achieve as they know that under the creating shared value agenda of the company they are working towards the common good of the society while performing their duty towards the organization.

Nestle has, as part of their CSR initiative, contributed effectively in the development of basic health and hygiene facilities for various schools throughout Punjab. A field visit was conducted in the government schools of villages Ajitwal and Boparai Kalan. The need for clean drinking water is desperately felt, especially during the summer months and the rainy season, when a shortage of water and water contamination becomes a major issue faced by the schools in our country. Initially, only the drinking water tanks were constructed in Ajitwal Primary School and Boparai Kalan High School, but later on, a Water Purification System, which included an RO plant, was also installed, under the expert guidance of officials of Nestle. As per information gained from school staff, Nestle conducts regular visits to the facilities to ensure proper maintenance and upkeep of the RO system and the water tank. Any fault or irregularity is dealt with on a priority basis by the proactive team of the company's CSR unit. This step of responsibility for post installation maintenance and repair is even more crucial. As the schools do not have to worry about the expenses for the repairs and maintenance, a fully functioning unit throughout the year is in a true sense, adding and contributing towards the social responsibility that Nestle is undertaking to give back to the society from where it is benefitting. Installation of this RO unit has directly benefitted the health and lives of all the staff and students who come

to these schools. Upon interaction with the school staff and students, it was found that with the installation of the RO system, the water based health issues and sicknesses amongst the staff and students had considerably reduced. This facility is highly appreciated by the respective school managements as earlier there were no proper facilities and no access to clean drinking water. Both the schools acknowledged and appreciated the high valued positive impact of this project.

Another great project and initiative towards the betterment of schools by Nestle is the construction of separate toilet facilities for girl students. Lack of proper sanitation facilities is one of the major issues being faced in government schools throughout India. This was especially felt by the girl students as they either had to use the same toilets meant for boys or in certain schools, defecate in the open. Apart from the humiliation, there was a serious concern regarding the health and hygiene where boys and girls used the same toilets, especially where schools had a very large number of students and hardly one or two toilets for all. Another major concern is regarding schools where there are no toilet facilities at all. Here, there is a serious threat to the safety and security of the girl students. The Ajitwal School is the first in this region where Nestle has installed the pre-constructed toilets. The project took only a couple of days to install as the toilet chambers are prefabricated units which have to be placed and installed in the school premises with the coordination of the concerned school administration. This project has been highly appreciated by the school and has become a benchmark and face of all the CSR activities that Nestle is doing in the region. They are now being approached by various other schools and villages regarding the same.

In an interview, it was stressed by a government official as to how the Nestle project for clean water and sanitation in schools has brought a positive change and fruitful impact on the lives of the school children and the villagers alike. Apart from the above mentioned CSR activities, Nestle has also been involved in other activities like providing training on sustainable farming, health and nutrition, cattle care, women entrepreneurship, and dairy production. Workshops are being regularly conducted in village community centers, schools, milk collection points, as well as in the main premises of the Nestle Moga Plant. Under the Nestle Healthy Kids Programme, training is given to the school children regarding food, nutrition and hygiene, by providing them books to help understand the importance of a healthy lifestyle. This programme is carried out in partnership with the Department of Home Science of the Punjab Agricultural University, Ludhiana. Also, competitions are organized in village schools, by giving certificates and prizes distributions to successful students. This helps in inculcating in them the habit of healthy eating. Apart from this, these lectures also focus on topics like avoidance of junk food, saving water and electricity etc.

Training is also given to farmers and milk collection agents regarding the production, care and proper storage of milk. A dedicated team of doctors and agriculturists also undertake regular visits to all villages and milk collection points. They keep organizing various seminars and training workshops for the farmers in which they educate them about different kinds of crops/fodder for the cattle and the nutritional value of the same for them. Also, as the milk quality control is given prime importance, through these seminars and training workshops, farmers are educated:

1) To refrain from the use of certain kinds of medicines/drugs for the cattle

2) About the health concerns of the cattle and ways to tackle them

3) About the type of fodder to be used for different types and ages of cattle.

Not only this, premier quality fodder and medicines are supplied at subsidized rates to its milk supplying partners. It follows a collaborative approach while working with its suppliers which means treating farmers as partners rather than as contractors and make investments in the long-term sustainability of the supply chain instead of focusing on short

term profits.

Association with Nestle has ensured fair prices and regular income for the dairy farmers. Apart from educating the local farmers, the CSR team also educates the local veterinary doctors against certain medicines, as their use might affect the quality of milk and thus make it harmful for human consumption. Farmers are educated and encouraged to organize their available resources and maximize their output and income. There have been a number of instances where farmers have grown exponentially from ownership of just one cow to one fifty cows, simply because of the training, guidance and support of the Nestle Group.

The general public appreciates the social development work done by Nestle Limited. The factory has generated employment both directly and indirectly thus contributing positively towards the economic development of the local community. With its dairy development heritage in Punjab, the company has changed and uplifted the financial status of thousands of farmers. It has educated rural farmers on commercial dairy farming, sustainable agricultural practices, better calf management, shed expansion practices etc. By the provision of regular training and technical assistance to local farmers, the quality and productivity of milk have increased over years thus ensuring better income and standard of living for people in rural areas. Also by educating the rural women on dairy development practices it has empowered rural women by making them financially independent, confident and increased their total household income.

By construction of sanitation facilities and provision of clean drinking water at local government schools which lack in such facilities, the company has fostered a feeling of trust and compassion for itself in the local community thus motivating them to associate with the company. By conducting programmes and seminars on nutritional needs it has inculcated a sense of hygiene and consciousness about nutritional needs thus contributing towards the growth of healthy individuals and future generations. By making such efforts the company has built its reputation and marked its presence throughout Punjab thus engaging dairy farmers throughout Punjab in its milk collecting operations.

6. CONCLUSION AND IMPLICATIONS

Hence with years of social involvement and partnership with local farmers, Nestle has established a special bond of trust with the local community. By carrying out several initiatives in health, sanitation and women empowerment domain Nestle has been serving the local community since long. But with Government intervention of making CSR expenditure mandatory for companies, the participation of other companies is also increasing in these social responsibility areas. Thus along with implementing its currently running programmes on health, women empowerment and sanitation, Nestle should explore new issues in CSR domain as per local requirements. Also with the entry of new industry players like Verka in Punjab which is offering comparatively higher prices to the local dairy partners for their supplies, the company may face intense competition in the coming times thus it will have to make more efforts towards differentiating itself in every aspect.

Working on shared value approach the CSR initiatives by Nestle in Punjab are creating value for both the local community and strategically benefitting the company as well. In accordance with a study published in Havard Business Review (Meier and Cassar, 2018) more visibility and respect is commanded by companies contributing selflessly towards society than by the ones using CSR instrumentally or strategically. So accordingly Nestle can undertake CSR initiatives not only for the communities that are working with it and living around its manufacturing plants but also for other needy communities living all across India. Taking inspiration from another industry player Dabur India Limited, Nestle should also consider collaborating with its packaging suppliers and third party service providers towards creating recycling stations for consumer waste. This initiative would further help the company in reducing the

environmental footprints of its packaging materials.

The farming community is one of the major partners of Nestle as main suppliers of raw material for most of its products. In Punjab due to high debt burdens and low income, the rate of farmer's suicides has been continuously increasing. Nestle in partnership other companies can work towards addressing this major social issue in Punjab by establishing a Farmer Suicide Relief Fund. The partner companies can mutually agree to divert a certain percentage of their total prescribed CSR expenditure for the year towards this Farmer Suicide Relief Fund.

REFERENCES

• Annual report of Nestle India Limited (2016).

• Annual report of Nestle India Limited (2017).

• Barsoux, J. L., Hughes, K., Manzoni, J. F. and Tibrewala, V. (2004). *Tata Steel: A century of Corporate Social Responsibility.* Retrieved from https://hbr.org/ product/tata-steel-a-century-of-corporate-social-responsibility/INS646-PDF-ENG. on 24 January 2018

• Bartlett, C. A. (2014). *Unilever's Lifebuoy in India: Implementing the Sustainability Plan.* Retrieved from https://hbr.org/product/unilever-s- lifebuoy-in-india-implementing- the-sustainability-plan/914417-PDF-ENG. on 25 January 2018

• Biswas, A.K., Tortajada, C., Joshi, Y.K. and Gupta, A. (2012). *Creating Shared Value: Impacts of Nestle's Moga factory on surrounding area.* Retrieved from https://www.nestle.in/asset-library/documents/creating%20shared%20value/csv-moga-summary.pdf. on 3 September 2017

• GD, B. P., Murthy, V. and Dave, P. (2013). CSR at Shipping Corporation of India, *Indian Journal of Corporate Governance,* 6, 64-75.

• Ghasemi, S., Nazemi, M. and Hajirahimian,

T. (2014). From Corporate Social Responsibility (CSR) to Creating Shared Value (CSV): Case Study of Mobarakeh Steel Company, *Global Business Management Research: An International Journal,* 6(1), 15-23.

• Gupta, A. and Joseph, A. (2012). *MSPL Limited: CSR and Sustainability in Mining.* Retrieved from https://hbr.org/product/mspl-limited-csr-and-sustainability-in-mining/W12037-PDF-ENG. on 25 January 2018

• Hunter, M. and Wassenhove, L. V. (2014). *Hindustan Construction Company (HCC): Strategic Corporate Social Responsibility.* Retrieved from https://hbr.org/product/hindustan-construction-company-hcc-a-strategic-corporate-social responsibility/INS367-PDF-ENG. on 25 January 2018

• India Brand Equity Foundation. www.ibef.org. Accessed on 4 April 2018

• Kanchan, M. (2010). Weaving social responsibility with business strategy: A case study of South India Paper Mills, *Corporate Social Responsibility and Environmental Management,* 17(3), 169-172.

• Kapoor, S. and Sandhu, H. S. (2010). Corporate Social Responsibility: A case of Infosys Technologies Ltd, Asia Pacific *Journal of Management Research and Innovation,* 6(2), 130-140.

• Knudsen, B. T. and Nielsen, A. E. (2013). Acts that matter – an analysis of Kiva, *Social Responsibility,* 4, 603 - 621.

• Meier, S. and Cassar, L. (2018). *Stop talking about how CSR helps your bottom line.* Retrieved from https://hbr.org/2018/01/stop-talking-about-how-csr-helps-your-bottom-line. on 25 January 2018

• Murthy, V. and Abeysekera, I. (2008). Corporate social reporting practices of top Indian software firms, *Australasian Accounting, Business and Finance Journal.* http://ro.uow.edu.au/aabfj/vol2/iss1/4. Accessed on 25 January 2018

- Porter, M.E. and Kramer, M.R. (2006). Strategy & Society: The link between competitive advantage and corporate social responsibility, *Havard Business Review.* https://hbr.org/2006/12/strategy-and-society-the-link-between-competitive-advantage-and-corporate-social-responsibility. Accessed on 3 September 2017

- Shah, S. (2014). Corporate Social Responsibility: A way of life at the Tata Group, *Journal of Human,* 20 (1), 59 - 74.

- Shah, S. and Bhaskar, A. S. (2010). Corporate Social Responsibility in an Indian public sector organization: A case study of Bharat Petroleum Corporation Ltd, *Journal of Human Values,* 16 (2), 143 -156.

- Singh, N., Srivastava, R. and Rastogi, R. (2014). A Road Way to Corporate Social Responsibility: A case study of ICICI Bank, *IOSR Journal of Business Management,* 16 (1), 38 - 42.

- Report on Indian FMCG Market 2020. ASSOCHAM and TechSci Research. www.techsciresearch.com. Accessed on 19 March, 2018

Call for Papers

Dear Prospective Contributors,

Greetings from **Institute of Management Studies, Banaras Hindu University, Varanasi (INDIA)**.

Banaras Hindu University, founded by the Great visionary, Pt. Madan Mohan Malaviya in the year 1916, is currently celebrated its Centennial Year. Over the years, the University has contributed tremendously for the development of human society. The University, spread over 4000 acres of land in two different campuses, comprises 6 institutes, 16 Faculties and near 140 academic teaching departments. It offers a number of programs ranging from science and technology to music, mountaineering, flying etc.

Management education started in the University in the year 1968. It got gradual elevation through Department of Management Studies to Faculty of Management Studies and finally got upgraded to Institute of Management Studies in the December 2015. We are celebrating Golden Jubilee of our services in the field of management education. Over the years, it has produced more than 5000 management graduates who are currently holding senior managerial positions in reputed public and private sector organizations across the globe, or serving as government officers of higher ranks and also groomed successful entrepreneurs.

The core strength of the Institute is its dedicated highly skilled faculty, which is the backbone of the institute. Over hundred doctoral researches on a variety of topics under management discipline, besides, sponsored live projects and consultancy assignments have been undertaken by the institute. Recently, the institute has started **Atal Incubation Centre with the support of NITI Aayog, Government of India.**

It is our proud privilege and pleasure to inform you that the Journal of the Institute entitled 'BHU Management Review : A Refereed and Peer Reviewed Journal of Contemporary Management Research (ISSN2231-0142)' is having publishing frequency of twice in a year. BHU Management Review is a research journal of Contemporary Management Research and is intended to facilitate academicians, management thinkers, experts, professionals, practitioners, researchers and students to share their knowledge and experience.

It endeavors to publish results of research work in various business and management domains including multi-disciplinary research comprising: Research Papers, Case Studies, Corporate Experiences, Book Reviews, Current business developments etc. We take this opportunity to cordially invite you to contribute thought provoking and unpublished research paper to publish in the journal.

The Journal is bi annual. Authors are requested to send either hard copies or soft copy of their research papers as per guidelines specified. The hard copy of the manuscript should be send to The Managing Editor, BHU Management Review, Institute of Management Studies, Banaras Hindu University, VARANASI-221005 and soft copy can be submitted to email address: bhumanagmentreview@fmsbhu.ac.in.

Submission Deadline: Open throughout year, however, paper submitted upto 30th June will be part of First Issue and papers submitted upto 31st December will be part of Second Issue.

Publication Charges: **Nil**
We shall be thankful, if you could circulate this information among your colleagues and research scholars and motivate them to contribute their research papers interested in research and publications.

With profound regards,

Ashutosh Mohan
Managing Editor
Mb.: +91 9839812181

P.S. Tripathi
Editor-in-Chief
Dean & Head

Copyright Form

Title of Article/Paper/Manuscript:

_____
_____
_____

Article Type: (Research Paper/ Review Paper/ Others): _____

Author(s) Name(s): _____
_____
_____

Corresponding Author's Name, Address with Pin/Zip Code, and Affiliation:

_____
_____
_____

E-mail (Corresponding Author): _____

Contact Number (Corresponding Author): _____

LICENCE AGREEMENT:

I hereby declare and agree, on behalf of myself and my co-authors (if any), that:

[1] The article submitted is an original work and has neither been published in any other peer-reviewed journal nor is under consideration for publication by any other journal. In addition to it, the article does not contravene any existing copyright or any other third party rights.

[2] This transfer of copyright gives BHU Management Review the right to develop, promote, distribute, and archive a body of research works throughout the world.

[3] The Author hereby grants and assigns to BHU Management Review all rights in and to Author's work in and contributions to the Work. In connection with this assignment, the Author acknowledges that BHU Management Review will have the right to print, publish, and create derivative works throughout the world, all rights in and to all revisions or versions or subsequent editions of the Work in all languages and media throughout the world.

The author(s), reserve the following rights:

- All proprietary rights other than copyrights, such as patent rights,
- The right to use all or part of this article, including tables and figures in future works of their own, provided that the proper acknowledgment is made to the Publisher as copyright holder, and
- The right to make copies of this article for his/her own use, but not for sale.

[4] The article contains no such material that may be unlawful, infringe any proprietary or personal rights of others (including, without limitation, any copyrights or privacy rights); that the Work is factually accurate and contains no matter libellous or otherwise unlawful; that I/We have substantially participated in the creation of the Work and that it represents my original work adequate for me/us to claim the authorship.

[5] If any plagiarism found in my camera-ready article after Publication, I am solely responsible not the BHU Management Review or BHU Management Review Board members.

[6] If any dispute arises, final decision shall taken by BHU Management Review. All disputes shall be subject to Varanasi Jurisdiction only.

[7] I, the undersigned corresponding author, also certify that I have the consent of each author to transfer and assign any and all rights, title, and interest, including copyright of the article referred above. I hereby assign and transfer to the BHU Management Review copyright and all rights under it in the event that such work is published by the BHU Management Review. I further confirm that this article has not been published elsewhere, nor is it under consideration by any other publisher.

Original Signature (in ink): _____

Authorized Name (Corresponding Author): _____

Date:_____ Place: _____

BHU MANAGEMENT REVIEW
Author's Guidelines

(a) The manuscripts should normally not exceed 20 (A 4 Size) pages, margin 1 inch in all sides including figures and tables, typed in 1.5 space in 12 - point – preferably- in Times New Roman font

(b) Research paper / article should be submitted in the form of MS Word file through e-mail.

(c) The cover page of the article should contain:

  (I) Title of the article (in bold)
  (ii) Name(s) of authors
  (iii) Professional affiliation
  (iv) Address of correspondence and Email Kindly note the authors name should not be mentioned in any other page.

(d) The second page should contain

  (I) title of the article (Time New Romans 16, in bold)
  (ii) an abstract of the paper in about 200-250 words (Times Roman 10-point type & single spacing).
  (iii) keywords should be provided which encapsulate the principal topics of the paper.(3-5 key words)

(e) The manuscripts may contain footnotes /end note. References should be placed at the end of the paper and arranged alphabetically.

(f) References must be given in alphabetical order and typed on a separate page, single-spaced, at the end of the paper in APA style.

(g) All Figures (charts, diagrams and line drawings) and Plates (photographic images) should be submitted in electronic form. They should be of clear quality, in black and white and numbered consecutively

(h) Tables should be typed and included as part of the manuscript. They should not be submitted as graphic elements.

  (I) Mathematical expressions, figures and charts should be presented in a way that will be easily printable. Tables and diagrams should be numbered consecutively and included in the text. Source must be mentioned below the table.

(j) Please check your manuscript for clarity, grammar, spellings, punctuation, and consistency of references to minimize editorial changes.

(j) The editorial team has the right to modify or edit the work in order to match the standard and style requirement of the journal.

(k) The following format should be used for referring books, articles in journals, electronic documents etc

Journal article:	Author, A. A., Author, B. B., & Author, C. C. (Year). Title of article. *Title of Journal, xx* (XX), xxx-xxx.

NOTE: The journal title and the volume number are in italics. The issue number in parenthesis is in regular type.

Book	Author, A.A. (Year). *Tittle of work*. Location: Publisher.
Online Document:	Author, A. A., Author, B. B., & Author, C. C. (Year). Title of article. -xxx. *Title of Journal, xx* (XX), xxx - xxx. doi: xxxxxxxxxx Author, A. A. (Year date). *Title of work*. Retrieved from web address

Editorial Procedure :

The Editors reserve the right to reject/ return to the author(s) any manuscript that in their opinion is not suitable for publication in BHU Management Review, without expressly stipulating the reasons for doing so. In case of major/minor revisions, the possible suggestions will be provided to author(s) for resubmission and review of paper. Under no circumstances will the identity of the reviewer(s) and referee(s) be disclosed to the author(s) or to any other third party not involved in the editorial process.

Review process :

Research Papers/Articles received will immediately be put before the editorial committee for initial review. **The submitted paper will be checked for Plagiarism and similarity of more than 15 percent will led to decision for rework for the submitted paper.** The selected papers will be sent to two reviewers for their opinion with a request to pass on the same in four week's time or less. An effort is made to publish a paper duly recommended by a reviewer within a period of two to six months.

Correspondence and proofs for correction will be sent to the first author unless otherwise specified. The article will be published after receipt of the corrected proofs from the authors.

Copyright:

All copyrights are with the IM - BHU. The authors are accountable for copyright permission for any part of the content of their articles. The views expressed in the articles of this journal are those of authors and do not reflect the opinion of the Institute. The authors are required to sign the "Transfer of Copyright" agreement before article is published in the journal.

Submission Instructions:
The Articles/Research papers sent to :

The Managing Editor, BHU Management Review, Institute of Management Studies (Faculty of Management Studies), Banaras Hindu University (BHU), Varanasi - 221005

Email id: bhumanagementreview@fmsbhu.ac.in

About the University:

Banaras Hindu University is an internationally reputed temple of learning, situated in the holy city of Varanasi. The creative and innovative University was founded by the great nationalist leader, Pt. Madan Mohan Malaviya, in 1916. It played a stellar role in the independence movement and has developed into the greatest centre of learning in India. It has produced many great freedom fighters and builders of modern India and has immensely contributed to the progress of the nation through a large number of renowned scholars, artists, scientists and technologists who have graced its portals.

The area of the main campus of this premiere Central University is 1300 acres, which is the second largest in the World, having well maintained roads, extensive greeneries, a temple, an airstrip and buildings which are an architectural delight. Another campus of the University is coming up at Barkachha, in Mirzapur District, covering an area of 2800 acres. The university comprises 5 Institutes, Indian Institute of Technology-BHU, 16 Faculties, and 140 Departments spanning a vast range of subjects pertaining to all branches of humanities, social science, science, technology, commerce, management, medicine, performing arts and visual arts. It has 4 centres of Advanced Studies and several departments specially assisted by the UGC. It has a large number of specialized research centres.

Banaras Hindu University is virtually 'The Universe in Microcosm'

About the Institute :

The University was achieving another milestone towards materializing the dreams of its great founder, **Pt. Madan Mohan Malaviya** when it started Post Graduate and doctoral Program in Management in the late 1960. It started as a Department in the Faculty of Commerce. Envisaging the increasing need for imparting quality management education and research, the University transformed the Department of Management Studies to an independent Faculty of Management Studies in the year 1984 **and was upgraded to Institute of Management Studies in 2016.** Dedicated efforts were made to run innovative and need based Programs for the corporate world under the dynamic leadership of professors of national and international repute. With continuous revision and innovation, the Institute has always been grooming managers capable of handling complex business operations of the day and future. During the last four decades, the university churned out near 5000 bright and dynamic managers who are currently holding prestigious positions in the corporate world across the globe.

Recognitions:

- NITI Aayog has sanctioned **Atal Incubation Center** to the Institute**. (AIC – Mahamana Foundation for Innovation and Entrepreneurship – IM-BHU).**
- **DRS – Phase II SAP (Special Assistance Program) :** Faculty got the honour of being included in the Special Assistance Program of the UGC (DRS- Phase II) of University Grants Commission (Thrust area : **Social Innovation & Entrepreneurship Development in India).**
- **Allahabad Bank Chair Professor in Management**
- **Quality Improvement Program Centre:** FMS-BHU is one of the Quality Improvement Program Centres sponsored by AICTE for conducting short term training programs for teachers of management institutions approved by AICTE.
- **Host Institution for National Doctoral Fellowship in Management :** AICTE approved the Faculty as Host Institution for National Doctoral Fellowship in Management.
- **Entrepreneurship Development Cell :** All India Council for Technical Education (AICTE) approved and sponsored the Entrepreneurship Development Cell for carrying out research and training activities to inculcate the spirit of entrepreneurship among the youngsters.
- **Industry Institute Partnership Cell :** All India Council for Technical Education (AICTE) approved and sponsored the Industry-Institute Partnership Cell for carrying out consultancy and provide training for executives from business organizations and strengthen linkage with the corporate world.

Over a half dozen research projects sponsored by various external agencies such as AICTE, UGC, ICSSR etc. are either running or successfully completed. We are living in a world where the management education is gaining momentum. Skills of professional management makes career oriented younger generation more confident and successful in achieving their dreams. Organizations also require professional hands blended with management skills to carry out their future growth plans. In the present scenario, at IM – BHU, we understand that the responsibilities and challenges before management institutions in general and that too of our Institute, being one of the Premier Management Institution in the country in particular, we are continuously striving for achieving greater heights.