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Expanding Knowledge Horizon

AN INTERNATIONAL JOURNAL OF RESEARCH IN MANAGEMENT

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**Jaipuria Institute of Management Studies
Ghaziabad**

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From the Desk of the Chief Editor

The inaugural issue of "OJAS: Expanding Knowledge Horizon", is in your hand. As the title suggests, the journal aims at presenting a dignified aura of diverse proficiencies in all areas connected to Management. The different perspectives of looking at the same issue should be able to reflect the dynamics of problem at hand. The journal urges to deal with the concerns of putting more prominence on the junction of various management areas.

So many innovations are taking place on the borders of diverse knowledge spheres. The OJAS team is determined to direct its vigor in digging the potential in borders of the different managerial disciplines. This necessitates horizontal thinking and challenging our own esteemed thoughts and views about challenges at hand.

The current issue is a very modest effort at meeting the mammoth objective of breaking away from the fair knowledge systems demonstrated by different Researchers in India and abroad. This is done mostly through papers dealing with issues related to Management.

The manuscripts are peer reviewed as well as expert reviewed. My sincere thanks are due to the members of editorial and advisory boards, manuscript contributors and all others who have put in their might in compiling this issue.

To conclude, any journal is as good as its Content. It is for you to raise the bar in every forthcoming issue. This will not be possible without ruthlessly honest and critical comments of its readers. Looking forward to a bagful of all these.

Dr. Sharad Goel

Editor-in-chief

OJAS: Expanding Knowledge Horizon

Business - IT Alignment Maturity: A Global Perspective

Jerry Luftman*

Abstract

The challenge of aligning business and IT continues to be an elusive strategic initiative for organizations around the world. Since the late 1970's, practitioners, academics, consultants, and research organizations have identified "attaining alignment between IT and business" as a pervasive and persistent problem. Although our latest research results showed that alignment is improving¹, there are reasons why alignment continues to be a global issue – as will be elaborated on in this article.

This article will present significant new global insights from Luftman's evaluation of strategic alignment maturity (SAM). It is the result of assessments from 238 Global 1,000 organizations. While this article focuses on the global and industry differences among the respective alignment factors, the overarching findings that are the focus of this article are:

1. Most organizations today are still at Level 2 and Level 3.
2. The strongest (receiving the highest maturity scores) alignment factors are: demonstrated contribution of IT to business, business sponsor/champion, IT ability to react/respond quickly to changing business needs, relationship/trust style, articulation of and compliance with IT standards and scope of IT systems.
3. The weakest (receiving the lowest maturity scores) alignment factors are: career cross-over, service level agreements, balanced metrics, education, cross-training, attract and retain best talent, IT metrics.
4. The consistently higher maturity scores for Indian IT service companies' merits further discussion.
5. The relationship of IT business alignment maturity to firm performance is strongly supported.

Keywords: IT- Business Alignment, Strategic Alignment Model, ROI, IT Assets

Introduction

The Importance of Achieving IT-Business Alignment

The global importance of alignment has remained on the top of information technology surveys for almost three decades. The lead author has previously presented some of the reasons why alignment persists, including: 1. Just focusing on how IT is aligned with the business, and not also leveraging how the business can be in harmony with IT. 2. The continuous pursuit of a silver bullet (not recognizing that there is no one factor that will improve the IT business relationship). 3. The lack of having an effective descriptive and prescriptive tool (until SAM, the Strategic Alignment Maturity assessment) that will assist IT and business executives in dealing with the alignment conundrum. 4. Discussing the importance of alignment but concentrating just on IT infrastructure considerations.

Alignment addresses both how IT is aligned with the business and how business should or could be aligned with IT. Terms such as

harmony, link, fuse, fit, match, meld, converge, interwoven, and integrate are frequently used synonymously with the term alignment (perhaps another reason why alignment has been so evasive). Whatever term you prefer, it is a persistent/pervasive problem that demands an ongoing process to ensure that IT and business strategies adapt effectively and efficiently together. Perhaps most important is recognizing that there is significant research available that demonstrates the relationship of alignment to firm performance (These findings as well as new industry findings will be introduced later in this paper).

A Strategic Alignment Maturity Tool

The Strategic Alignment Maturity (SAM) assessment tool comes from the lead author's work since 2000.³ SAM, which has been applied globally by organizations of all sizes, evaluates six components (and 41 factors) of an organization to identify an alignment maturity score and more importantly specific

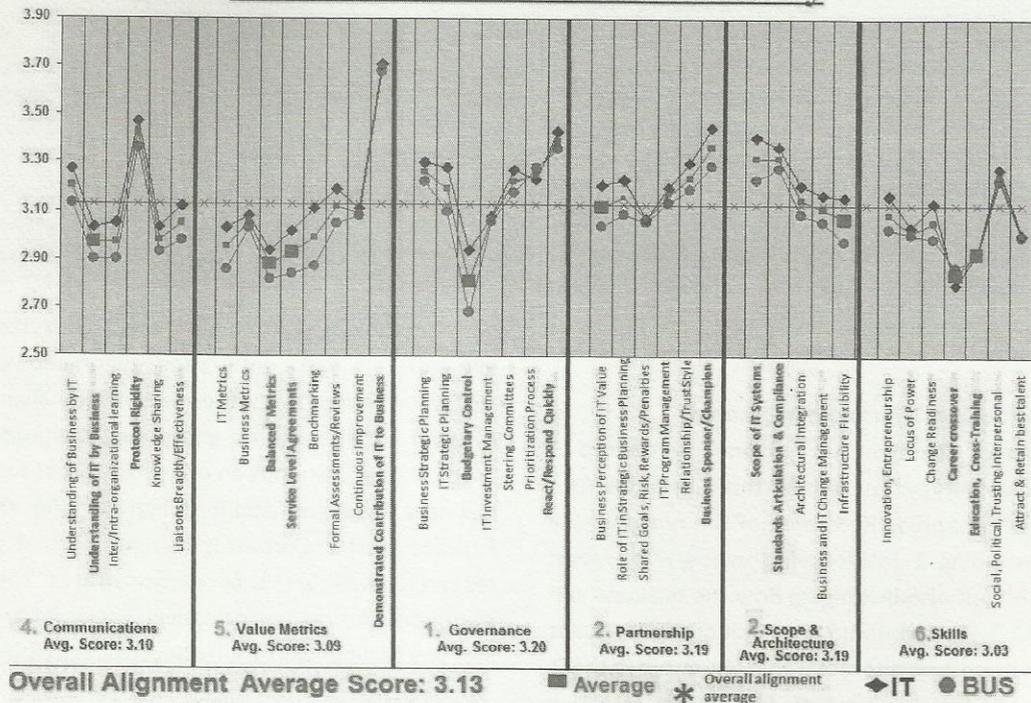
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opportunities to improve the IT business relationship. The six components (Communications, Value Metrics, Governance, Partnership, Technology Scope, and Human Resources) for assessing alignment maturity along with the 41 specific criteria/factors measured for each component are illustrated in Figure 1 (X axis). Also illustrated in Figure 1 are the average overall scores and the differences in the scores as assessed by business and IT leaders. The scores an organization achieves for each of the 41 factors included in the six components of maturity are based on a five-level maturity model. The model denotes the organization's IT-business alignment maturity, with Level 1 indicating the lowest maturity and Level 5 indicating exemplar maturity. The research process is described in the Appendix.

Analysis of The Alignment Maturity Data

The research presented in this paper involved analyzing the responses of 1,960 business and IT executives from 231 organizations; primarily Global 1,000 companies.4 Of the 238 organizations, 1375 were based in the United States, 42 were from Latin America (the largest companies data are applied, although below the Global 1,000 level), 21 were from Europe, and 38 were from India (more than half were in the IT service industry).

Figure 1 **Overall SAM Assessment Maturity**



The 1,960 respondents are comprised of 915 from IT (112 CIOs, 10 CTOs and 793 other IT leaders) and 1,045 from the business (88 CEOs, 97 CFOs, 217 VPs, and 643 other business leaders)6. It is interesting to note (in Figure 1) that although IT executives' assessment scores tend to be higher than business executives, their relative scores are very similar.

Analyses of Variance (ANOVA) were carried out in order to detect significant differences among the regions concerning SAM elements. IT was employed a level of analysis of 0.05. Duncan post-hoc multiple comparisons were employed in order to identify which groups presented differences.

Main Observations

Industries vary in their alignment maturity. As can be seen in Figure 2 (and in Figure 1), the average overall maturity score for all companies was 3.13 - shown by the midpoint dark line. Most companies are still assessed with a level 2 or level 3 alignment maturity score. The six industries with the highest maturity scores - retail, transportation, hotel/entertainment, services, manufacturing and insurance - were above the average alignment maturity score of 3.13; however, the industry samples for retail, transportation, and hotel/entertainment were quite small. The industries with the lowest maturity scores - financial, healthcare, government, oil/gas/mining, utilities, pharmaceuticals, chemical and educational institutions were below the average alignment maturity score of 3.12.

manufacturing and insurance - were above the average alignment maturity score of 3.13; however, the industry samples for retail, transportation, and hotel/entertainment were quite small. The industries with the lowest maturity scores - financial, healthcare, government, oil/gas/mining, utilities, pharmaceuticals, chemical and educational institutions were below the average alignment maturity score of 3.12.

Figure 2 **Industry Maturity Levels By Component**

Industry Name	# of Companies	Communication	Competency	Governance	Partnership	Scope of IT Architecture	SKILLS	OVERALL AVERAGE
Retail	8	3.57	3.53	3.47	3.83	3.83	3.45	3.61
Transportation	3	3.18	3.83	3.53	3.53	3.55	3.47	3.51
Hotel/Entertainment	6	3.46	3.46	3.53	3.44	3.63	3.45	3.50
Services	41	3.39	3.42	3.48	3.53	3.49	3.50	3.47
Manufacturing	46	3.21	3.11	3.14	3.23	3.28	3.19	3.19
Insurance	7	3.11	3.19	3.30	3.17	3.21	2.93	3.15
Financial	70	2.91	3.07	3.11	3.08	3.17	2.93	3.06
Healthcare	5	3.05	2.78	3.28	3.00	3.17	3.05	3.06
Government	8	2.93	2.77	3.10	3.09	2.99	2.72	2.93
Oil/Gas/Mining	3	2.96	2.86	2.92	2.84	3.22	2.64	2.91
Utilities	7	2.96	2.94	2.81	2.84	3.13	2.60	2.88
Pharmaceutical	16	2.86	2.75	2.89	2.85	2.92	2.72	2.83
Chemical	7	2.77	2.61	2.80	2.82	2.11	2.48	2.76
Educational	4	2.17	1.95	2.00	1.87	2.04	2.14	2.03

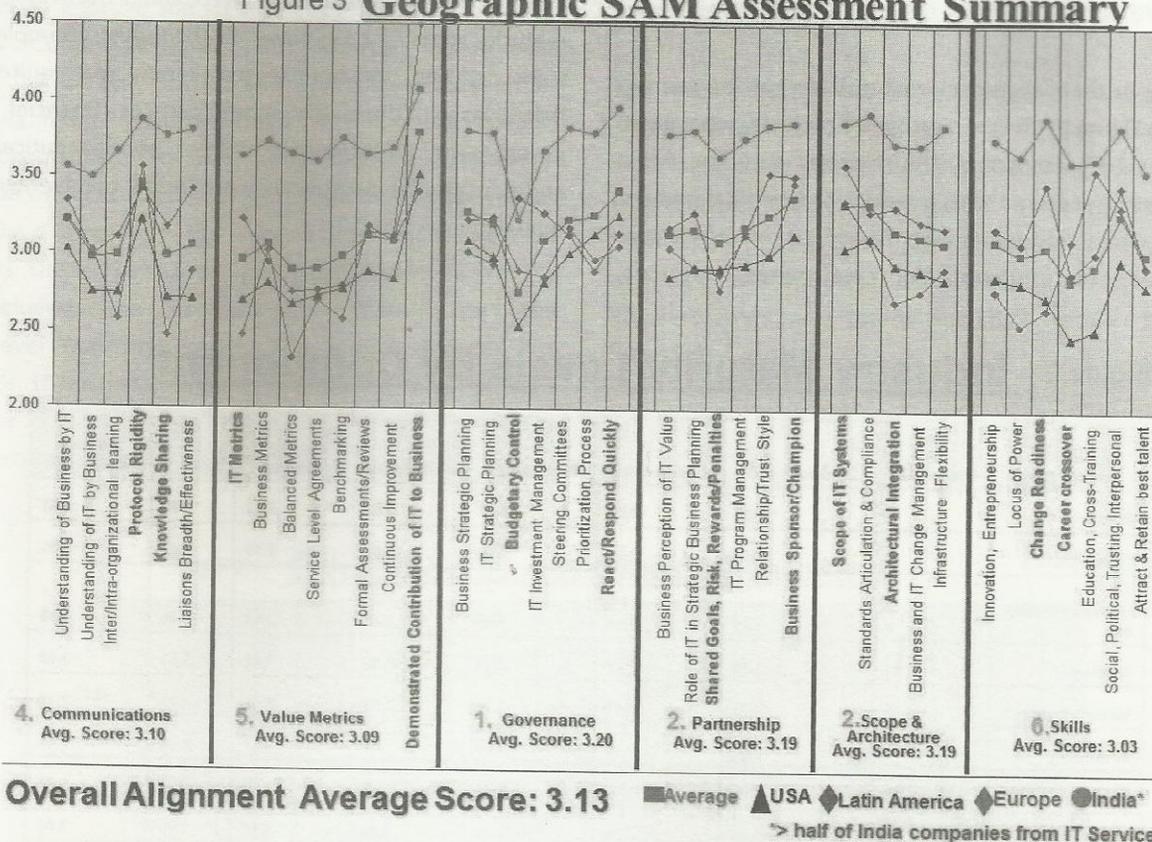
Overall Alignment Average Score: 3.13

Similarities and Differences Among the Strongest and Weakest Six Factors

Figure 3, compares the alignment scores from the 231 Global 1,000 organizations from the U.S.A., Latin America, Europe and India; it will be the focus of this section of the paper. The next two subsections of this paper present the dozen (top six and bottom six) most important factors, the global similarities/differences,

and includes an illustrative organizational vignette/example. Given that more than half of the Indian companies were from the IT service industry, when presenting the highs there will be additional discussion comparing IT service firms across geographies, as well as a discussion of the relationship of SAM to firm performance in the IT service industry.

Figure 3 **Geographic SAM Assessment Summary**



Strongest Maturity Factors

Overall level 4 IT organizations do exemplary within the company itself; where a level 5 IT organization extends their success externally to partners and customers/clients (including partners of partners, and customers of customers). Although these six factors received the highest average maturity scores, there is clearly still room for improvement.

Demonstrated Contribution of IT to Business: Overall, IT and business executives agree that the contribution IT makes to the organization's strategic goals is compelling. Albeit, the rigor of the actual measurement of this contribution is relatively weak, as demonstrated by the overall value component falling in fifth place among the six alignment maturity components. IT assets are being leveraged across the organization and the application systems are enabling/driving business process enhancements to

obtain competitive advantage. At a subjective level, IT is viewed as an innovative strategic contributor to success; as will be seen when discussing the weakest factors; it is time to ensure these opinions can be substantiated.

The contribution of IT to business maturity scores for the India (3.97), U.S.A. (3.71), Europe (3.55), and suggest that these geographies are moderately strong in this area. One-way Anova test was performed and no differences among the three areas were detected. So it is not possible to say that Indian companies focus more this practice than USA or Europe companies.

From Latin America we have only one company categorized as a retail company which has a score of 4.5 for the contribution of IT to business. The conservative nature of Latin American IT investments could have influenced this score. Latin business executives prefer to invest in what they consider stable business areas instead of IT projects.

For example, a manufacturing company initially assessed IT's contribution to business to be at a level 2.5. They implemented a balanced set of metrics that were established by IT and business executives to evaluate the service provided to business functions. However, they did not establish formal feedback mechanisms and their maturity score improved only moderately because the dashboard alone lacked the focus of maintaining an open communication path between business and IT; perhaps their next SAM assessment will show an improvement?

Business Sponsor/Champion: The business sponsor is the highest level management person engaged in the overall organization involved in the initiative. They can ensure that the appropriate resources (e.g., financial, people) are committed to ensure the success of the initiative, including making any process and organizational changes that are necessary. The champion (s) is/are the initiative/project evangelist. They motivate stakeholders to make the required change. Overall, IT and business executives agree that IT based initiatives frequently have appropriate senior management performing the proper roles necessary to ensure an initiative's success.

Maturity scores for "business sponsor/champions" in India (3.88), Latin America (3.54), Europe (3.36), and the U.S.A. (3.21), suggest that IT based initiatives often have a senior level IT and business sponsor/champion at the corporate level playing a major role in the success of implementing IT based initiatives. Overall companies at level 3 suggest that a business sponsor or champion(s) recognize and convey the importance of ensuring change, resource allocation, and accountability.

For example, a large pharmaceutical firm assessed "business sponsor/champion" to be at a level 3. The business saw IT as a key enabler for integrating the supply chain management process across the company. Having a business sponsor at the corporate headquarters level rather than from any of the functional business units was recognized as fundamental to the success of the initiative. At the same time they ensured that the respective business unit executives served as effective project champions that motivated the business units to carry out the complex change across the organization. If/when this company extends the reach

of this system externally to its external partners it will be closer to a Level 5.

One-way Anova test was performed and some differences among the three areas were detected. The areas of Europe (3.36) and USA (3.21) forms a group that present averages that are statistically below the other group formed by India (3.88). Latin America companies belong to both groups presenting an intermediate average (3.54).

The role of "business sponsor/champion" maturity scores for IT service companies from India (3.88) are significantly higher than the Europe (3.36) and USA (3.21). A level 2 maturity score suggests that IT initiatives frequently have just IT serving as project sponsor and champion. Not having the appropriate business leaders engaged as sponsor and champion (s) is a major obstacle for project success.

ITs ability to react/respond quickly: With an overall average maturity score of 3.37, IT and business executives agree that the capacity of IT to react/respond quickly to changing business needs is acceptable; it is neither weak nor strong. This is true for all of the researched geographies with scores for India (3.82), U.S.A. (3.30), Europe (3.15), and Latin America (3.13), and all falling within a level 3 maturity.

For example, a retail company originally assessed this factor at a level 3; IT and business organizations worked together to make important changes to improve their overall maturity to a level 4. Today business strategy and planning is managed across the business and IT functions. They have a well defined governance process at strategic, tactical, and operational levels with IT and business stakeholders working well together. IT is treated as a contributing business partner and an important business process driver. The CIO reports to the CEO. With effective processes in place, the company is quickly able to identify, communicate, and react to changes across all organizations; including IT.

One-way Anova test was performed and two groups were detected. The first group is formed by Latin America (3.13), Europe (3.15) and USA (3.30). The second group is composed by

only one region: India (3.82). So it is possible to say that India has a higher focus in this practice than the first group. This indicates that Indian IT service companies are quicker to react/respond to the changing business requirements. Most of these Indian IT service companies are certified at CMMI level 5, which indicates that all key processes are in place and that the best practices are disseminated across the entire organization.

Relationship/Trust Style

With an overall average maturity score of 3.35, IT is emerging as a valued service provider. The next step firms should focus is on transforming this association in a primarily a long-term partnership style of relationship. One-way Anova test was performed and three groups were detected. The first group is formed by Europe (3.04) and USA (3.24). The second group is composed by USA (3.24) and Latin American (3.48). The third group is formed by Latin America and India (3.84).

Three conclusions can be drawn from these three groups. First, Europe (3.04) is the area that focuses less on relationship/trust style practices in other words IT is beginning to emerge as a valued service provider.

Second India (3.84) is the area that focus most on relationship/trust style practices in other words although IT is emerging as a valued service provider it presents some traits of an association between business and IT that is primarily a long-term partnership style of relationship.

Third, Latin America (3.48) and USA (3.24) occupy an intermediate region between these two extreme regions: Europe and India.

Standards Articulation and Compliance: Overall, IT standards articulation and compliance is at a level 3, indicating that IT standards are defined and enforced at the functional unit level, with emerging coordination across functional units. IT standards for the India (3.93), Latin America (3.27), U.S.A. (3.25) and Europe (3.12) indicate that they are defined and beginning to be enforced across functional units.

For example, a large U.S. service company is assessed at a level 3 moving to a level 4. ERP systems are installed and all projects are monitored at an enterprise level. Standards are integrated across the organization, and standards articulation is enforced across the enterprise, but not externally to business partners and customers/clients.

One-way Anova test was performed and two groups were detected. The first group is formed by Europe (3.12), USA (3.25) and Latin America (3.27). The second group is formed by India (3.93). It can be stated with a certainty of 95% that Indian companies focus more on "standards articulation and compliance" compared to companies of other regions and have their IT standards defined and enforced across all functional units within their organizations.

Scope of IT Systems: The scope of the IT systems refers to the impact that IT applications have across the company, and externally to company partners and customers/clients. Overall, IT and business executives agree that the scope of IT systems is primarily business process enablers (IT supports business process change, as opposed to drivers of the initiative) within the company.

The maturity scores for the India (3.77), Latin America (3.58), U.S.A. (3.18), Europe (3.17), and suggest that that IT has begun to receive recognition as a process enabler. The growing reliance on Enterprise Resource Planning (ERP) systems encourages support for process changes that enable/drive business strategies.

For example, a large financial institution assessed their "scope of IT systems" to be at a level 4. They implemented an internal customer relationship management system to improve services to clients calling the company for assistance. Like the pharmaceutical example above, when this company provides their clients with direct access to the system, they will then be able to assess their maturity closer to a Level 5.

One-way Anova test was performed and two groups were detected. The first group is formed by Europe (3.17) and USA (3.18) and the second group is formed by Latin America(3.58) and Indian companies (3.77). It can be stated with a certainty of 95%

that Europe and USA companies focus less on “scope of IT systems” than Latin America and Indian ones.

The “scope of IT systems” maturity score for Indian service companies is at a level 3.77 compared to Latin America (3.58), U.S.A. (3.18) and Europe (3.17) the suggesting that Indian IT service companies are making better use of IT as a catalyst for business process change across the firm. A level 2 organization focuses their IT services to back office support.

Weakest Maturity Factors

These six factors received the lowest average maturity scores across all geographies and industries, and have the largest opportunity for improvement.

Career Crossover: Career crossover is an excellent vehicle for educating, enhancing communications, and improving relationships by preparing business and IT staffs with perspectives that can generate trust, empathy, and enhance understanding across the organizations.

One-way Anova test was performed and two groups were detected. The first group is formed by Europe (2.81), USA (2.64) and Latin America (2.81) and the second group is formed by Indian companies (3.65). It can be stated with a certainty of 95% that Europe, USA and Latin companies focus less on “career crossover” than Indian ones.

Companies from India (3.65) indicate that career crossover opportunities among IT and business professionals regularly occur for all position levels within functional units. Companies from and Europe (2.81), Latin America (2.81) and USA (2.64) indicate that job transfers between business and IT occur only occasionally. We know that the more valuable IT professionals possess business, industry, interpersonal, and team oriented skills as well as technical expertise. The irregular career crossover provides evidence (as well as the low scores for education and cross training discussed next) supporting the conclusion that management continues to under-emphasizing the importance of skills enhancement.

Service Level Agreements: With the use of SLAs and an effective service level management process both IT and business executives agree that they have SLAs which are technically oriented.

One-way Anova test was performed and two groups were detected. The first group is formed by Europe (2.45), Latin America (2.74) and USA (2.79) and the second group is formed by Indian companies (3.60). It can be stated with a certainty of 95% that Europe, Latin and USA companies focus less on “service level agreements” than Indian ones.

Indian companies have rated “service level agreements” at a level 3.60 indicating that service level agreements are technically oriented and relationship oriented compared with Europe (2.45), Latin America (2.74), the USA (2.79), and which are largely technically focused. Service level agreements and processes provide important metrics for supporting the understanding among IT and business stakeholders, obtaining agreement on important considerations, and continuously learning about how to ensure IT services are attained and improved.

For example, a finance company had defined systems availability to be 99.9%, which provides for up to 8.8 hours of downtime during the entire year. An important system was down for 2 hours one day, and the CIO was fired. Having effective communications and understanding across the organizations is essential to a successful relationship.

Balanced Metrics: It is important to understand that there is no universal set of measurements that would meet every organizations criterion. The metrics that are applied should be agreed to among IT and business stakeholders and they should regularly be reviewed and acted upon. It is important that these metrics include both quantitative and non quantitative measurements that clearly demonstrate ITs contribution as an enabler/driver of business value. As discussed above, having subjective measurements alone is not sufficient.

One-way Anova test was performed and two groups were detected. The first group is formed by Europe (2.53), Latin

America (2.73) and USA (2.88) and the second group is formed by Indian companies (3.63). It can be stated with a certainty of 95% that Europe, Latin and USA companies focus less on “balanced metrics” than Indian ones.

The maturity score for balanced metrics for India (3.63) indicates that they measure IT’s contribution to business by formally linking the value measurements of IT and business. They have formal feedback processes in place to review and take action based on the results and regularly assess the contribution across the functional organizations. The lower scores for Europe (2.53), Latin America (2.73), the USA (2.88) suggest that formalization and linkages between IT and business metrics remains incomplete. It also indicates that formal processes and feedback reviews are used less frequently.

For example, a manufacturing company assessed “balanced metrics” at a level 2 because they use cost efficiency (not effectiveness) methods across the business and within the functional organizations; IT is a pure cost center. Bench marking is not generally provided and is informal. Formal assessments are sometimes performed to address problems however minimum action is taken after the assessment.

Education, Cross-Training: Institutionalizing formal training for business stakeholders regarding IT, and in turn requiring formal training for IT professionals in the operational and management aspects of the business will enhance understanding, rapport, trust, and communications among the communities. This in turn will result in improved relationships and the opportunity to leverage IT across the business.

One-way Anova test was performed and two groups were detected. The first group is formed by USA (2.75), Latin America (2.99), Europe (3.05), and the second group is formed by Indian companies (3.61). It can be stated with a certainty of 95% that USA, Latin America and Europe companies focus less on “educational, cross-training” than Indian ones.

Maturity scores from USA (2.75), Latin America (2.99) and Europe (3.05) shows that opportunities are dependent on the functional

unit and formal programs are starting to be practiced by all functional units. However India (3.61) demonstrates that formal programs are in place and practiced by all functional units and across the organization.

Although some U.S. companies routinely implement executive training, the USA score of 2.75 remains well below average. The low U.S. performance contributes to the poor understanding of IT by business and the poor understanding of the business by IT.

Companies attaining higher levels of maturity in this area tend to leverage their academic partners to help identify and deliver effective programs to ensure employees have the requisite expertise to ensure harmony across IT and business organizations. Again, this should go beyond just the technical attributes.

Attract and Retain best talent

This element is about programs or policies designed to attract and retain key talent in the IT area (H7). Effective IT organization needs a wide variety of capabilities ranging from staffing the help desk to creating and integrating innovative business applications. Traditionally, most organizations did as much as they could in-house. Today nearly all the capabilities any company might want are available from a range of suppliers, including low-cost IT specialists in India and elsewhere. Authors like Shpilberg et al. (2007) reason that choosing the right source for a capability maximizing effectiveness while minimizing costs is true a critical consideration. So instead of trying to retain key talents in IT area it could be acceptable “right sourcing” talents.

One-way Anova test was performed and two groups were detected. The first group is formed by USA (2.86), Latin America (2.86), Europe (2.97), and the second group is formed by Indian companies (3.62). It can be stated with a certainty of 95% that USA, Latin America and Europe companies focus less on “programs of attract and retain best talents” than Indian ones. One possibility is that these regions prefer to right source talents from regions like India.

In the first group IT hiring focus on technical expertise however this group is starting to hiring IT focusing equally on technical and business expertise. One important thing to note is that retention programs are in place.

On the second group (India companies) IT hiring is focused equally on technical and business expertise. Differently from the previous group, formal programs are in place to attract and retain the best IT professionals with both technical and business.

IT Metrics

One-way Anova test was performed and three groups were detected. The first group is formed by Europe (2.61) and USA (2.82). The second group is formed by USA and Latin America (3.15), and the third group is formed by Indian companies (3.65). It can be stated with a certainty of 95% that Europe focus less on programs of attract and retain best talents than Latin America. Europe, USA and Latin America companies focus less on "programs of attract and retain best talents" than Indian ones.

It can be seen in the first group that typical companies from Europe (2.61) and USA (2.82) are equally concerned with technical and cost efficiency measures. However they have a limited or no formal feedback processes in place to review and take action based on the results of their measures.

The second group best represented by USA (2.82) and Latin America companies (3.15) formally assesses technical and cost efficiency using traditional financial measures, such as return on investment (ROI) and activity-based costing (ABC). This group is starting to put formal feedback processes in place to review and take action based on the results of their measures. It is important to note that Latin American companies (3.15) have a dual role between the first and second group.

The third group represented by Indian (3.65) companies although these companies present very similar practices with the second group. However its companies formally assess technical, cost efficiency, and cost effectiveness using traditional financial measures (e.g., ROI, ABC). They are starting to have formal feedback processes in place to review and take action based on the results of our measures.

Indian IT Service Companies

Given the consistently higher SAM scores for Indian IT companies, the remainder of this paper will elaborate on many of our observations from working with these firms, as well as introduce research demonstrating the relationship of SAM to firm performance for IT service companies.

Why is India Different

The India of today is no longer the India of a decade ago; it is no longer the land of tigers and the Taj Mahal. India today is widely considered one of the most exciting and vibrant emerging economies of the world. India's economic success is far from new. The country's economy grew at 6 percent from 1980-2002 to 7.5 percent from 2002- 2006; making it one of the world's best-performing economies for a quarter century.

The rise of Indian service companies has been a notable success when measured against standard indicators such as sales, exports, and employment. There is no single factor that has contributed to the accomplishment of these firms but, factors such as legal transparency, education, culture, population base, low labor costs, and quality have all contributed to their success. The growth of IT service firms has been possible not just because India is a less expensive alternative, but also because of the well planned strategy of building and marketing the domain skills adopted by these companies. They have taken steps for market penetration by expanding their global presence and by acquiring strategically important companies abroad. The outsourced business model has incorporated certain complementary organizational capabilities such as the human resource ability to scale up quickly in response to growth in demand, software process management capabilities, and the ability to manage global operations.

IT Metrics: Demonstrating process quality and expertise in IT service delivery are the key factors driving India's sustained leadership in global IT services. From the birth of the industry, there has been a culture of quality. Various quality control and process management tools have been improved and developed in

India. Indian IT service firms have been focusing on quality initiatives to align themselves with international standards. ISO 9001, COPC, 6 Sigma are some of the established quality initiatives. In fact, 90 out of the world's 117 SEI CMM Level 5 companies are from India⁷; albeit their overall SAM is at 3.7. This implies that while India is exemplary in tactical and operational aspects of IT, they still have opportunities to improve in strategic areas.

Over the years, the Indian IT service industry has built robust processes and procedures to offer world class IT software and technology related services by developing next-generation tools, technology concepts, and standards. The quality of the software has not only impacted India directly (e.g., making India a favored destination for IT enabled services), it has also impacted the overall IT field by raising the software quality bar for all IT applications and services.

Indian IT service firms have a reputation for better, faster, and cheaper project delivery. These firms hire top talent who they immediately provide training in their SEI CMM Level 5 standardized methodology. They follow rigorous processes, employing quality management techniques and using the latest technology. They have developed a new generation of project-management skills that enables work to be carried out from multiple locations simultaneously. Core to this global delivery model is a heavy emphasis on quality standards.

Human Resources/Skills: Low-cost, highly skilled IT professionals are widely believed to be the key to India's success story. India has the single largest pool of engineering talent among the emerging countries. Over 50 percent of the population in India is less than 25 years old. India's young demographic profile is a unique advantage, complemented by a vast network of academic infrastructure and the legacy effects of British colonization. These have all contributed to an unmatched mix and scale of educated, English speaking talent. 80 percent of the IT professionals have engineering degrees. Having engineering degrees has helped IT service firms with problem solving skills, a rigorous method of thinking logically, and in learning tools that helps in adapting quickly with rapid changes in technology, domains, and tasks. This

is in comparison to the reduction of these engineering and related computer science skills in the United States. Additionally, given the strong demand to have an appropriate balance of technical, business/management, interpersonal (communications, teams), it is clear that academic changes are required everywhere.

In-house testing and training has become a regular and significant component in the Indian service firm hiring process. Companies have also established dedicated facilities for employee skill enhancement initiatives. NASSCOM (National Association of Software and Services Companies) has developed a comprehensive skill assessment and certification program for entry-level IT talent. It also has implemented an image enhancement program to create the awareness of opportunities in the field of IT. The HR Skills maturity component for Indian Service companies is at an average score of 3.71.

Improvement in the quality of education system is being actively discussed at the highest level of policy formulation in India. Educational curriculum is being upgraded to international standards at many institutions. When it comes to senior IT professionals or managers, IT service companies are able to manage with either the local experienced IT professionals or returning expatriates, whom IT service companies have found very useful in bridging cultural gaps between local IT professionals and foreign clients.

Partnership: For Indian IT service companies' cultural alignment and closer customer relationships are keys to competing successfully in providing high-end services. Further, immigration rules for obtaining work visas create project planning and management risks. Recognizing these difficulties, Indian IT service companies are acquiring consulting firms in United States and Europe, and are aggressively hiring hundreds of IT professionals from within the US and Europe.

The irony, of course, is that as global companies from the West are trying to set up cheap offshore delivery capability, the Indian IT service firms are building front-end consultancy in the West. Major IT service companies such as IBM Global Services, Accenture, EDS, and Ernst & Young are aggressively expanding

their own operations in India because of the considerations discussed above.

Governance: Indian IT service firms are enjoying minimal regulatory and policy restrictions along with a range of incentives provided by both the state and the central governments. Software Technology Parks of India (STPI) have also helped the growth of IT service firms across the nation. Some of the major reforms such as rationalization of international taxation policies, mutual trade agreements with partnering countries, and a proactive and positive stance on international free trade are helping IT service firms to grow.

India IT Service Case - WIPRO

Wipro is a global IT service company. Established in 1945, and headquartered in Bangalore India. It entered into IT services in the 1980s. Its revenues have grown at a CAGR of 21% over a six decade period. Today it is a U.S. \$3.47 billion organization with over 66,000 employees with operations in 19 countries.

It is the World's 1st PCMM Level 5 software company and the first IT service company to use Six Sigma. Among the top 3 offshore BPO (Business Process Outsourcing) service providers in the world, it has 592+ clients. Wipro is a strategic partner to five of the top ten most innovative companies in the world. It is also the world's first company outside the U.S.A. to receive the IEEE software process award. It is the largest independent R&D service provider in the world. It is the first Indian IT service provider to be awarded Gold-Level status in Microsoft's Windows Embedded Partner Programme. It is the first to get the BS15000 certification for its global command centre. It has 46 development centers across the globe. It is the pioneer in applying LEAN Manufacturing techniques to IT services.

Communications: Wipro's Foreign Language Initiative enables IT professionals to communicate effectively with global clients. Employees are encouraged to learn one or more foreign languages. The initiative also helps non-English speaking IT professionals in the use of English effectively for communicating effectively with business executives.

Value Metrics: Wipro wishes to be the "Toyota of business services" and is on track to becoming the world's most efficient IT service provider⁸. It offers a full portfolio of IT services including systems integration, package implementation, software application development and maintenance, research and development services, and information systems outsourcing across a range of industries delivering benefits for customers with six sigma consistency for global organizations. Using their global delivery model, they have international benchmarks in execution excellence that has translated in to measurable results for their global customers which includes a 75 percent faster time-to-market, 35 percent cost savings, and 35 percent productivity enhancements. Wipro is one of the few Indian IT service firms having adopted web services as an independent practice in its business plan. The IT capabilities are being built around web services-oriented applications and services to its customers. In this context, the confidentiality, security and integrity of organizations data is paramount, especially as data is exchanged across the internet. Web service standards have gone a long way to address those concerns.

Skills/HR: Wipro has opened centers in the U.S. (Atlanta, Georgia and Troy, Michigan) in a continuing trend of "reverse outsourcing". Cultural alignment and closer customer relationships are keys to competing successfully in providing high-end consulting services. The recruits for the Wipro's centers will attend three months of training in India before starting jobs in the U.S. in software development and project management. It is also scouting for training sites in the U.S. Further, the opening of U.S. centers are also an alternative to getting visas for workers, since getting work visa these days are getting competitive. It has also earmarked as much as \$250 million for expansion in Europe through acquisition (mainly in Germany).

IT Service companies such as Wipro make sure that they are able to have a continuous flow of new engineers and IT people by reaching into India's "second-level" engineering colleges to hire people before their last semester of study and then provide job-related course materials and training for that last semester. International campus hiring has also been initiated across the U.S.A., Europe, and Asia to attract top talent. By doing so, Wipro is

able to get commitment from students early on who are ready to take on the jobs after graduation with less in-house training. Only 1 out of 10 candidates gets interviewed, following a 1:50 ratio of resumes scanned, all enabled by IT.

HR counsels every employee on their strengths and weaknesses based on their profile by providing a map of courses to take at Wipro. There is a 40-day "Project Readiness Program" for new IT employees. Also, online study is encouraged. Wipro supplements continuing education program for those who choose to enroll at leading educational institutes to provide special skill or training in areas such as project management. At the leadership institute for senior managers, managers teach managers the business skills needed. 5 percent of billable time is spent on training. The Chairman of Wipro himself spends half a day of his personal time teaching in every leadership program. Wipro offers 100,000 person-days of training a year.

Partnership: At Wipro everyone is encouraged to come up with big or small ideas, which would improve serving the customer. The idea is not to break new ground in basic knowledge, but in improving customer service. As Wipro's Chairman adds "If it isn't going to add to the success of our customers, we aren't going to invest in it." Wipro ties the rewards to performance. The entry level IT person moves onto a higher salary/benefits curve as they progress in completing assigned course/seminars that are geared to transform them from a computer science / engineering / business graduate into a software engineer. "Wipro Equity Rewards Trust" plan gave Wiproites the benefits of participating in the wealth creation back in the 80's. The stock option along with Quarterly Performance Linked Compensation (QPLC) provides innovative idea for linking Wipro's performance with employee compensation.

Governance: Wipro's technical competency lies in the ability to apply strong methodology to ensure on time delivery, in significant investments in accelerators, and in partnerships and alliances. For Wipro the nature of client trust is very important. IT tries to look at the problems the clients (internal and external) are experiencing and invites them to discussions to identify opportunities for the future growth of the firm. They push the

business verticals to think seriously of the potential developments over the distant horizon to prepare for the challenges the company might face tomorrow. They continuously map new technologies coming into market and invest productively in IT and skills. New knowledge is created by combining the existing knowledge assets from multiple sources and is used before implementing new projects. Lessons learned are disseminated across the organizations for after-action-reviews, which lead to further insights for the future.

Technology Scope and Architecture: Wipro is very cognizant of the fact that they need to remodel their processes and technical foundation to ensure that the IT infrastructure is scalable. They have created autonomous structures combining IT, process, and applications which will allow them to continue the same growth in the future, while making sure that the data from the legacy systems are not lost by incorporating middleware technologies. Mobile applications are also a top priority at Wipro. With more than 50 offices in India and 30 offices abroad, scalability and flexibility are fundamental. Different geographic locations have different IT requirement and Wipro's IT infrastructure conforms to each of the locations in a flexible manner to ensure effectiveness/efficiency. The internet is the key enabler of their infrastructure. In addition to physical security measures, frequent information audits are carried out to ensure a secure environment. As Wipro keeps hiring more employees, IT enables scalability in the HR process.

SAM Impact on Service Industry Firm Performance

Evidence of the relationship of alignment and firm performance continues to be strong. Alignment has consistently demonstrated a positive association to firm performance. The Appendix provides a summary of some new research and previous research relating SAM and company performance.

This is once again demonstrated by the very strong correlation (.826) between SAM and IT service firm performance (in this instance the Return on Assets). This research supports the proposition that investing in aligning IT and business increases the firm's profitability. Thus, we suggest that IT and business leaders

exercise the maximum effort to align their IT and business organizations.

There were 19 IT service firms (14 Indian, 5 U.S.A) that participated in this evaluation. The 95 respondents were comprised of 48 business executives and 47 IT executives.

Conclusions

Based on our research from the large organizations we examined from the USA, India, Europe, and Latin America, although IT executives have rated alignment maturity somewhat higher than their respective business executives, the relative scores are very similar.

The "snapshots" of the four geographies showed that Indian companies have generally scored higher when compared to the companies from the USA, Europe, and Latin America. Although most of the Indian companies were from the IT service industry, when just comparing IT service companies, India generally scored higher than the IT service companies from the USA, Europe, and Latin America. However, with an overall average alignment maturity score of 3.17, there are still significant opportunities to improve.

Last, there continues to be demonstrable evidence that efforts to enhance IT business alignment provide improved organizational performance.

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Appendix: The Research Process

The maturity levels for about two-thirds of the organizations in this study were gathered from interviews or group (evaluation team) discussions; the data from the remaining one-third were gathered from questionnaires (paper or online). The procedure using "evaluation teams" was as follows.

1. Each of the criteria within the six components were first assessed individually by an evaluation team that was typically comprised of leading IT and business executives from the organization being assessed. All items for each component were rated on a 1-5 point Likert scale, where "1" denoted very ineffective and "5" denoted very effective. Based on these ratings, each of the 47 criteria (only the criterion used as maturity vehicles are included in the figures) and the six components were categorized at Level 1, Level 2, Level 3, Level 4, or Level 5. The figures do not include the criteria that did not affect the maturity level (e.g., organization structure and IT reporting).
2. The evaluation team of IT and business executives (usually with an outside facilitator) then used their individual ratings to converge on an overall assessment level/score of maturity for the organization. This process applied the model as a descriptive tool.
3. The evaluation team then applied the next higher level of maturity as a prescriptive roadmap to improve the alignment of IT and business by identifying specific opportunities for moving to that next higher level.

Appendix: SAM Impact on Company Performance

Alignment has consistently demonstrated a positive association to firm performance. Regardless of culture, geographic location, or industry higher firm performance has been repeatedly demonstrated to accompany higher alignment maturity. As displayed by the strong correlation (.633) between SAM and firm performance for 78 organizations in our repository from Pharmaceutical, Financial, Services, and Manufacturing companies where Return on Assets (ROA) data was obtained, the relationship of SAM and firm performance is strong. Of the 78 organizations, 64 were based in the United States and 14 were from India (all of the Indian firms in this discussion were from the IT service industry). In this most research analysis, the ROA - is very significant. Return on Assets represents company profitability relative to its total assets and is sometimes denoted as return on investment.

Previous SAM investigations (summarized in Figure 4) include the banking industry (Dorociak, 200610), pharmaceutical industry (Nash, 200611), and government (Sledgianowski, 200412). However, these and the several other SAM validating studies (small industry - (Rigoni, 200613), international chemical

manufacturers - (Sledgianowski and Luftman, 200514), and Cumps, Viaene, Dedne and Vandenbulcke's (200615) study of European companies), identified the relationship of Luftman's 41 business practices to an organization's performance data using regression and correlation analysis.

Figure 4 **SAM Company Performance Research**

Study	Population	Business	Findings	Notables
Sledgianowski (2003) and Sledgianowski & Luftman (2005)	Seven organizations	Government, chemical manufacturer, financial and insurance industry.	Twenty three items within six factors were identified to measure the maturity of strategic alignment practices. Governance maturity dimension was the most prevalent and the items that comprise Competency and Value Measurement Value were least prevalent in the participating organizations.	Communications maturity was the most prominent SAM factors in predicting whether respondents know IT objectives. Governance maturity was the best predictor as to whether respondents know business objectives
Nash (2006)	9/16 Big Pharma companies - i.e., the top 16 pharma and biotechnology companies in the and 7 of the top 10 "Big Pharma" companies. Appendix S identifies the sixteen major ("big pharma") companies as defined by the industry trade press	Pharmaceutical industry	This study demonstrates positive correlation between higher levels of Strategic Alignment Maturity and: <ul style="list-style-type: none"> • higher levels of firm-level sales; • higher levels of firm-level productivity. • higher levels of firm-level profitability. 	There are systemic, measurable differences ("alignment gaps") in the perception of Strategic Alignment Maturity between business and IT related to organizational size and that these "alignment gaps must be considered when measuring the impact of IT-business alignment. This study demonstrates positive correlations between lower business-IT "alignment gaps" and higher levels of firm-level productivity and profitability.
Dorociak (2007)	27 banks	Small Banks (100-500 employees) – Population of 182	Small banks presenting a strategic orientation of Defender, Prospector and Analyzer presented a positive and signifying correlation with performance	The weaker correlation found for Prospector banks seems indicative of either less of a performance impact or more organizational tolerance for misaligned strategies.

The performance data from these earlier studies varied from subjective executive appraisals of general satisfaction to hard data such as Return on Equity or Return on Assets. These two ratios reflect percentage increases in net shareholder equity or net available assets.

SAM has been validated for multiple organization sizes, different industries, and the public and private sectors. Each of the studies

substantiated that higher SAM maturity corresponded to increased organizational performance. That increased organizational performance raises the businesses' bottom line. To IT and business executives this means that the firm should be actively pursuing activities with the goal of increasing alignment. The cost benefit of SAM alignment seems highly favorable.

Solar Hydrogen hybrid system: "Akshay Urja" The Green Energy solution

Bhairaw Kumar Mandal*
Poonam Kumari*

Abstract

Solar-hydrogen is a Completely Green system which avails all the Energy requirements using a Hybrid System for our home, that employs photovoltaic (PV) panels to convert sunlight into electricity which is used for home appliance in the day time and remaining Electricity that is harnessed to extract hydrogen from harvested rain water or tap water. The stored hydrogen will be used for car fuel, cooking gas and also through the fuel cell stacks to power our entire house during night and winter season, leaving behind the water, which can be pumped right back into the system.

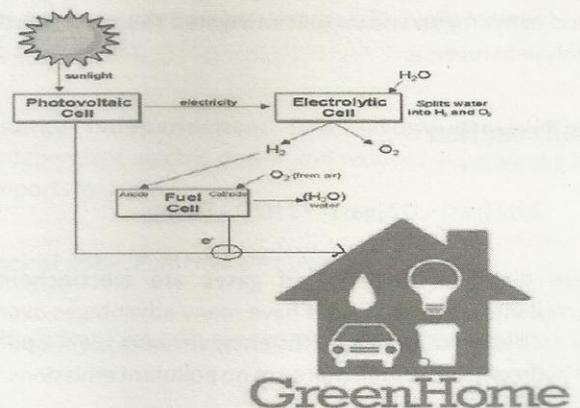
Keywords: Fuel cell, Solar PV, Inverter, water, Output Voltage Regulation, equivalent circuit

Introduction

The personalized home with hybrid energy system consists of array of solar panels on the roof, fuel cells system for night time power supply and a small electrolyzer (a device, about the size smaller than a washing machine that uses electricity to break down water into its component hydrogen and oxygen). It requires a few tanks to store hydrogen, Plug Power fuel cell stack (an electrochemical device that mixes hydrogen and oxygen to produce electricity and water) and a hydrogen refueling kit for the car. Hydrogen that is extracted from water using solar energy is sustainable and renewable energy. Make hay (or hydrogen) when the sun shines and then use the stored hydrogen to produce heat for cooking and electricity for home appliances!

On a typical sunny day, the solar panels convert sunlight to electricity; a part of electricity will be consumed to run the home appliances, including television and other modern conveniences.

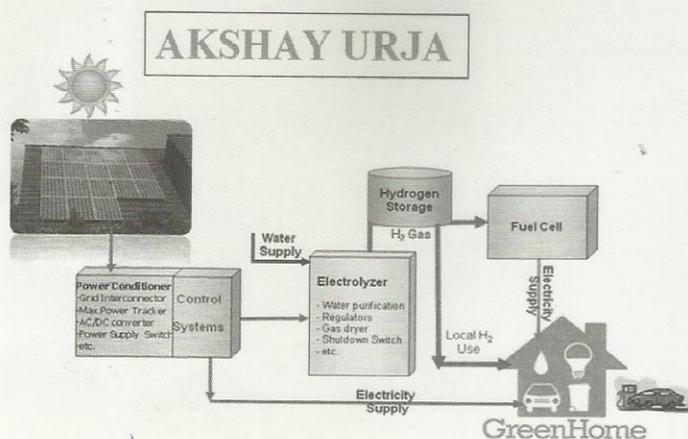
The remaining electricity used for the electrolyzer, which splits the molecules of purified water into hydrogen and oxygen. The oxygen is vented and the hydrogen goes into the tanks where it is stored for use in the fuel cell to provide electricity for the house during night and also the stored hydrogen will be used to full fill energy requirement in the cold and dark winter months from November to March when there are few days sunshine per



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months. This system produce only water as a waste product, which can be pumped right back into the system.

A key strategy to setup this system in our home equipped with hybrid solar hydrogen system and rain water harvesting system is to create a new lifestyle which is convenient, clean, energy-efficient and sustainable. It is very true that the combination of a fuel cell electric vehicle and the hybrid solar hydrogen system will lead to the establishment of a hydrogen society based on renewable energy, resulting in a major reduction of CO2 emissions and greater saving of energy and environmental sustainability.

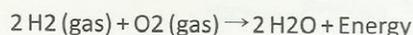


FUEL CELL

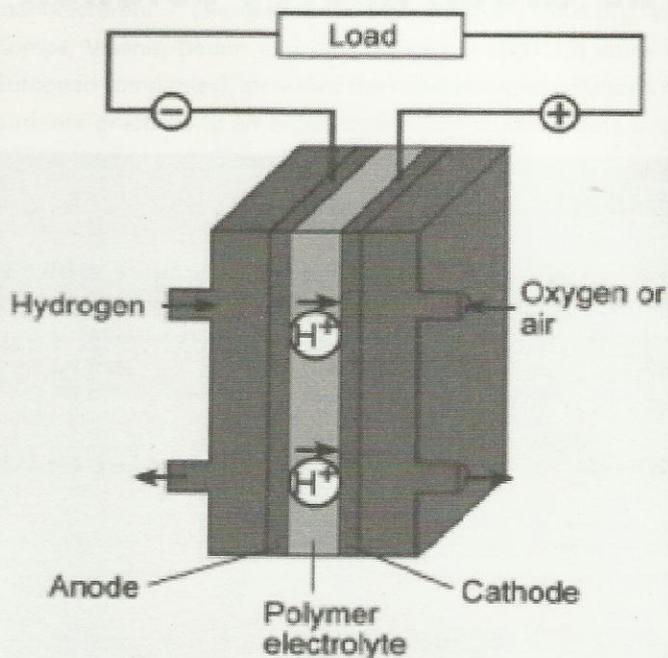
A fuel cell by definition is an electrical cell, which unlike storage cells can be continuously fed with a fuel so that the electrical power output is sustained indefinitely (Connihan, 1981).

They convert hydrogen, or hydrogen-containing fuels, directly into electrical energy plus heat through the electrochemical reaction of hydrogen and oxygen into water. The process is that of electrolysis in reverse.

Overall reaction



Because hydrogen and oxygen gases are electrochemically converted into water, fuel cells have many advantages over heat engines. These include: high efficiency, virtually silent operation and, if hydrogen is the fuel, there are no pollutant emissions. If the



hydrogen is produced from renewable energy sources, then the electrical power produced can be truly sustainable.

The two principle reactions in the burning of any hydrocarbon fuel are the formation of water and carbon dioxide. As the hydrogen content in a increases, fuel becomes proportionally dioxide (Fig. 1). As fuel use has developed through hydrogen content in the fuels has sed. It seems a natural progression that the fuel of the future will be 100% hydrogen.

How System Works

Hydrogen and oxygen will be produced from water using electricity with an electrolyzer. With the installation and operation of a 12 cell Hydrogen, 1000 Watt electrolyzer. This electrolyzer can produce 170 liters/hour (6 cubic feet/hour) of hydrogen and 85 liters/hour (3 cubic feet/ hour) of oxygen (at standard temperature and pressure). In addition, we describe a homebrew purification and storage system for the hydrogen and oxygen produced by the electrolyzer. With proper after-treatment, the gases produced can be stored safely. The purified hydrogen and oxygen can be used in fuel cells (to produce direct current electricity) and catalytic burners (for heating and cooking) without poisoning or damaging the noble metal catalyst materials. The gases can also be used for welding and cutting, as well as for motor vehicle fuel.

How Much Hydrogen is needed?

This varies tremendously from household to household, depending on how well the Demand Side Management job has been done. We can run our 1kW system for about three hours on a cubic meter of hydrogen. The amount of gas needed can be estimated from the energy consumption of any appliance.

How Much Power Does It Take?

A cubic meter (35.3 cubic feet) of hydrogen gas takes about 5.9 hours to produce in this electrolyzer, and then operated at its rated input power of 1 KW. This means the energy required producing a cubic meter of hydrogen and 0.5 cubic meter of oxygen is about 5.9 kW-hr. This translates to an efficiency of 51%, where 3 kW-hr/m³ equals 100% efficiency at 20°C. Typical industrial scale plants operate at about 4.5 kW-hr/m³ or 67% efficiency at high current density.

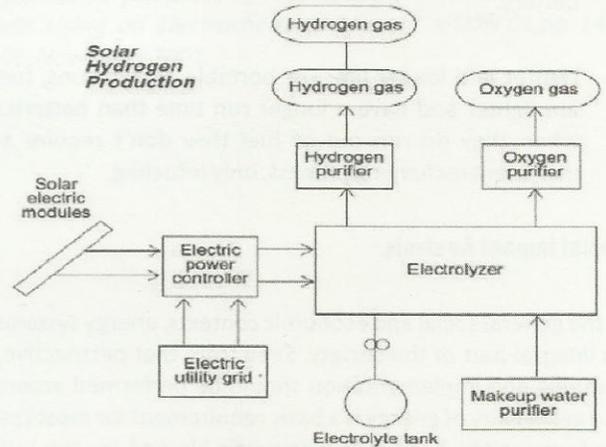
The efficiency is better at lower current density. How much Power required for the Electrolysis: Our solar electric power is produced by 10 photovoltaic solar panels. On a good summer day we get up to 75 Amperes at 24 Volts Direct Current. This can be supplied for home appliance by concerting and stepping up by Inverter Or when the two house battery banks are fully charged, our two 50 Amp SCI charge controllers disconnect the PV power, and the PV voltage rises. An automatic controller senses the voltage rise and transfers the PV power to the electrolyzers to make hydrogen and oxygen during the remainder of the day. A utility grid electrolyzer power supply is used to make hydrogen and oxygen when there is insufficient solar power available.

The hydrogen gas and the oxygen gas are purified by two different systems. The hydrogen will be stored in two 0.47 cubic meter (125 gallon) propane tanks, and the oxygen will be stored in another propane tank.

Our system includes the following components and sub-systems: Solar PV module/or utility grid power

- Power Controller
- Electrolyzer and PEM Fuel Cell
- Hydrogen Purifier
- Hydrogen and Oxygen Storage Tanks
- Electrolyte Storage Tank and Transfer Pump
- Makeup-water Purifier

What Is Needed to Produce Hydrogen at Home?



Summary of Advantages

- **Applicability for distributed power generation:** power is generated at the site where it is used rather than central generation and distribution through a grid. On site generation avoids transmission line losses of 98% to 100%.
- **Low maintenance and reduced down time:** This systems require low or negligible maintenance and can achieve 99% availability.
- **Off-grid independence:** Brownouts and blackouts associated with distribution grids are eliminated by onsite generation. This system provides a useful online backup where uninterruptible power is needed.
- **Quality of electricity:** Constant flow of current with few fluctuations-important for many scientific and technological applications.
- **Environmentally benign:** Hydrogen fuel cells have only water as an emission.
- **Energy independence:** This System provides grid-independent electric power and reduces dependence on oil imports for India.
- **Lack of noise:** Fuel cells are quiet.
- **Efficiency:** Fuel cells are more efficient than most fossil fuel

power plants and internal combustion engines as well as battery.

- **Lighter and longer life:** For portable applications, fuel cells are lighter and have a longer run time than batteries, and when they do run out of fuel they don't require a long, inefficient recharging process, only refueling.

Social Impact Analysis

In the general social and economic contexts, energy systems form an integral part of the society. Seen from that perspective, their planning and implementation should be performed accordingly. The availability of energy is a basic requirement for most tasks in a modern society, both in the domestic life and for the business, commerce and the service sectors.

Our system produced and consumed in a clean and sustainable manner, thus offering important environmental benefits (CO₂ and other pollutants reduction, which helps to fulfill the international agreements on limits for emissions). Electricity generation from our system offers socio-economic benefits from untapped solar energy and rain harvesting water.

The use of our project supports the decentralization of energy production that does not rely upon constrained transmission and distribution grids and offers a steady and secure supply of day to day required energy. Our system is strongly supportive of country policy in areas such as, meeting energy requirement, major reduction of CO₂ emissions and greater energy savings and environmental sustainability. The use of our system gives value to the society in betterment of lifestyle of citizen.

The way in which the social value depends on the economic environmental relation is depicted. It is easy to understand that the higher the environmental and economic values are, the higher the social value will be. When the economic and environmental values rise together, then the social welfare value rises as well, as a result of the high appreciation given to both the other factors. The social value moves through three different zones- of low, medium and high social values.

CONCLUSION

As our demand for electrical power grows, it becomes increasingly urgent to find new ways of meeting it both responsibly and safely. In the past, the limiting factors of renewable energy have been the storage and transport of that energy. With the use of fuel cells and hydrogen technology, electrical power from renewable energy sources can be delivered where and when required, cleanly, efficiently and sustainably.

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Paradigms of Service Quality and Customer Loyalty - With reference to HDFC Bank and Central Bank of India

Siddharth Mathur*

Abstract

The two banks chosen, HDFC and Central Bank of India, are working in India for some time now and are having a reputation of their own. The last decade witnessed the maturity of India's financial markets. Since 1991, every government of India took major steps in reforming the financial sector of the country. The two banks referred here have also grown by leaps and bounds in India. A survey was conducted in Moradabad and customers were provided with a questionnaire. Both the banks are preferred by general people as well as corporates when it comes to customer service quality, employee satisfaction, variety of services offered etc. We have taken various parameters to understand the two major aspects of these banks, viz., service quality and customer loyalty towards them. The results show some interesting revelations. Some recommendations to the bank have also been included.

Keywords: Service quality, Customer loyalty, Reforms, Reliability, Preference, Investors.

Introduction

Banking in India originated in the last decades of the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank that traces its origins back to June 1806 boasting to be the largest commercial bank in the country. Central banking is the responsibility of the Reserve Bank of India, which in 1935 formally took over these responsibilities from the then Imperial Bank of India, relegating it to commercial banking functions. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. In 1969 the Indian Government nationalized the 14 largest commercial banks; the Government nationalized the six next largest in 1980.

Around the turn of the 20th Century, the Indian economy was passing through a relative period of stability. Around five decades had elapsed since the Indian Mutiny, and the social, industrial and other infrastructure had improved. Indians had established small

banks, most of which served particular ethnic and religious communities.

By the 1900s, the market expanded with the establishment of banks such as Punjab National Bank, in 1895 in Lahore and Bank of India, in 1906, in Mumbai - both of which were founded under private ownership. A number of banks established then have survived to the present such as Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India.

Literature Review

The banking sector in India has made remarkable progress since the economic reforms in 1991. New private sector banks have brought the necessary competition into the industry and spearheaded the changes towards higher utilization of technology, improved customer service and innovative products.

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Customers are now becoming increasingly conscious of their rights and are demanding more than ever before. The recent trends show that most banks are shifting from a "product-centric model" to a "customer-centric model" as customer satisfaction has become one of the major determinants of business growth. In this context, prioritization of preferences and close monitoring of customer satisfaction have become essential for banks. The period 1992-97 laid the foundations for reform in the banking system (Rangarajan, 1998). The second Narasimham Committee Report (1998) focussed on issues like strengthening of the banking system, upgrading of technology and human resource development. The report laid emphasis on two aspects of banking regulation, viz., capital adequacy and asset classification and resolution of NPA-related problems.

Commercial banks in India have implemented Basel II norms with effect from March 31, 2007. They have adopted the standardised approach for credit risk and the basic indicator approach for operational risk initially. After adequate skills are developed, both at the banks and at the supervisory levels, some banks may be allowed to migrate to the internal rating based (IRB) approach (Reddy 2005).

At present, banks in India are venturing into non-traditional areas and generating income through diversified activities other than the core banking activities. Strategic mergers and acquisitions are being explored and implemented. With this, the banking sector is currently on the threshold of an exciting phase.

The Banking sector in India has always been one of the most preferred avenues of employment. In the current decade, this has emerged as a resurgent sector in the Indian economy. As per the McKinsey report 'India Banking 2010', the banking sector index has grown at a compounded annual rate of over 51 per cent since the year 2001, as compared to a 27 per cent growth in the market index during the same period. It is projected that the sector has the potential to account for over 7.7 per cent of GDP with over Rs. 7,500 billion in market cap, and to provide over 1.5 million jobs.

As on 30th June, 1999, there were 300 scheduled banks in India having a total network of 64,918 branches. The scheduled commercial banks in India comprise of State bank of India and its

associates (8), nationalised banks (19), foreign banks (45), private sector banks (32), co-operative banks and regional rural banks.

Today, banks have diversified their activities and are getting into new products and services that include opportunities in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, custodian services, private equity, etc. Further, most of the leading Indian banks are going global, setting up offices in foreign countries, by themselves or through their subsidiaries.

Banking Sector Reforms

The last decade witnessed the maturity of India's financial markets. Since 1991, every governments of India took major steps in reforming the financial sector of the country. The important achievements are discussed under separate heads:

Financial Markets

Private sector institutions have been playing an important role during the past few years. They have grown rapidly in commercial banking and asset management business. With the openings in the insurance sector for these institutions, they started making debt in the market. The interest rates gradually declined because of the financial intermediaries. The real interest rate was maintained. The borrowers did not pay high price while depositors had incentives to save.

Regulators

Some major policies in the field of financial sector were formulated by the Finance Ministry. The Government accepted the important role of regulators. The Reserve Bank of India became more independent. Some people are of the opinion that there should be a super-regulator for the financial services sector instead of multiplicity of regulators.

The Banking System

Public sector banks are still dominating the commercial banking system, controlling almost 80% of the total business. As part of the liberalisation process, RBI is giving licences to new private sector banks and also to some industrial houses. Many banks are

successfully running in the retail and consumer segments but are yet to deliver services to industrial finance, retail trade, small business and agricultural finance.

The PSBs will play an important role in the industry due to its number of branches and foreign banks facing the constraint of limited number of branches. Hence, in order to achieve an efficient banking system, the onus is on the Government to encourage the PSBs to be run on professional lines.

Financial Institutions for Development

FI's access to SLR funds has reduced. Now they have to approach the capital market for debt and equity funds. Convertibility clause is no longer obligatory for assistance to corporates sanctioned by term-lending institutions. DFIs such as IDBI and HDFC BANK have entered other segments of financial services such as commercial banking, asset management and insurance through separate ventures. The move to universal banking has started.

Non-Banking Financial Companies

In the case of new NBFCs seeking registration with the RBI, the requirement of minimum net owned funds, has been raised to Rs. 2 crores. Until recently, the money market in India was narrow and circumscribed by tight regulations over interest rates and participants. The secondary market was underdeveloped and lacked liquidity. Several measures have been initiated and include new money market instruments, strengthening of existing instruments and setting up of the Discount and Finance House of India (DFHI).

The Capital Market

The number of shareholders in India is estimated at 25 million. However, only an estimated two lakh persons actively trade in stocks. There has been a dramatic improvement in the country's stock market trading infrastructure during the last few years. Expectations are that India will be an attractive emerging market with tremendous potential. Unfortunately, during recent times the stock markets have been constrained by some unsavoury developments, which have led to retail investors deserting the stock markets.

Mutual Funds

The mutual funds industry is now regulated under the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto. With the issuance of SEBI guidelines, the industry had a framework for the establishment of many more players, both Indian and foreign players.

The Unit Trust of India remains easily the biggest mutual fund but lately its share is going down. The foreign owned AMC's are the ones which are now setting the pace for the industry. They are introducing new products, setting new standards of customer service, improving disclosure standards and experimenting with new types of distribution. The new players will need to bring in innovative products as well as fresh ideas on marketing and distribution, in order to improve the low per capita insurance coverage.

Overall Approach to Reforms

The last few years have seen major improvements in the working of various financial market participants. The government and the regulatory authorities have followed a step-by-step approach. The entry of foreign players has assisted in the introduction of international practices and systems. Technology developments have improved customer service. On the whole, the cumulative effect of the developments since 1991 has been quite encouraging.

However, financial liberalisation alone will not ensure stable economic growth. Some tough decisions still need to be taken. Without fiscal control, financial stability cannot be ensured. In the case of financial institutions, the political and legal structures have to ensure that borrowers repay on time the loans they have taken.

Deregulation of Banking Systems

Some appreciable norms were introduced for income recognition, asset classification, provisioning for delinquent loans and for capital adequacy. In order to reach the stipulated capital adequacy norms, substantial capital were provided by the Government to PSBs. Government pre-emption of banks' resources through statutory liquidity ratio (SLR) and cash reserve ratio (CRR) brought down in steps. Interest rates on the deposits

and lending sides almost entirely were deregulated. New private sector banks were allowed to promote and encourage competition. PSBs were encouraged to approach the public for raising resources. Bank lending norms were liberalised and a loan system to ensure better control over credit was introduced. RBI guidelines were issued for risk management systems in banks encompassing credit, market and operational risks.

Capital Market Developments

The Capital Issues (Control) Act, 1947 was repealed, office of the Controller of Capital Issues was abolished and the initial share pricing were decontrolled. SEBI, the capital market regulator was established in 1992. Foreign institutional investors (FIIs) were allowed to invest in Indian capital markets after registration with the SEBI. Indian companies were permitted to access international capital markets through euro issues. The National Stock Exchange (NSE), with nationwide stock trading and electronic display, clearing and settlement facilities was established.

Consolidation Imperative

Another aspect of the financial sector reforms in India is the consolidation of existing institutions which is especially applicable to the commercial banks. In India the banks are in huge quantity and there is a need to merge some of them. In the case of insurance, the Life Insurance Corporation of India is a behemoth, while the four public sector general insurance companies will probably move towards consolidation with a bit of nudging. The UTI is yet again a big institution, even though facing difficult times, and most other public sector players are already exiting the mutual fund business.

RESEARCH OBJECTIVES

- To study whether the customers are satisfied with the various services provided at HDFC Bank and Central Bank of India.
- To know about the customer preferences among HDFC Bank and Central Bank of India.
- To determine the satisfaction level of the investors.
- To determine the preferred services from the investors point of view.
- To determine the problems being faced by the investors.

Research Methodology

For the study, Descriptive Research Design was undertaken as it draws the opinion of employees/workers on specific aspect.

Sampling

100 consumers were chosen with the help of Non-probability Convenience sampling method, from the area of Moradabad (U.P.). They were given a pretested questionnaire (attached in the appendix).

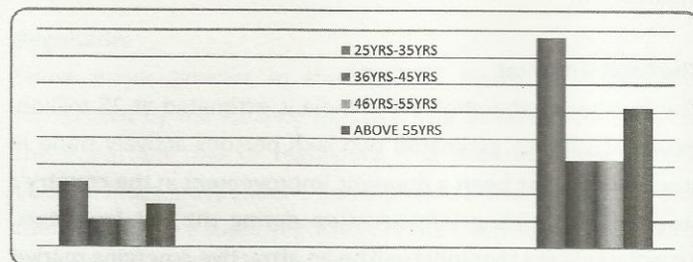
Findings and Analysis

The following information contains the data interpretation of the questionnaires. The respondent's responses for the questions have been interpreted and a finding has been made based on the respondents responses.

Frequency table for the demographic details of the Central Bank of India respondent's

Table 1: Age of The Respondents

	Frequency	Percent
25Yrs. – 35Yrs.	12	38.7
36 Yrs.-45Yrs.	5	16.1
46Yrs.-55Yrs.	5	16.1
Above 55 Yrs.	8	25.8
Total	30	100

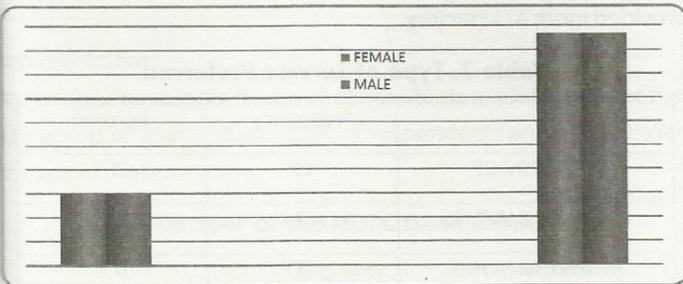


Interpretation

According to the data 38.7% respondents are belonging to the age category of 25yrs. - 35yrs., 16.1% respondents are belonging to the category of 36yrs. - 45yrs. and 46yrs. - 55yrs., 25.8% respondents are belonging to the category of above 55 yrs.

Table 2: Gender of the Respondents

	Frequency	Percent
FEMALE	15	48.4
MALE	15	48.4
Total	30	100

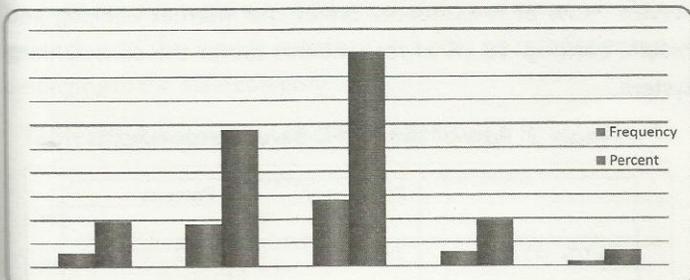


Interpretation

According to the data 48.4% respondents are belonging to the category of female. And the remaining 48.4% respondents are belonging to the category of male.

Table 3: Educational Qualification of the Respondents

	Frequency	Percent
SCHOOL	3	9.7
UG	9	29.0
PG	14	45.2
PROFESSIONAL COURSE	3	9.7
M.Phil./Ph.D.	1	3.2
Total	30	100



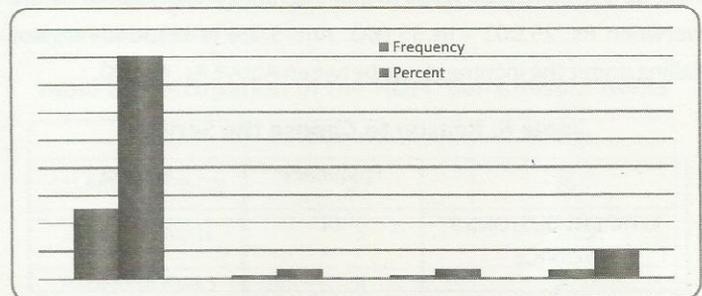
Interpretation

From the above table 9.7% of respondents are belonging to the category of school and professional course. And 29.0% of

respondents are belonging to the category of UG. And 45.2% of respondents are belonging to the category of PG. And 3.2% of respondents are belonging to the category of M.Phil./Ph.D.

Table 4: Occupation of The Respondents

	Frequency	Percent
SALARIED PERSON	25	80.6
PROFESSIONALS	1	3.2
SUPERVISOR	1	3.2
MANAGERIAL	3	10.0
Total	30	100

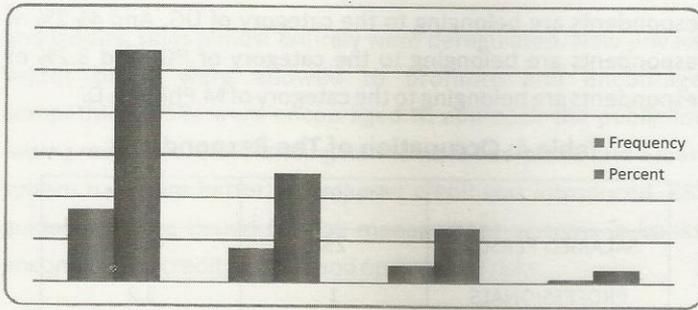


Interpretation:

From the above table 80.6% of respondents are falling under the category of salaried person. And 3.2% of respondents are falling under the category of professionals and supervisor. And 10% of respondents are belonging to the category of managerial.

Table 5: Income Level of the Respondents

	Frequency	Percent
Rs.5,000-Rs.15,000	17	54.8
Rs.15,001-Rs.25,000	8	25.8
Rs.25,001-Rs.35,000	4	12.9
Above Rs.45,000	1	3.2
Total	30	100

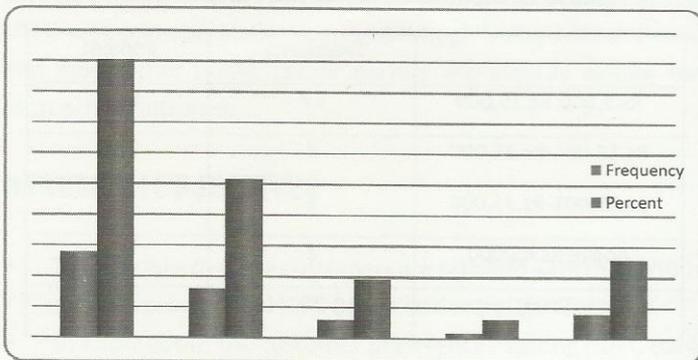


Interpretation:

The above table indicates 54.8% of respondents are falling under the income range between Rs. 5,000 - Rs. 15,000. And 25.8% are falling under the income range between Rs. 15,001 - Rs. 25,000. And 12.9% of respondents are falling under the income range between Rs. 25,001 - Rs.35,000. And 3.2% of respondents are falling under the income range between Above Rs. 45,000.

Table 6: Reason to Choose the Service

	Frequency	Percent
EFFICIENT CUSTOMER SERVICE	14	45.2
TIME SAVING	8	25.8
TRANSCATION COSTS	3	9.7
TECHNOLOGY	1	3.2
MORE ATMS	4	12.9
Total	30	100



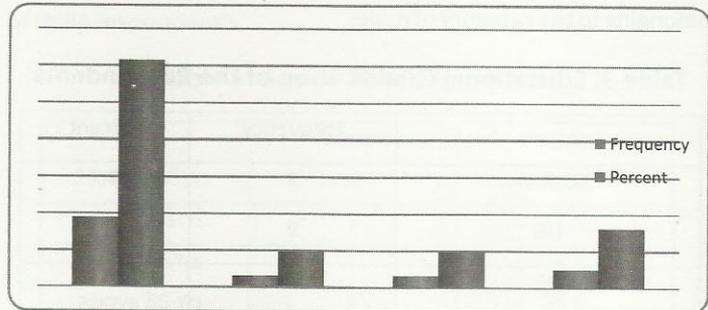
Interpretation:

From the above table we can conclude that 45.2% of respondents are saying that the reason to choose Central Bank of India is they

are providing efficient customer service. 25.8% of respondents are saying that the reason to choose Central Bank of India is they are reducing our waiting time. 9.7% of respondents are saying that the reason to choose Central Bank of India is transaction costs. 3.2% of respondents are saying that the reason to choose Central Bank of India is Technology. 12.9% of respondents are saying that the reason to choose Central Bank of India is they are provided more ATM facility.

Table 7: Type of Service Preferred

	Frequency	Percent
ATM SERVICE	19	61.3
INTERNET BANKING	3	9.7
MOBILE BANKING	3	9.7
CORE BANKING SYSTEM	5	16.1
Total	30	100



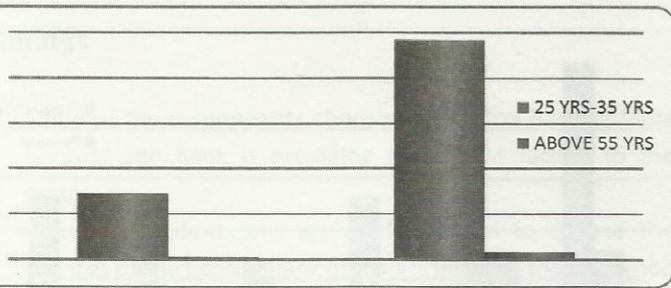
Frequency table for the demographic details of the HDFC BANK respondent's

Interpretation:

The above table indicates 61.3% of respondents prefer the ATM service. 9.7% of respondents prefer the internet banking and mobile banking. 16.1% of respondents prefer the core banking system.

Table 8: Age of the HDFC Bank Respondents

	Frequency	Percent
25 Yrs. -35 Yrs.	29	96.7
Above 55 Yrs.	1	3.3
Total	30	100

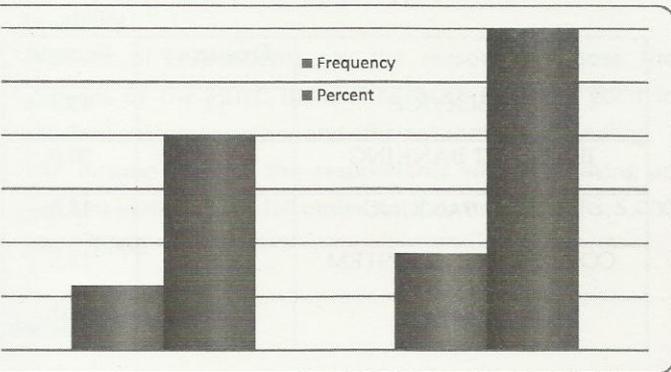


Interpretation:

As per the above table 96.7% of respondents are falling under the age group of 25yrs.-35yrs. 3.3% of respondents are falling under the group of above 55yrs.

Table 9: Gender of the HDFC Bank Respondents

	Frequency	Percent
FEMALE	12	40
MALE	18	60
Total	30	100



Interpretation:

From the above table we conclude that 40% of respondents are belonging to the female category and 60% of respondents are belonging to the male category.

Table 10: Educational level of HDFC Bank Respondents

	Frequency	Percent
UG	2	6.7
PG	21	70.0
PROFESSIONALS	6	20.0
M.Phil./Ph.D.	1	3.3
Total	30	100

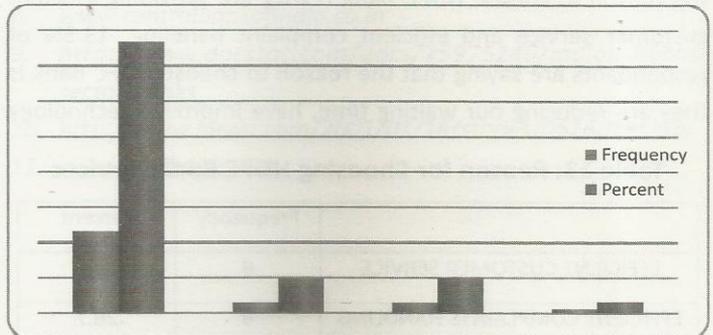


Interpretation:

The above table indicates 6.7% of respondents are belonging to the category of UG, 70% of respondents are belonging to the category of PG, 20% of respondents are belonging to the category of professionals and 3.3% of respondents are belonging to the category of M.Phil./Ph.D.

Table 11: Occupation of the HDFC Bank Respondents

	Frequency	Percent
SALARIED PERSON	23	76.7
BUSINESS MAN	3	10.0
PROFESSIONALS	3	10.0
MANAGERIAL	1	3.3
Total	30	100

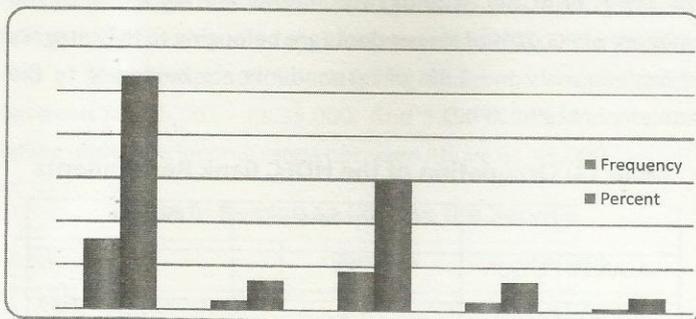


Interpretation:

From the above table we can say that 76.7% of respondents

Table 12: Income Level of the HDFC Bank Respondents

	Frequency	Percent
Rs.5,000-Rs.15,000	16	53.3
Rs.15,001-Rs.25,000	2	6.7
Rs.25,001-Rs.35,000	9	30.0
Rs.35,001-Rs.45,000	2	6.7
Above Rs.45,000	1	3.3
Total	30	100



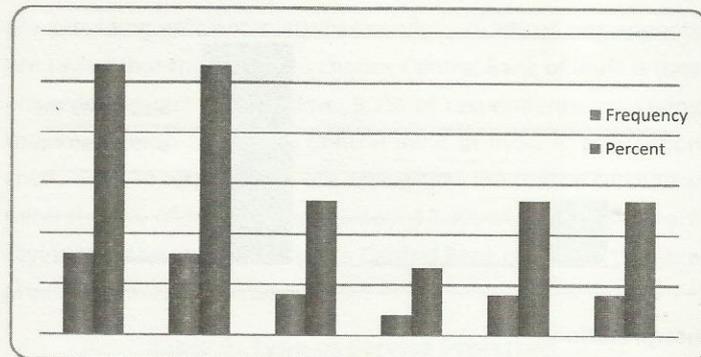
respondents are falling under the income level of above Rs. 45,000.

Interpretation:

The above table indicates 26.7% of respondents are saying that the reason to choose HDFC Bank is they are providing efficient customer service and efficient complaint handling. 13.3% of respondents are saying that the reason to choose HDFC Bank is they are reducing our waiting time, have improved technology

Table 13: Reason for Choosing HDFC Bank Services

	Frequency	Percent
EFFICIENT CUSTOMER SERVICE	8	26.7
EFFICIENT COMPLAINTS HANDLING	8	26.7
TIME SAVING	4	13.3
TRANSACTION COSTS	2	6.7
TECHNOLOGY	4	13.3
RELIABLE	4	13.3
Total	30	100



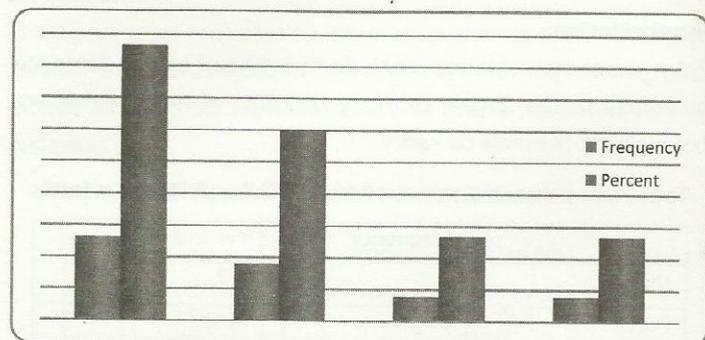
and are more reliable. 6.7% of respondents are saying that the reason to choose HDFC Bank is low transaction costs.

Interpretation:

The above table states that 43.3% of respondents prefer the ATM service. 30% of respondents prefer the internet banking and 13.3% of respondents prefer the core banking system and mobile banking.

Table 13: Type of Services Preferred

	Frequency	Percent
ATM SERVICE	13	43.3
INTERNET BANKING	9	30.0
MOBILE BANKING	4	13.3
CORE BANKING SYSTEM	4	13.3
Total	30	100



Findings

- Some of the respondents choose the Central Bank of India because the bank is providing more ATM facility to the customers.
- Many respondents are saying the reason to choose the services of the Central Bank of India is because they are good in efficient customer service.
- The income level of majority of the respondents who are having an account in Central Bank of India bank fall under the income level of Rs. 5,000 - Rs. 15,000.
- The age group of 25 yrs - 35 yrs respondents are mostly having an account in Central Bank of India.
- Both the genders are equally sharing the account in Central Bank of India.
- Many of the respondents are not aware of the numerous services rendered by the Central Bank of India. Only a few use the ATM services.
- Some of the respondents choose the HDFC Bank because of reliability.
- Number of respondents say the reason to choose the services of the HDFC Bank is because they are good in efficient customer service and efficient complaint handling.
- The income level of the respondents who are having an account in HDFC Bank fall under the income level of Rs. 5,000 - Rs. 15,000.

Conclusion

- Both the banks are competing equally with each other.
- Central Bank of India is little bit below the line in customer complaints handling when compared to HDFC Bank.
- HDFC Bank is little bit below the line in concentrating on female customers compared to Central Bank of India.

Recommendations

- Since many of the respondents are not aware of their key services. The bank has to take some major initiatives.
- The bank can post a list of services that they are rendered to the customers inside the bank premises.

- They can upload the demo of all these services in their bank website.
- They need to concentrate more on the respondents falling under the age group 25 yrs - 35 yrs.
- The Central Bank of India needs to concentrate on customer complaints handling.
- The HDFC Bank need to concentrate on the female gender.
- The bank can also send a post to their customers regarding their services.

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Controlling Price Hike of Petro-Products

(A Diagnostic Study of Northern India)

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Shely Gupta**

Abstract

India is always nominated as a developing nation but various issues have been identified as hurdles in the nation's growth. Inflation, corruption, Pollution, monetary imbalance, inequality etc. are various mode of obstacles in India's development. The most contemporary issue of India identified by the researcher of this study is speedy hike in prices of petro products. The mismatch of supply and demand for petro products is raising the price of fuel which has made this issue a national problem.

This research study is a serious attempt at explaining the factors affecting the prices of petro products in the Indian economy and the introduction of some corrective actions in regard. The prime objective of the present study is to study the paying capacity of people, the status of individual, uses of vehicles by different segments of people, identify their preferences for petrol, diesel, LPG, CNG and other petroleum products which help the researchers to make constructive suggestions to control price hike.

Keywords: Economy, Inflation, Pricing, Petroleum Products, Quota.

Introduction

India is the seventh largest country in the world and the second most populated country in the world. With 1,220,200,000 (1.22 billion) people, India is the second most populous country in the world, while China is on the top with over 1,350,044,605 (1.35 billion) people. The figures show that India represents almost 17.31% of the world's population, which means one out of six people on this planet live in India. Petroleum products are the natural resource with which each person is somehow attached either through occupation or through household consumption. There is a huge segment of people in India who are consuming the petroleum products in a very reckless manner which cause the hike in prices of petroleum products on day to day basis due to which everyone is suffering. Therefore, the petroleum price hike has become the nationwide problem. The price hike in petroleum products may be identified due to following factors:

- Increase in crude oil prices due to increased international

demands, low production rate and regular political disturbances in crude oil producing countries of the world influence seriously prices of fuels like petrol.

- Indian oil companies face problem to meet demands of petroleum products with shortage of production and supply from oil refineries due to high input cost in crude oil price which leads to mismatching supply demand.
- Prices of petroleum products vary according to local government policies by imposing taxes. Whenever government of India increases tax on fuels the oil companies in India have no other alternative to increase the petrol price to recover losses and maintaining marginal profits in oil business in India.
- Weaken rupee against dollar and simultaneous inflation force price hike in petroleum products too.
- The underdeveloped economies like India have generally a lesser developed financial market which creates a weak bonding between the interest rates and the aggregate

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demand. This real money gap is determined as the potential determinant for the price rise.

Literature Review

According to Randy Chugh, Maureen Cropper and Urvashi Narain 2011, The cost of fuel economy in the Indian passenger vehicle market, 1818 P st. nw., Washington D.C, Resources Discussion Paper, the hypothesis has been tested extensively in United States. Although much of the literature suggests that consumers undervalue fuel savings. (Alcott and Wozy 2010), other studies (Sallee et al 2010) suggest that consumers are willing to pay an extra dollar when buying a car to reduce the present value of fuel costs by a dollar. This paper examines how car buyers in India value fuel savings. Ex-Finance Minister Mr. Pranab Mukherjee has politely declined to consider opposition demands for rolling back the proposed hikes in fuel prices, citing the state of government's finances warranted the hike. The only major study on the subject of petroleum pricing policy was conducted by Geeta Gauri who published her findings in a book titled "Pricing For Welfare; Petroleum Products In India". S.S. Khera's book "Oil, Rich Man, Poor Man" contains an analysis of the reports of the first three oil price enquiry committees set up by the government of India, supplemented by inside information gained by the author as the secretary in the petroleum ministry. The book also describes the pricing system prevalent in India following the adoption of the Krishnaswamy committee report. Prices of international crude oil have averaged \$107 per barrel for the Indian basket during the second half of November as against \$115.85 per barrel average during the first fortnight that formed the basis for the Rs. 2.22 per litre cut. "The reduction in oil price warrants a cut of around one rupee per litre in the petrol price including taking into account the tax incidence.

In fiscal year 2008-2009, under-recoveries accruing to India's state-owned Oil Marketing Companies (OMCs) similar to the losses accumulated on product sold below cost - are expected to exceed \$US40 billion. The effect of significantly lower product prices than input prices - a large "effective subsidy" has been the increasing accumulation of under-recoveries by OMCs. Under-recoveries are a notional measure representing the difference

between the trade-parity cost of refined product paid by OMCs and their realised sale price.

Problems Identified

There are some commodities which affect the society on a very large scale in terms of economic as well as social fronts. Diesel, Kerosene and Cooking Gas may be recognized under such categories. While Diesel/Petrol is used in industrial and agricultural work on a very large scale, Kerosene and Cooking Gas have direct relation to the last household of the country. Thus any increase in the price of these commodities directly affects the life of a common person. As India imports almost 75% of its petroleum needs, it is not possible for the government to maintain low prices of these commodities for a very long time as price of petroleum products increase day by day in the international market. To increase subsidy will raise burden on government and would result in more fiscal deficit. Hence to curb the negative impact of such price rise on the ordinary people, there is a need to make some changes in the policies regarding subsidy and APM (Administered Price Mechanism). It is obvious that any hike in the price of Diesel, Petrol, Kerosene and Cooking gas affect the society but by taking preventive and precautionary measures the impact on larger section can be reduced.

Research Importance and Objectives

The present research attempts to make awareness about the consumption quota so that equal distribution of petroleum products on monthly basis for each segment of people may be fixed so that a well distribution can be made based on their incomes and usages, hence carries the following objectives:

- To identify the preferences of vehicles, travel means and use petroleum products like petrol, diesel, LPG, CNG etc according to paying capacity and status of individual.
- To study the impact of price fluctuations of petroleum products on individuals.
- To know the acceptance and awareness of electric & hybrid vehicles.
- To know the approach of people towards acceptance of consumption quota.

Primarily, this research aimed on identifying the means of controlling petroleum products prices. This work would be important for individuals, society, organizations, refineries and the Government of all nations as it focuses over the most required commodity "petroleum products" and its price hike factors.

The Research Design

Sample Frame and size- As the entire nation is facing this problem, the study became exploratory in nature. The sample of this study includes households, service employees, business persons, self-employed, professionals and manufactures etc. The sample size of 600 people is chosen according to the need of the study out of which 535 respondents replied.

- **Sampling Method:** Judgmental Sampling
- **Research Instrument:** Structured questionnaire was used.
- **Mode of Survey:** Personal interview, telephonic interview, e-mail and fax.
- **Place of Study:** Northern India (Lucknow, Kanpur, Ghaziabad, Meerut, Bulandsher, Modinagar and Delhi).

Data Collection: Data has been collected through two methods i.e. the primary data collection (Observation method, Expert opinion method, Interview method, Filling up of questionnaire) and the secondary data collection (various magazines like outlook business, business India, business and economy, outlook money, business today, the economist, legal era magazine, Forbes India and information through various research papers and data review.

Data Analysis: The data gathered from various sources were primarily studied and necessary data was sorted out sequentially according to the study, later was analyzed with the help of various graphs like: Pie chart, Bar graph & Line graph etc and various tools & techniques like Chi Square, ANOVA, Correlation, Regression with the SPSS Software 19.0.

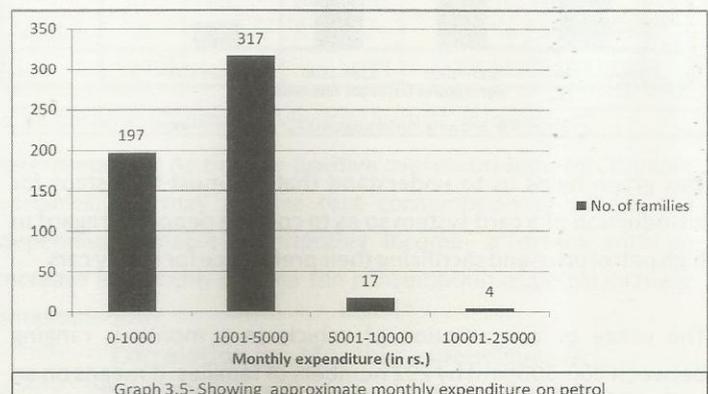
Setting up of Hypothesis: For this study, the following hypotheses were set at 5% Significance level:

H0 (Null hypothesis): The quota fixation will not work appropriately in India.

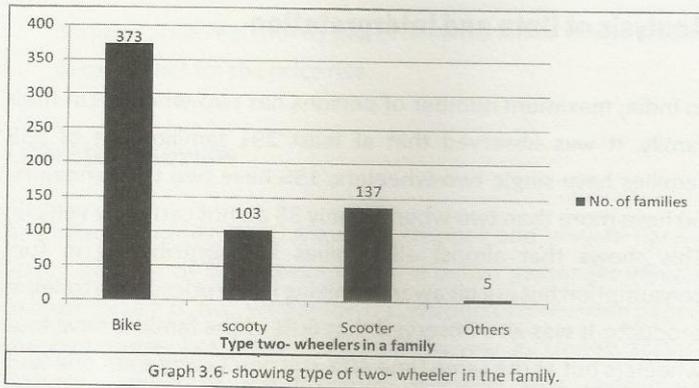
H1 (Alternative hypothesis): The quota fixation will work appropriately in India

Analysis of Data and Interpretation

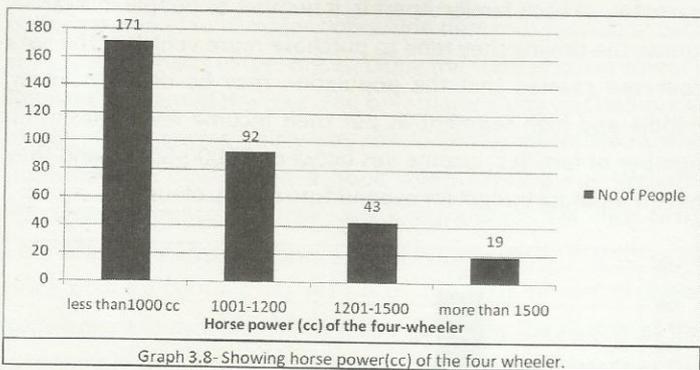
In India, maximum number of persons has two-wheelers in their family. It was observed that at least 291 families out of 535 families have single two-wheelers, 156 have two two-wheelers, 50 have more than two whereas only 38 do not carry any vehicle. This shows that almost all families are contributing in fuel consumption but are bit aware of hiking in the prices of petroleum products. It was also observed that 60% of the families have four wheelers but at the same time 40% still don't carry even one four wheeler in their family. It means that majority of people in India have capacity to pay the high prices of petrol as their consumption of four wheelers are very high. Another observation through field survey was made that in each and every family at least 1 family member knows driving. It showed that to have a vehicle is a basic necessity of each family. Apart it, if number of people in a family knows the driving they tend to purchase more vehicles. The data collected revealed that the population may be divided in lower, middle and high segment as per their income level. Maximum number of families' income lies between 25000-50000 and they have a separate budget for expenditure on petroleum.



The graph shows that maximum number of families monthly expenditure on petroleum product is lies in between 1001-5000.. This data shows that people prefer to use personal transport for commutation rather than public transport. This gives rise to petroleum consumption.

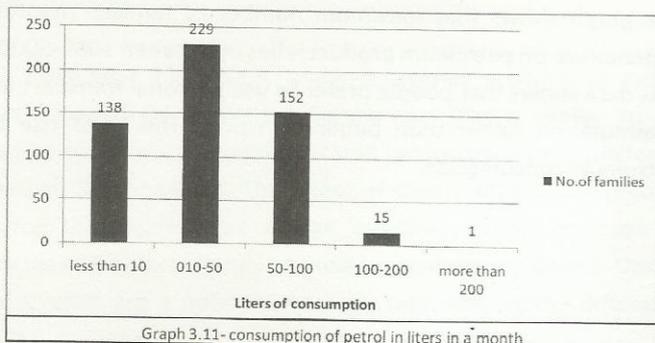


The graph shows that 373 families are having bike in two wheelers because mileage of bike is good, so large number of people prefers bike in comparison to other two wheelers like scooty and scooter.



This graph helps us to understand that we must take steps for introduction of a card system so as to console people in regard to high petrol price and sacrificing their preference for luxury cars.

The usage or consumption of vehicle in a month is ranging between 200-500(km) by 292 numbers of families. It means on an average individual consumption of vehicle is 10 km in a day.

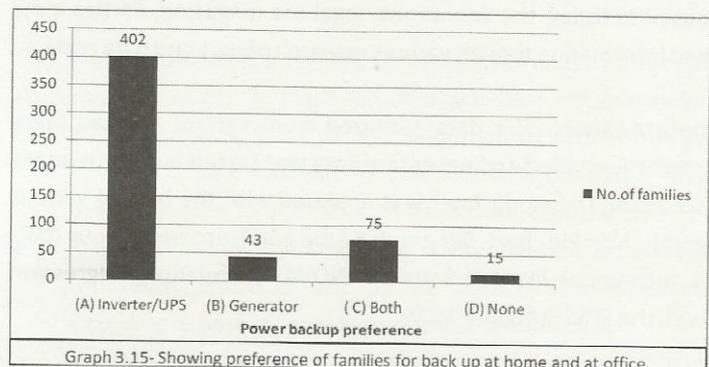


We can see that in this graph that their consumption of petrol/ diesel is very high in month which must be reduced by promoting high mileage vehicles and eco-friendly vehicles.

The hike in petrol/ diesel prices does not affect on the individual preference on having vehicle of petrol, they still prefer to buy the vehicle based on petrol/ diesel because hike in petrol prices does not affect their purchasing power and a very small amount of our population prefer to buy the vehicle based on LPG / CNG.

The study shows that large number of families have a point of view that hike in petrol prices due to high in international prices of petrol and high demand due to population growth but they still are not aware the fact of personal usage of petroleum products and non-regulation on government bodies which give rise to high refinery prices leads to hike in prices.

It is found that 63% of the families questioned tend to travel by their personal vehicle to office and for roaming at other places. But this could also be due to improper facilities of public transport to people. For example: in Gurgaon the public transport is very minimal and the public is bound to travel by their personal vehicles. This gives a rise in petrol consumption. Among the people asked 31% also petered to travel by public vehicles which show that people in metropolitan cities with good public transport facilities are aware of the fuel consumption.



The study showed that people are worried about the consumption of diesel in the implementation of generators at home. 75% of people opted for generators. It is also observed that people have both UPS and generator at home and office, it could

be conclude by this that high earning people have both the facilities and at the time of excessive crisis they first use the facility of UPS and then they use generator.

Majority of people observed said that promotion of public transport and less personal usage by families can lead to control in prices of petrol. While other measures like subsidies from government and the idea suggested for fixation of quota by issuing card were also appreciated and suggested by families. Apart it, 65% of the families agreed to the fixation of quota on petrol by issue of smart cars. Hence this could be a measure of controlling the consumption of fuel consumption. This method is discussed afterwards in the report.

Summarizing the field survey

It was analyzed as the Indian families tend to purchase two-wheelers because they cannot afford a four-wheeler with a low mileage every time. It is observed that mostly the families ranging with income level between Rs. 1000 - Rs. 25000 per month have two wheelers in their family and the families with monthly income of Rs. 25000 - Rs. 50000 have both a two-wheeler and a four wheeler in their family. The data revealed that at least 291 families out of 535 families have two wheelers which show that people are a bit aware of hiking in the prices of petroleum products. Some preferences like personal vehicle over public transport and petrol over diesel show us that some families having good income range are ready to pay for the petrol prices but to the contrary more than 65% of families have a view that smart cards should be issued to public for a control over the prices.

Generalization and Interpretation

By using statistical tools through SPSS 19.0, the hypothesis was tested on the basis of data and information collected from respondents on the following parameters:

Regression for Monthly Income & Monthly Exp. On Petrol

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.275 ^a	.076	.074	1869.483

a. Predictors: (Constant), Monthly income of individual
b. Dependent Variable: monthly exp. For petrol

Interpretation: The above study helps in finding regression between two variables as monthly income and monthly expenditure where monthly income is independent variable and monthly expenditure is a dependent one. As there is positive regression between the two variables, we may analyze that monthly expenditure is a dependent variable on monthly income. It means the monthly income inspires the individuals to spend more.

Regression for Consumption of petrol & Usage of vehicle in a month. (in kms)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.249 ^a	.062	.060	27.59112292756016

a. Predictors: (Constant), use of wheeler in month

Interpretation: As there is positive regression between the two variables, we may analyze that consumption of petrol is a dependent variable on usage of vehicle. It means high usage of vehicle in a month leads to higher consumption of petrol.

Regression for Monthly income & Consumption of Petrol

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.270 ^a	.073	.071	27.43320919338906

a. Predictors: (Constant), Monthly income of Individual

Interpretation: As there is positive regression between the two variables, we may analyze that consumption of petrol is a dependent variable on monthly income. It means with an increase in monthly income the consumption of petrol increase simultaneously.

Correlation for Monthly expenditure & monthly consumption of petrol products

		Monthly exp.on petrol	Consumption of petrol products
Monthly exp on petrol	Pearson Correlation	1	.994**
	Sig. (2-tailed)		.000
	N	535	535
Consumption of petrol product	Pearson Correlation	.994**	1
	Sig. (2-tailed)	.000	
	N	535	535

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

Interpretation: There is a high positive correlation between both the aforementioned variables i.e. monthly expenditure of individuals and their consumption of petroleum products. With an increase in any one of the variables the positive impact would be seen on another variable and vice versa.

We can analyze from the study that there are more number of people who prefer to have petrol based vehicle. On the contrary there are relatively less number of people who prefer to have diesel based vehicles. People are also in favour of CNG based vehicles. Very few people are ready to accept electric, Hybrid and LPG based vehicles.

Testing of Hypothesis

The analysis of the present study tested at 5% Significance level the H_0 (Null hypothesis) and H_1 (Alternative hypothesis). The study and responses state that The quota fixation will work appropriately in India and is the need of hour.

Conclusion

Where as high population growth which gives rise to consumption in every sector also increases the price of fuel due to its consumption use. People suggest that introduction to smart cards, promotion for the use of public transport and subsidies from government can control prices in the economy. The awareness for the petrol price hike was seen in many places like it was observed that office owners have both generators and inverters. They use inverters at first place and in crisis they use diesel based generators. While at home mostly families prefer generators. Hence it can be said that people are aware of the extinction of petroleum and the reasons for hike in prices. They are ready to accept measures to control price as well as the consumption of petrol.

The study was done majorly on field data and the principal outcomes of a research project about what the project has suggested, revealed and indicated. This refers to the totality of outcomes, rather than the conclusions or recommendations drawn from them. Certain important findings of the research report are:

1. The research study identified that not much of the women are aware about the facts related to automobiles like mileage, horsepower etc.
2. Despite of provision of different types of loans and grants from banks with lower rates of interest and huge promotions, it was found that people still neither have a two-wheeler nor a four-wheeler.
3. Many current reports show that the automobile sector in India is not focusing on proper R&D on non-petroleum products/vehicles.
4. In Italy, 85% of cars have in-built smart meters in cars for monitoring the wastage of petrol. These smart meters are also installed in their homes which saves the wastage of household electricity consumption.
5. India is on fourth position in the consumption of petroleum products and sooner would leave US behind which is topping this list.
6. Government is charging higher excise duty on petrol than diesel in India.
7. The research suggest fixing the quota but as fixing the quota for kerosene made its prices high, similarly the fixing quota in petrol, may also lead to rise in prices.

The data analyzed in the present study let the researcher know about various facts and figures regarding the preferences of petroleum products. But the high consumption was being considered as the main cause of increasing prices of such products.

Remarks / Suggestions by Respondents

The respondents gave positive suggestions and remarks during the field survey. Few remarks and suggestions out of them are as follows:

- High taxes on petroleum products fixation of quota will stable the price not decline them because price are set by international demand.
- As compared to European countries we have extremely poor public transport system (few cities excluding). We required exceptionally good public transportation.
- Government duties should be fixed in all state.

- Transport problem should be sorted out due to heavy traffic jams as for short distance bicycle should be used. Public may use vehicle on sharing like two or more families children use one vehicle in school and similar no individual use own car for going office may use car on pooling. Always use the public vehicle for daily purpose to prevent the large consumption of petroleum.
- Bio gas plant can be promoted and their usage is place of petrol can be made.
- There should be limit in the petrol price as suggested. If we fix the quota than people will use petrol consciously.

The researcher put an attempt to identify various means to control the prices, hence present some worthy suggestions which are hereby as follows:

1. The petrol is largely an item of final consumption. An analysis of the trend of petrol consumption by the automobile owners reveals that increase in prices of petrol can be borne by motorized vehicle owners. Accordingly, we suggest that petrol prices should be market determined both at the refinery gate and at the retail level.
2. A market-determined pricing system for petrol and diesel can be sustained in the long run by providing level playing field and promoting competition among all players, public and private, in the oil and gas sector. Adequate regulatory oversight is critical to ensure effective competition.
3. A transparent and effective distribution system for Public Distribution System kerosene and domestic LPG can be ensured through UID/Smartcards framework.
4. A viable long-term strategy for pricing major petroleum products is required has to be workable over a wide range of international oil prices and has to meet the various objectives of the government. It should limit the fiscal burden on government and keep the domestic oil industry financially healthy and competitive.
5. Some attempts should be made to promote the usage of solar energy as it will last forever. People should be motivated to purchase solar cars like Mahindra REVA in India and excise duty on such cars must be reduced.
6. An APC (Automated petro cards) model has also been framed which describes the impact of fixing of quota on different sectors like general people, petrol pump dealers, refinery,

society, government, economy, OPEC and the whole world. This quota helps us to implement the smart card system to every vehicle owner in the country.

7. It is strongly suggested that Smart meters should be installed in cars to monitor the wastage of petrol at red lights & slow traffic.
8. Nuclear energy, sea energy (generated by waves) and wind energy should be promoted extensible for the generation of electricity which can be used for the usage of electric cars and their promotion.
9. Petrol and diesel used in cars, including SUVs, are for final consumption. The higher excise duty on petrol compared to diesel encourages use of diesel cars. An additional excise duty should be levied on diesel car owners.

Comparative study of fixing quota with existing scenario

Impact on People:-	Fixing quota	As already
<i>Lower income group</i>	Beneficial as prices will be low	Less consumption with high price
<i>Lower middle income group</i>	Less consumption, less price	Less consumption with high price
<i>Upper middle income group</i>	Average consumption average price	Average consumption high price
<i>Higher income group</i>	Higher consumption, higher price	Higher consumption, low price
<i>Petrol pump dealers</i>	No impact on price, Saving in fuel (stock)	High consumption leads to wastage
<i>Refinery</i>	Control wastage may control import	No control over wastage and import
<i>Society</i>	Less populated environment, Less depletion of natural resources	High pollution fast depletion of natural resources, Wastage of money
<i>Government</i>	Development of weaker R & D sector	Government funds is getting wasted
<i>Economy of the nation</i>	Build up from developing stage by saving from import	Decline of the currency value
<i>OPEC</i>	Production is limited quantity	Excessive production leads to wastage
<i>World</i>	Pollution free environment control over wastage, Saving of natural resources	Excessive pollution depleting natural resources

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Blogging: A Marketing Communication Tool

Sharad Goel*
Sweta Kanungo**

Abstract

The phenomenon of blogs is growing rapidly and is expected to increase even in a more rapid pace (Technorati, 2006, November 6). As Wright (2006) discuss; blogs provides a new way of communicating with customers, as customers want to be talked with, not to. Companies have newly started to pay attention to this and as a result, the concept of blog marketing has been born. Since this phenomenon is in its infancy, until now, a little research has been done on blog marketing from a consumer's perspective. It is yet to be explored that what customer thinks about the use of blogs by corporate houses as a marketing tool and how they use blogs during their decision levels. Many factors like what kind of information is most searched by customers and the reliability that consumers associate with the communication carried out through Blogs is yet to be studied /checked. In order to use blogs as a successful marketing communication tool, it is of huge importance for companies to understand up to what information should be made available through blogs and to what extent consumers see/find this tool of communication reliable and how this reliability can be improved.

Hence, the purpose of this study is "To assess the perceived reliability in Blog communication from consumer's perspective as compared to other sources like traditional media or social networks". Interview technique has been used to Young adults as research suggests that this population uses blogs most (Treymane, 2007).

The consumer decision making process was divided into 3 levels for this study namely Pre-purchase, Purchase and Post-purchase. It was identified that customers used blogs through out the different levels of consumer decision making process. Also the certain information like comparative price of product, latest developments in product, availability and reviews about the product performance is found to be most searched by customer while using blogs.

As far as the reliability is concerned, customers found the information provided on company Blogs as more reliable than other social networks like Facebook or Twitter. It was also found that customer rely more on the feedback and information posted by other consumers who post on blogs rather than the same posted by company officials.

Keywords: Blogs, online communication, marketing, social media.

Introduction

Ever since the internet was introduced for the general public during the 1990s, people have used it as a source of information. Recent statistics shows that a large sphere of the population in use internet in order to get information regarding products and services (SCB, 2006, December 18). However most statistics available does not tell how the consumers use the internet and what kind of information they search for. There are many different sources of information online, for example company web pages, communities, blogs etc. The concept of blogs and blogging is a relatively new phenomenon in today's society and it has not really

been explored before. Nevertheless, magazines are today filled with articles on the importance for companies to start blogging and join the communication of the future, if they do not want to loose ground to their competitors (Lindstedt, 2005, November).

The major blog search engine, Technorati, shows some interesting facts on the number of blogs and its growth. In October, 2006, Technorati counted 57 million blogs and a growth rate of one hundred thousand new blogs per day. The current estimates say there are about 450 million "active" English language blogs right now, but that number varies according to the source. Technorati estimated over 200 million blogs at the start of 2009, with

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exponential growth since then. This number is expected to keep growing and double every eight months. As a result of this growth, blog marketing has emerged as a new innovative mode to create closer relationships with customers. It has also given consumers the possibility to discuss amongst each other. Blog marketing allows not just for marketers to establish closer relationships towards a small segment, but in fact, it can also allow for relationship marketing towards larger segments. This of course only holds if the blogs have a large audience, but statistics above show that this is most possibly the case.

Today limited research has been made within the concept of blog marketing. Furthermore, all research that has been conducted has had the focus on how companies can use blogs in order to interact with consumers. Something that has not been considered, and has been taken for granted, is the issue of what information is considered most important by consumers and how much reliability consumers associate with this type of communication and the information provided on blogs. The existing use of blog marketing could thus miss its objectives if companies do not know how customers use the information provided on blogs and how much trust consumers lay upon the communication done through blogs and how this reliability can be improved, because a high level of credibility is an essence for better relationships with customers.

Theoretical Framework

What are Blogs? And what is Blogging?

The word 'blog' comes out the words "web" and "log", refers to an online diary, where anyone can post anything like random thoughts, experiences, photos, homework, and poetry, just to name a few – for the rest of the world to see.

Blogs range in scope from individual diaries to political campaigns, media programs, and businesses. They range in scale from the writings of one occasional author (known as a blogger), to the collaboration of a large community of writers. Many blogs enable visitors to leave public comments, which can lead to a community of readers centered on the blog. Hence, the totality of weblogs or blog-related websites is known as a "blogosphere."

Types of blog:

Collaborative blog – It contains information that is posted by many several individuals and not just one author. It's a blog where many people can post inlays, write comments and answer to questions in other blog posts. They have standard rules about participation in order to avoid development of poor quality content, which do not encourage new and current readers to come on daily basis.

Diary blog – A blog that is written by one author, often about his/her everyday life, it can also include almost anything. The author also posts inlays that can be used in consumption decision for others, also often the reader has the possibility to comment on the diary inlay. A blogger can use the diary blog for personal enjoyment and archives the happenings in their lives.

Company Blog: It includes two types of blogs, product and customer service blogs. Product blogs consist of two approaches. One approach is to provide updates about the product so that customers can receive the latest information. A product blog that keeps customer updated can build customer loyalty to the product and company. The customer service blogs focus completely on the issues of already purchased products.

How people use blogs today:

People have blogged long before the term was coined, but the trend gained force with the introduction of automated publishing systems, especially Blogger at blogger.com. Thousands of people use services such as Blogger to simplify and increase the publishing process. In the beginning, the rapid growth of blogs was dependent on extreme events. Examples of events, after which blogging has rapidly increased were during and after the attack on World Trade Center, wars, political campaigns and natural disasters. People started using the blogs because they wanted to express themselves about these mentioned events. Blogging about these events has attracted the attention of the mainstream news media, further contributing to the popularization and adoption of this new phenomenon of computer mediated communication. Today the blogging in the blogosphere concerns business, for example about markets, customer service, product etc. (Tremayne, 2007)

The new stage of the development of blogs is the business sector. Business has become a new phase of the communications that appears on the blogosphere today. Bloggers communicate and share information to each other since blogs are the new ways for customers to reach out to the companies. This scenario has made the companies more alert to listen to their customers' demands through the blogosphere. Enterprises now have the opportunity to gain new knowledge from the customer and to gain an idea about what the customers are saying about them (Tremayne, 2007).

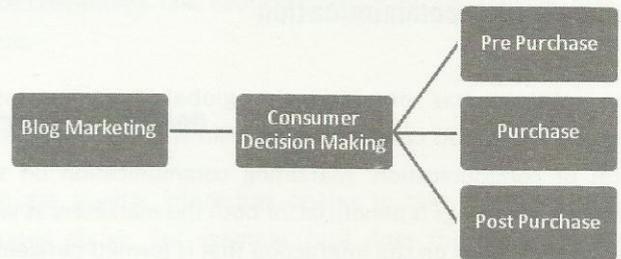
Observations have been done on why internet users connect to blogs. Blogs seem to encourage a sense of community, especially for those who seek more in-depth information than what is available through traditional media. Blog content generally reflects the bias of the blogger, who tends to take one side of an issue. Furthermore it contains a sense of belonging to a group of like-minded individuals. Information seeking is also a reason for accessing blogs. Bloggers provide the latest news and analysis by experts and other with inside knowledge, some of which is glossed over or omitted by the traditional channels. Blog users can also frequently use one certain blog due to they follow a story for a longer period of time than that they would be able to do if the story came from traditional media (Tremayne, 2007).

What is Blog Marketing

Blog marketing is the term used to describe internet marketing via web blogs. These blogs differ from corporate websites because they feature daily or weekly posts, often around a single topic. Typically, corporations use blogs to create a dialog with customers and explain features of their products and services.

Many organizations use blogs with their user community. This allows them to share and preview product features, functions, and benefits before the products are released. Blogs are an excellent way to gather feedback and to make sure products meet the needs of users. They have become the next generation marketing tool to corporate websites which merely post collateral and do not provide any interactive feedback. Blogs are also supplementary to a User Group. User Groups happen annually for

example while blogs provide users constant daily and weekly feedback. Blogs are basic websites which are updated regularly. They act as a Private news interface for any Company / Website. With regular updates being handled by the company executive team, product marketing, and product strategy teams, the need for fresh content on the web makes the Blogs a preferred destination for Resources.



Blog Marketing:
A Tool for Influencing Consumer Decision Making

Consumer decision making

The consumer decision making process, when it comes to goods, consists of mainly five steps according to most researchers within the field (Blackwell et al. 2001, Statt 1997, Kotler et al. 2005). Although not everyone uses the same terms, they talk about the same phenomena.

The steps included in this model are; Pre-purchase Behavior, Purchase and the Post-purchase process. These steps will be explained more in details further below.

Pre-Purchase: This level is a combination of Need recognition, search for information, and the evaluation of alternatives available. This stage basically describes the different levels that a consumer goes through before he finally decides to purchase a product. He/she recognizes the need for a product and search for the information through various sources.

Purchase: This level arrives when a consumer finally make a purchase of product. While making a purchase he/she again goes through some considerations and then finally the transaction is done.

Post-Purchase: During this stage a consumer evaluates the product according to his expectations. Every customer buys a product for the satisfaction of wants and thus keeping some expectations about its performance in the mind. On this stage now he gets to know whether the product is below or above his expectations.

Issues in blog communication

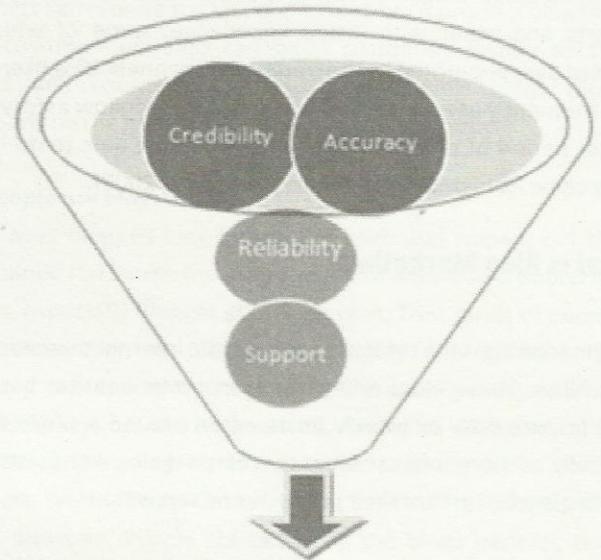
The internet has provided the global audience instant information, broad connections to billions and a revolutionary form of communication. Marketing communication on social networks and blogs is beneficial for both the marketers as well as consumers based on the interaction that is formed between the consumer and the website. Social media is, in comparison to other communication channels, a relatively new one. It offers people to search and share information for everything from entertainment, commercial exchange, sense of community and business has responded to this medium very quickly. The reason to why the social media is so successful, as it has a high level of interaction where people control what type of information they want to see, the number of times, the amount of time spent in doing so and in an order chosen. Consumers also benefit from using the social media by searching for information concerning products and services of their interest without so much as leaving their homes. They can at the same time choose what advertisement they want to ignore or what type of advertisement that interests them.

However, for all of this seemingly effortless access to consumers, the internet has traditionally been a complex problem for marketers. Numerous organizations either do not have or maintain an appropriate interactive / internet marketing plan. In addition to acceptance and use, one of the biggest challenges for companies regarding blogs is establishing a structure around the blogosphere to determine if it understands the information, obtaining that appropriate metrics to assess relevant feedback, or accurately assessing the results. (Blogging: A new play in your marketing plan, 2008 www.Elsevier.com). Another very important fact that has been ignored is that there are always great chances of misunderstandings and misinterpretations during written

communication. Blog marketing gives a platform where the information provided and communication done with the customers is mostly in written form (except through audio-visuals), so there is always a high possibility of that communication to be misunderstood or misinterpreted by the consumer due to any kind of noise like language barriers, difference in state of mind of sender and receiver, different understanding levels or different meanings of a single word.

Which Information is Reliable? -- The Checklist.

There is no single indicator of reliability and value in detecting trustworthy online information. Rather, there are numerous key points to consider and questions to ask one to judge a site's reliability of information. Although there are many criteria and methods of analysing, the CARS Checklist is an easy mnemonic device to help you when looking for reliable online information.



Information Reliability

1) Credibility

Because people base their decisions on information, it is extremely important to have credible data. The key to credibility is to question what truth lies behind a site. What makes one site more credible or believable than another? How is a particular source getting their information? To show some evidence that a

site is reliable and truthful, question the author's credentials. Various web authors will clearly identify themselves and their relationship to the site and its content. However, many valuable web pages are a part of organizational sites. These sites will reflect the work of the organization, and their consent provides great authority. However, if a site seems to be ambiguous, in its information or with contact references, it might lack credibility, and proceed with caution.

2) Accuracy

Testing for accuracy assures the researcher that the information they have collected is correct. Accuracy involves verifying a site is up to date, offering detailed and factual information, and is comprehensive.

In analysing the timeliness of a document, some pieces never seem to change, whereas others very quickly. Consequently, it is critical to identify the time frame of the information you are gathering, and when the information was created, to determine whether the source is of value. Furthermore, a source should render a complete and wide range of knowledge on the subject of interest. Although every detail and area cannot be covered, a source should not intentionally exclude important facts, consequences, or other alternatives. In addition, be sure to recognize the reason why the information was created and its intended audience, to conclude if the source is appropriate to your requirements.

3) Reasonableness

By reasonableness, we are testing the information's fairness and objectivity. You want to use a source that is neither selected or biased in anyway, but rather, has a balance of well-reasoned information. A calm and reasoned tone is also sometimes a good indication of a quality source. Although there is no such thing as being entirely impartial and unbiased, the writer should be able to control any opinions that might influence the reader, keep the information neutral. However, don't be afraid to use your own knowledge and experience in judging the quality of information.

4) Support

When examining an online source to verify its reliability, be sure to look at whether how the document supports information. Did

they support any necessary statistics, and if so, where the data came from? Are other web sites or organizations supporting this particular source? An exercise to verify a site has reliability is to search for at least 3 additional sources that concur with the initial information. If your results do not agree, further research might be necessary to confirm the range of conclusions. If you cannot find another source that supports the same information, or lacks source credentials, take caution in which information you take to be true.

Problem Discussion

There are several interesting angles to take on the problem discussed above. For example; how does the communication process in blogosphere looks? What does the feedback process in communication process look like? Which different message contents, structures and format are there in blogosphere? We however have chosen to focus on the information that is perceived most valuable by customers while using blogs and the reliability of this relationship medium in consumer's eye.

We choose this angle since this area is not very extensively researched. Blogs provides a new way of communicating with customers, as customers want to be talked with, not to (Wright, 2006). In order to use this communication tool effectively, it is of big importance for companies to understand what information is essential to be communicated to build up effective relationships with customers and up to what extent consumer find their communication/information reliable and what are the factors/hurdles that affect the quality of this communication.

Blogs are a rapidly growing communication tool and companies can use this tool in order to make them more competitive in their environment. Through blogging, company can build goodwill, discover new business areas, improve customer relations, enhance their brand, recruit competent employees, weather a crisis, and build customer support. The alternatives, how to use the blogosphere is huge and companies need to use blogs in an honest and down-to-earth; in order to earn customers attention and trust. The global development of different communication tools has made it more important for companies to manage WOM (Word of Mouth).

Most companies care about what traditional media says about them, as well about the industry, competitor etc. Negative attention in media can be a great damage for the company and leading to decrease in revenues and market share for instance. In order to avoid this outcome most organizations monitoring traditional media, which can reveal what is sad about the organization, CEO, Industry, competitors etc. and today they need to include blogs. But just including blogs and communicating the information is not sufficient. Companies need to check the reliability perceived by consumers in this way of communication and also that how this reliability quotient can be improved to make this tool an ultimate success.

Literature review:

Bickart & Schindler (2001) investigated the WOM in online forums on the Internet. They assigned students to look at either corporate web pages or consumer forums about specific products. They found that after one semester, there was a higher interest in the product category for those who used the online discussion forum. They then suggested that a reason for this was because the content posts in the online discussion forums are thought to be more credible and more relevant but also having more empathy among its readers.

Bickart & Schindler (2005) also did another study in which they sought to explore the consumer use of online WOM. They found three motives for using online WOM. The interviewees used it to gain information in purchase decisions, in which consumer reviews and negative information was of most interest. Another motive was to get support from decision already made in which positive was used most for confirmation of that the right choice have been made. The third motive was purely for entertainment purpose where information was searched for fun. Another theme they discovered was the evaluation of the content of information in online WOM. Their interviewees were concerned if information would be biased or untrustworthy. The interviewees questioned information from corporate web pages. Independent web pages free from corporate marketing, in which detailed information and authentic first person experience was viewed more credible and reliable. A consensus of agreement among consumers in the online WOM also tended to increase the credibility. Finally, they found the use of WOM online to be spread through all the stages

in the consumer decision-making process. During the need recognition, when product was mentioned, it sometimes stimulated interest or problem recognition for the consumer.

Other consumers sometimes provide ideas that lead for alternative product to be included, or removed, in the consumer consideration set. Online WOM also suggested important attributes that could influence the criteria of which alternatives are compared. Information from consumers on how alternative rate on those criteria was also of importance when comparing alternatives. After purchase was done, online WOM information could increase the consumer's satisfaction of the purchase through positive information. They also discovered that their informants were selective in their information gathering process. This was done to simplify the information but also to help them absorb the information with minimal effort. This selectivity they discuss is necessary as the Internet contained a vast amount of consumer information about a large area of different products. They continue and suggest that future research should look deeper into what characterise the content in those online WOM consumers choose to read.

Bernhad, Bjurling and Åhrén (2006) did another study on un-addressed consumer complaints through blogs. They found that the blog is used as a way to express dissatisfaction on companies and their products and services. It is used when the consumer do not get enough amendments from the companies. Blogs then works as a complement to complaints through friends and family, and it is an easy way to ease the consumer's experiences and reduce the stress of a distasteful treatment from companies. The consumers have then used blog to warn other consumers on products and companies but also to tell their own story regarding the complaint. When consumer does not warn other consumers, the blog posts are about easing their own thoughts and feelings about the company. Bernhad et al. (2006) discuss that the technical development has reduced the barriers to complain and this had led to increased likelihood to present complains for products of less value. Interesting is that they found that the probability to get amends from un-addressed complaints is low but in this stage the complaint is about getting personally amendments and to leave the complaint behind.

Wallstén (2005) then comes to the conclusion that the collaborative blogs increase the learning process in which people can learn from each other by reading blog post. It also gives a shared knowledge base for the participants.

In another study by Constant, et al. (1997) weak-tie sources were found to make it harder for consumers to assess the quality of the WOM information they received. Schindler and Bickart (2005) then discuss that the reason for this may be that the consumer do not know the motives of the informant and it may also sometimes be hard to assess the background and expertise in the topic of the informant.

Objectives of study:

- 1) To know what kind of information consumer search in the marketing blogs during the different levels of decision making process. What characterize the information in the blog posts that consumer choose to read?

As we have divided the consumer decision making process into 3 stages, this will include questioning on different features existing on 3 different levels. Those levels are

- a) Pre-purchase level
 - b) Purchase level
 - c) Post-purchase level
- 2) To identify the perceived reliability/credibility of the information provided in the blogs as compared to the other sources like traditional media and social networking websites.
 - 3) To identify the factors that creates problems/hurdles in the effective communication between company and consumers while blogging.

Research methodology

Research Strategy

When designing the research approach, there are two methods to consider; the deductive and the inductive approach. The deductive approach is where hypothesis is developed from the theory and where the research strategy is designed to test the hypothesis. It does so by establish a cause and effect relationship

between two or more variables. This is however done without understanding the meanings that humans attach to their behavior (Saunders, Lewis and Thorn hill, 2003). The inductive approach, on the other hand, begins with data. It develops an empirical generalization that describes patterns of that data and it seeks to identify or develop a theoretical proposition that is consistent with those patterns (Schutt, 1996). The purpose of using this strategy is therefore to understand the nature of the problem studied (Saunders et al. 2003).

Our purpose holds that we will need to understand how consumers perceive their own experiences and behavior. This is something best done through the qualitative nature that the inductive approach has. We will therefore be using the inductive approach to our research. Furthermore, this approach will, as Saunders et al (2003) suggest, allow a more flexible structure that will permit alternative explanations of the phenomena.

Putting emphasis on the inductive approach, our research strategy is built on an exploratory study. An exploratory study is where the researcher seeks new insights of a phenomenon.

Qualitative and Quantitative aspects

There are two broad categories of methods to discuss; quantitative and qualitative methods of choice. Quantitative methods are concerned with gathering numerical data or data that will be quantified. Qualitative method then refers to collecting non-numerical data or data that will not be quantified (Saunders et al. 2003). As our purpose is taken from the consumer's perspective, we believe that qualitative method will take us closer to the informant's perspective. As we want to explore, we need to get deep into the minds of our informants. Using a qualitative research method will enable us get this rich description from the informants. This will enable us to understand the phenomena we are studying even better. The qualitative research method will thus allow us to understand the meaning that the informants' attach to their experiences of blogging.

Data collection

We have primary focused on collecting primary data as there exist little research within our research topic. This primary data has

been collected through interviews. The sample selection consists of young adults. The limited research that exists and relates to our research topic has therefore been used as secondary data in our report. Secondary data is used in the forms of previous research. Some of this research has partly guided our research questions.

Interview method

There are many typologies to classify interviews in; the most commonly used typology is related to the level of formality and structure of the interview. Because of the nature of our purpose, as we need to understand the meaning that our informants attach to their actions and experiences, we need to conduct qualitative interviews. As Easterby-Smith et al. (1991) argue; in-depth interviews and semi-structured interviews are appropriate for this. These types of interviews will allow us to probe questions, as we need the informants to develop their answers.

Sample selection

We chose young, educated, adults; this is because previous research suggests that these are the group that uses blogs the most. The sample used for our research thus consisted of seven people within the ages of 21 to 30. Of those seven people, three are females and four are males.

Data analysis

Our raw data will be presented through sectioning each interview individually. Raw data is then defined as selected information from the total information available that could be collected from the research and that will be used as a basis for the analysis (Lantz, 1993). This raw data has been put into categories and themes that emerged from the interview. The categories and themes used emerged from our interviews in order to portray the informants' perceptions and experiences of our research area. This is important, as we want to have a close understanding to our informants. Furthermore, as Jones (1987) argues, this will work better than forcing data within deductively derived assumptions and categories.

Stage 1: Pre-Purchase level

Many of our informants agreed to have developed need for products while blogging. The main reason for this is that they found very much up-to-date information about products in the blogs. This up-to-date information on products created a change in the informant's desired state, and thus made the gap between the informant's current position and desired state larger. As Statt (2001) argues, a need is developed when the consumers have enough motivation to close this gap. A few of the informants were also very target oriented in their blogging; they only searched to fulfill the need they had discovered elsewhere, thus excluding all other products and complements. An important behavior noticed among our informants was that when they discovered a need, they only read. The reading they conducted, concerned reading other's blog posts more than reading comments on their own blog posts. Thus when developing a need they were very passive as bloggers.

All of our informants used blogs to search for information on products. When searching for information, many informants reported that they searched for up-to-date information.

After a while, the informants search for alternatives to their consideration set tended to decrease. Instead our informants started using blogs to evaluate and compare the products within their consideration set in order to decide on which product to purchase. This evaluation of alternatives dealt with both previously known alternatives and alternatives that came up during the external search. When previously known alternatives were evaluated, the informants tended to only absorb information that supported a decision to purchase. The informants motivated this behavior by stating that they already knew very much about the subject, and just wanted to strengthen the view of their product.

Stage 2: Purchase Level

All our informants were affected by blogs in their purchase decision. This influence occurred in two ways, either directly or indirectly. The direct influence occurred when the informants wrote in the blog about their potential purchase. Other bloggers

then persuaded the informant to make the purchase. Our informants explained that the more different bloggers who argued for a purchase the more they were affected. As explained this influence was only perceived by the informants who wrote in blogs. All informants also showed to be influenced indirectly, this occurred when all the previously gathered information made them do the purchase. Therefore this decision to purchase was not affected by the opinion of other bloggers, but more the fact that the informants felt confident enough to purchase.

Most informants seemed to use blogs for deciding I) how, and II) where, to make the purchase. One informant was also affected by when to make the purchase, in which got the advice to wait with his purchase until the price drops. The search for where and how to make the purchase confirms to what Statt (1997) argues. He explains that these two types of information are the main factors influencing a consumer to purchase today. These two types of information that the informants searched for are explained below:

- I. The majority of the informants searched information for deciding on how to make the purchase. This decision often concerned whether to buy in a physical store or in an online store.
- II. All informants used blogs in order for deciding on where to make the purchase. This decision mostly concerned the trustworthiness of retailer and who offered the best price. However, the price part was only discussed within the blog when the price information was hard to receive from corporate websites. Many informants explained they are able to receive users' experiences on the reliability of the retailer.

This, as the informants explained, is hard to get elsewhere, especially in such a large number that is available in the blogs. One informant was also influenced by an ad at the blog site that made him decide to purchase from the company that advertised.

The informants mainly read at this stage. The minority that actively took part in the blogging did this because they felt that they were not given enough information to make a decision to purchase. Thus they needed to ask questions to get this information. This information then either persuaded them to make the purchase or not.

Stage 3: Post-Purchase level

After the purchase was done, not all informants return to the blogs, though majority of the informants did so. The informants showed main reasons for returning to blog, was to evaluate their purchase.

The majority of the informants wanted confirmation that they had purchased the right product. Many of our informants also used the blog in order to evaluate their purchase. The informants browsed the blogs in order to find possible problems, but also to search for solutions with their existing problems. This was done by searching for solutions for problems that occurred.

When writing, our informants mostly wrote about their own experiences with the products. These product experiences were either positive or negative. The urge that some of our informants felt to write about the negative experiences with own purchases confirms, to some extent, the findings by Bernhad et al (2006). Although the urge to share negative experiences existed among our informants, it was not stronger than sharing positive experiences. A reason for this is because many informants felt that it was equally important to warn consumers on bad products, as it was to help consumers find good products. It thus seemed to be important for our informants to be honest on both perceived negative and positive aspects of their purchase.

Reliability/ Credibility of Information

All informants accepted that the information provided in blogs is more credible to them rather than the information by traditional media like advertising or other social networks like Facebook or Twitter. The informants reasoned that the information provided in blogs is provided directly by company spokespersons and thus there is clarity about who is posting the information. Due to this it is easy to attach the responsibility to the person. Other reason stated is that blogging paves way for a two way communication, unlike the traditional media and thus the reliability factor is high in this mode. With this informants also stressed on the fact that though they like to receive information from blogs, at the same time, they rely more on the information posted by other bloggers or consumers as compared to posted by company officials.

Problems/hurdles in effective blog communication

Majority of informants said that they faced some problems while searching for information on blogs. Firstly the language seems to create problem in understanding as most of the blogs are maintained in English language. Sometimes the education level of informants is not as high as the level of English used in blogs, thus they end up facing problems in understanding the content properly. Other problem is the lack of information about how to use a particular product especially when it is technical in nature like electronics. Informants felt that there should be more videos showing the proper usage of product rather than only written content.

Conclusion

It was found that consumers used blogs through the all levels of decision making process. At all three stages customers looked for different kind of information. Like in pre-purchase stage, they tend to focus more on the product features and the reviews about its performance. The latest models or updates about new technology are also very sought at this stage. Apart from these features customers also looked for is the promotional offers by the company. It made the proposition more attractive when there were some special discounts or promotional schemes available on the purchase of products. The majority of informants listened to negative information on products and/or companies in blog posts. The content of these negative blog posts was characterized by detailed information. Most informants also seemed to pay attention to positive blog posts, however not in as large degree as they did with negative blog posts. The positive blog posts used by our informants were characterized by detailed information. Thus, at a closer glance, it seems like our informants require detailed information in order to consider reading it.

Throughout all the stages consumers mainly read blogs, the only phase where they did write was in the post-purchase stage. The reason for increased writing at this stage is the fact that consumers did not write unless they had proper knowledge, and after they had purchased everyone felt that they had something to contribute with. The above mentioned seemed to be like an

unwritten rule perceived by the informants in this research, "only write if you have something to contribute with". This can also explain why blogs are used to such a large extent, that consumers trust what is written, and they expect the writer to be honest. Another factor for why consumers do not find it necessary to write is that often all information is already provided. Hence, they only wrote when they needed to ask for information. Blogs also have a strong impact on the consumer's decision on how and where to make the purchase, whether to buy online or not and in which store. At the post-purchase stage, blogs are used for confirmation and evaluation of products. Consumers want confirmation from the blogosphere that they had made the right choice, but also they use the blogs in order to evaluate and express their opinions about their purchase.

The reliability was found very high as compared to other social networks or the traditional media, though people still attach more importance to the posts by other users rather than company spokespersons. This is mainly due to the fact that the posts by those official people seem more like a selling proposition and people doubt that their claims are hypes to get a better sale of products. So companies need to be more transparent and also need to try to come to terms with how and what people want to hear from them. The personal touch is very important if they want to build up effective relationship with customers. Apart from that, the problems like language barriers also need to be addressed by the corporates. The more of visual material, easy terminologies and detailed information along with the opinions of famous experts in the particular field would help to build up the trust among the consumers.

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Annexure

Interview with Nipun: He is a 22yr old student doing his masters in management in Delhi. His overall blogging behavior and experiences can be explained as follows:				
Pre-purchase level: Nipun has been a tech savvy and is always interested about new developments in gadgets. He mostly browses through blogs to keep him updated about the new features and apps that he can use in his mobile as well as laptop. He mostly plans his purchases after checking through blogs or some other online information. He is also very interested to know about the special schemes or promotional offers by the company.	Purchase level: at this level he uses blogs to compare the price of product of different brands and the promotional offers by the company. Also he looks for the possible product customization features provided by the company. The mode of payment is also very important to him as he prefers to buy things online due to lack of time to go to market.	Reliability of information: Nipun mostly goes to company blogs for finding the information and so far he has always found it correct, but he maintains that the posts by other consumers on the blog attracts him more as he relates to them for using similar products. The transparency in the posts can be enhanced, he suggest by putting the negative features or complaints about the products on display.	Problems in blog communication: He sometimes feels that there should be more audio or visuals to provide information as they would make it easier and attractive. Apart from that he also feels that the blogs are not updates frequently which reduces the interest of reader to go and read them regularly.	
Interview with Saumya: Saumya is 25 yrs old and currently works in a retail company in Delhi.				
Pre-Purchase level: She feels that one of the most important things she finds in the blogs is where she should buy her products and whether if she should look online or in a store. Since there are so many different brands, which several times are rather similar, she feels it is important to learn where she can buy it, and who has the best brand. An example of this is when she wanted to buy a sleeping bag, and since she thinks they are all pretty much the same, the blog played an important role in her decision on where to purchase.	Purchase level: at this level she mainly visits blog to check the competitive pricing of products. The information she looks for when deciding how and where to buy are more hard facts instead of people's opinion and experience. That is because she looks for who offers the best price and this can always be controlled. Also she is very concerned about the possible guarantee or warranty provided when it comes to electronic items.	Post purchase: She has never actively participated in a blog; she has never evaluated and searched for confirmation by writing. But she does use the blog in order to read about others experience and to get her own opinion confirmed. The opinions she reads at the blog can actually make her change her mind regarding the product and to become more positive. If she already has an opinion, a blog post can never make her dissatisfied about it. Further she sometimes uses the blog after the purchase. She does this in order to evaluate something she had already purchased but had not had time to check before, in order to decide whether or not to keep it.	Reliability of information: Saumya also treats blogs as more credible source of information rather than traditional media mainly because it gives a scope to identify the advertiser or manufacturer and allows making a direct contact with them. She can write her feedback about her experiences about the product and can discuss it with another bloggers who uses the same product. But when it comes to Cosmetic products, she feels disappointed by the performance claims of products. She feels they need to be more honest in this regard.	Problems in effective blog communication: the main problem she finds during using blogs is that often the communication looks like a sales proposition rather than information providing mechanism. The posts by company officials or spokespersons is highly complex and it's doesn't sinks well with the way consumer like to talk and respond.

<p>Interview with Shruti: she is a science Post-graduate and has worked in a pharmacy firm. She is 27 and now a housewife.</p>				
<p>Pre-purchase level: agrees that she discovers a lot of new kinds of products and things that could be used together with her main purchase, but this has never actually evolved to a need. This has occurred, for example, when she has blogged about hiking gear. She has then learned about many new products and the advantaged with those products. She searches for information about experience from others consumers and their opinions. What she looks for when she search for new things is what product that will give her the most value for her money. This since price is often one of the most important factors affecting her decision.</p>	<p>Purchase level: feels that one of the most important things she finds in the blogs is where she should buy her products and whether if she should look online or in a store. Since there are so many different brands, which several times are rather similar, she feels it is important to learn where she can buy it, and who has the best brand. An example of this is when she wanted to buy a sleeping bag, and since she thinks they are all pretty much the same, the blog played an important role in her decision on where to purchase.</p>	<p>Post-purchase level: has never actively participated in a blog, she has never evaluated and searched for confirmation by writing. But she does use the blog in order to read about others experience and to get her own opinion confirmed. The opinions she reads at the blog can actually make her change her mind regarding the product and to become more positive. If she already has an opinion, a blog post can never make her dissatisfied about it. Further she sometimes uses the blog after the purchase.</p>	<p>Reliability of information: she has found the information is true but at times it isn't very accurate about the performance of product. The claims made by company spokesperson are rather hyped in comparison to actual product performance. She also thinks that the posts by other consumers are more reliable as they are using same product and putting their experiences about it.</p>	<p>Problems while using blogs: she doesn't feel much problem while using blogs apart from the fact that the query solving mechanism is either very slow or non-existent. The answers by other bloggers help her to find a solution to her problem but when she puts her question regarding service issues, she gets a very late or incomplete response from company officials. This has apparently reduced her interest in writing on those blogs.</p>
<p>Interview with Gaurav: He is a 29 year old with a fashion background and currently a blossoming entrepreneur.</p>				
<p>Pre-purchase level: He uses blogs more or less every day, mostly within the areas of sport and music. But he also from time to time uses blogs when he needs to buy something, which often concerns electronics. When he blogs about music he uses different kinds of blogs but when he blogs about sport he feels that there are not really any needs that can be discovered. However, when he blogs about music he can learn a lot about new music and new artists that he actually develop a need for. When it comes to other products, like consumer electronics, he does not really have a need for the products he reads about. Gaurav use blogs in order to get more information before doing a purchase but also on different subjects that interest him. These subjects he continuously blogs about. What he looks for before a purchase in consumer electronics, is how other users have experienced the product and what kind of experiences they have had. Once, when he bought a new iPod, he wanted to learn how others felt about their iPods, and to learn what possible problems that could occur.</p>	<p>Purchase level: When he uses blogs to read about customer opinions he also learn what they think about the company that delivered the product. He checks if the company has reliable delivery and good customer support. Another thing that is important except from searching for customer opinions is looking for a good price. This is the most important factor when he makes a decision, and by reading blogs he is provided with price reviews and he learns where to look. So Anders basically uses blogs to decide from where to buy the product and rely to a great extent on previous customers.</p>	<p>Post-purchase level: Anders uses blogs to some degree in the post-purchase stage, especially when it comes to music. Here he gives feedback on different albums and artist, both positively and negatively. When it comes to consumer electronics he does not write as often; however he has wanted to, but he has not been given the chance to take part in those blogs. By reading collaborative blogs he can learn about things that occurred to other users and avoid ending up in the same situation or maybe helping him resolve a problem. He can also get confirmation from other users on products he has purchased, which makes him more confident with his decision. However, he is not necessarily affected by negative information that is written about something he has bought and already likes.</p>	<p>Reliability of information: Anders thinks that the information provided by the producer is not neutral enough, and feels that he gets more honest picture of the product if he reads the opinions from previous customers. Also he feels the information more reliable when he can recognize the person writing it. He often checks the "About" page of the company spokesperson and tries to establish personal contact with him. It gives him a sense of trustworthiness in that person and the information provided by him.</p>	<p>Problems while using blogs: the problem faced by him is that the some blogs do not update the information about the new product or new features. Therefore he has to search some other locations for updated information. Also he feels sometimes many persons from company are posting on the blog so it becomes difficult to establish the proper communication link with one person. Also when different people post on behalf of company, they tend to have their own way of writing which also decrease the comfort level of consumer. So he suggests that there should be one person who is posting info on behalf of company and products.</p>

Interview with Pawan: He is 25 yr old MBA pass out working in a finance company in Rohtak.

<p>Pre-purchase level: Pawan uses blogs rather extensively, both in purchasing situations and in his everyday life, just for fun. Jim discovers new things both when he blog about comics and consumer electronics. As he spends quite much time blogging about comics he learns a lot about new comics and updates, which he later ends up buying or downloading. But in his blogging about other consumer electronics, he mainly learns about new products and a need is not immediately developed. When he searches for information regarding consumer electronics he mainly wants expert information, therefore he visit product blogs or turns to magazines and blog about articles written there. He specifically asks the expert to evaluate/confirm the product he intends to buy. In general he also says that he has more trust in experts then consumers when it comes to consumer electronics.</p>	<p>Purchase: At this stage he uses blog quite frequently. He uses them every time when deciding on how to purchase is from where he should purchase. When he decides he looks at things like; what company can offer the most reliable delivery, which company offers the best price and customer service etc. So he uses the blogs to get the other customers experiences from the different companies.</p>	<p>Post-purchase level: After his purchase he always tries to share his information and experience as he wants to give something back to the people who helped him. He wants to add his experience of the products, unless it is not already there. Further he admits that he has a stronger urge to evaluate when he have had a negative experience, since he thinks all positive information already is being promoted by the companies, and he think consumers should know of both sides. Sometimes he also uses the blogs in order to confirm his experience of the product, and to strengthen his satisfaction. Another thing he blogs about after the purchase is about possible upgrades and the possibility to resell his used product. So at this stage he both writes and reads in the blog.</p>	<p>Reliability of information: he feels that the information on blogs is far more reliable than other sources yet the language is a problem for him too. At times the technical information provided on blogs is very complex and the terminology is difficult to understand. So he has to use dictionary to get the accurate meanings of terms. He also feels that the claims about quality and performance of product are sometimes exaggerated.</p>	<p>Problems in blog communication: the main point of hurdle for him is that whenever he posts any complain about the product it is never displayed on the blog. First it goes to the content analysis team, which never put the complaints or negative feedback on display. Also the FAQ (Frequently Asked question) is not very useful as it doesn't cover the wide range of problem and their solutions. All this creates dissatisfaction and makes him divert from using blog anymore</p>
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Interview with Rohan: He is a 27 year old boy, banker by profession working in Noida (UP)

<p>Pre-purchase level: situations when he discovers needs are when he searches for tips and tricks, within the clan site, on the game that he plays. There he also gets tips on the latest technology and accessories he needs in order maintain his position as a top player. Peter uses blogs when searching for new information within his interest or in order to solve specific problems. He searches for special features of product mainly at this level.</p>	<p>Purchase level: He often reads on what other people think of the supplier and use this information sometimes for deciding who to purchase from. He does however not check out the prices on the blogs because he feels that having a reliable supplier is more important for him. As he often buys consumer electronics on Internet he can go direct to the retailer online if people recommend them. Special discounts also hold a strong attraction for him.</p>	<p>Post-purchase level: Rohan once had a computer problem and he got a tip from a friend that he might find the solution in a certain blog for the problem. He looked in the blog and found the solution there and from that day, he started to use blogs as a support for his computer because he realized that all information is more or less there in the blogs. The blogs that he uses are written by expert users within computers and technology</p>	<p>Reliability of information: For him the blogs are highly reliable as compared to any other source. He completely trusts the information provided in blogs especially company blogs and has never found them wrong so far. He in fact stats that sometimes he took the opinion of other users of product but later when he used the product himself his opinion and experience were different from that pervious user.</p>	<p>Problems in blog communication: he doesn't find much issue in blog communication expect for understanding the technical terms sometimes. Also he thinks sometimes the negative comments from other users make him distrust the information provided by the company spokesperson.</p>
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Interview with Shiv: He is 26 year old and engineer working in an MNC. He has been a science student and now working in Delhi.

Pre-Purchase Level:	Purchase Level:	Post-purchase level:	Reliability of information:	Problems in effective blog communication:
<p>He says that he sometimes, when he reads blogs on celebrity gossip, he also read comments on movies that they have participated in. Sometimes he thought of renting those movies depending on if the bloggers have written good or bad comments. He mainly reads blogs about diet related subjects because, it is one of his biggest interests, as he himself has allergies. So he usually reads blogs from other regular people with allergies that writes about the subject, but also from educated dieticians.</p>	<p>He rarely uses blogs for deciding on how, when and where to purchase the things that he blog about. He usually decides the things to be purchased and choses his destination himself without any role of blogs. However blogging has affected him how much to buy of certain food and medicine used in his diets. He also looks for availability of products while searching blogs and prefers if they are customized according to buyer preferences.</p>	<p>he explains that he sometimes reads about diets and medicine that he has tried and discovers that other also has tried them. In those situations he reads how they have experienced the diets and he checks if the medicine and the diet have had the same effect on them and what they felt about the treatment. FAQs are also very helpful to him, he informs.</p>	<p>Shiv thinks that reliability of information is very important to him especially when it comes to food and medicine he takes. Though there are not many blogs on this subject, he feels the information provided by health experts and expert doctors is quite trustworthy to him. Often he has followed their advice and found it very good. He also reads the posts of other bloggers but he always like to go with expert's advice in first place.</p>	<p>The lack of expert information on this subject is a drawback for Shiv while using blogs. It usually involves seeking advice on allergic reactions he or others have experienced. Sometimes it is about allergies that there is no medicine for. Then he seeks advice from others, with similar symptom, on how he can milder his problems. The blog posts written by consumers were biased in the sense that it contained thoughts, feelings and opinions. However those biased blog were still viewed credible but not very useful.</p>

Impact of Social Message Advertising - The Case of 'Tata Tea'

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Abstract

Advertising is a form of communication intended to persuade an audience to purchase or take some action upon products, ideals, or services. Some advertising techniques can be used to promote commercial goods and services and also to inform, educate and motivate the public about non-commercial issues, such as save paper, protection of environment, political ideology, and deforestation. Advertisements reach the very depths of our consciousness; and if allowed to enter unimpeded and unquestioned their concepts can become a part of our being. They offer subtle messages with profound implications.

How do brands decide on the most effective way of communicating these messages? Most of them choose the so called 'easy path' which is to cast a big celebrity and then be sure that everything else will be taken care of. Other brands go the more 'ordinary way', Cast a child from the slum or an ordinary Indian like you or me; that sometimes make the ad more realistic and much simpler to relate to.

Now one change is clearly visible more and more brands are weaving a strong social message into their advertisements to stand out in the clutter. Social advertising represents advertising formats that engage the social context of the user viewing the advertisement. Such ads are made to give the consumer some serious food for thought –whether it has to do with casting your vote, corruption or illiteracy. They are created to convey a strong social message. The intention is to make every citizen aware of some inevitable responsibilities, wake up and act –be it for their own good or for a common cause.

This paper attempts to discuss various issues related to social message advertising being used by some well known Indian brands.

Key words: Social message advertising, clutter, celebrity, products

Introduction

Advertising serves to communicate an idea to a large number of people in an attempt to convince consumers to take a certain action. In today's rapidly changing media environment, many organizations are experimenting with a variety of techniques for reaching the public-incorporating messages into TV shows, creating issues oriented video games, using text messaging, or soliciting user-generated content on Web sites etc.

Social advertising represents advertising formats that engage the social context of the user viewing the advertisement. Such ads are made to give the consumer some serious food for thought-whether it has to do with casting your vote, respecting your National Anthem or making sure your child gets his or her pulse polio drops. They are created to convey a strong social message. The intention is to make every citizen aware of some inevitable responsibilities, wake up and act - be it for their own good or for a common cause.

Brands embedding a social message in a campaign began as a trend in India only a few years ago. Changes in consumer behaviour are prompting marketers to rethink how they sell products. Earlier brand building, particularly in FMCG categories was about the end benefit the product provides to the consumer, but with increasing product parity, brands are using the social theme as a new branding paradigm. Social emotions are always powerful. It also helps that the brand comes across as responsible and aware. That goodwill will eventually translate into real gains in terms of better equity, improved sales and so on. But that's a long play. In the short term, it's about getting noticed.

Reasons for using of social messages:

- Increasingly, brands are weaving in a social message in their creative as a means to differentiate themselves in the clutter.
- To have better connect with the customers.
- To create image of the brand in the mind of customer as social responsible.
- To increase sales of the brand.

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Examples of Social Messages in Advertising:

The Idea advertisement, showing Abhishek Bachchan using SMS to seek public opinion on a proposal to build a shopping mall on farmland and then informing his politician boss that the answer was negative.

Even a cup of coffee can empower these days. Reads the in-store promotion for coffee chain café coffee day: "I wish everyone was bullet proof. This New Year, make a wish and change our country. Just write it down and put it in the Cup of Good Hope... we will compile every wish and send it to the leaders of our country and pressurize them to do something about it. Recent advertisement of Stayfree The other girl, without waiting for her friend to finish ranting, quickly gets off the car to help the couple, Benetton's Unhate campaign.

Tata Tea- "The Jaago Re Movement"

Tata Tea Ltd launched a brand campaign under the theme "Jaago re" that will position Tata Tea as an umbrella brand for its four existing brands. The campaign focuses on social responsibility. The campaign was targeted at the youth, who would be urged to stand up against social apathy. The 'Jaago Re' title - reinforced by the tag line - Har subah sirf utho math. Jaago re!

Tata Tea's Jaago Re campaign is an exemplary example of a brand taking its communication beyond the obvious yet managing to strike a chord with its consumers. In advertising, the often used cliché for the tea category is that of being refreshed or rejuvenated after consuming the beverage. Tata Tea, along with its creative agency Lowe, took a leap in its communication where it equated this rejuvenation to social awakening and being aware of social issues surrounding us.

If the first phase of the campaign experienced unprecedented success with its effort to involve the youth in the voting process, the challenge was even more to take this Jaago Re initiative further. Based on various dip stick and research that the company did, it came out that corruption is the biggest malaise that ails the country today and a major deterrent in progress of our country. Hence, Tata Tea embarked on its anti-corruption drive, beginning

with its 'Aaj se khilana bandh, pilana shuru' campaign in August this year. It now has kick-started the second phase of this campaign, which comprises an integrated communication approach.

Objectives of the study

This study has the following objectives:

1. To find out if Social Message Advertising of Tata Tea "Jaggo Re" boots awareness of the brand and advertisement among different demographic profile.
2. To find out if Social Message Advertising of Tata Tea "Jaggo Re" beefs up brand affiliation with customers.
3. To find out if Social Message Advertising of Tata Tea "Jaggo Re" boost sales of the brand among different demographic profile.

Hypotheses:

The following hypotheses on different parameters were taken into consideration for testing to make the study more authentic & reliable.

1. H0: There is no significant difference in awareness of Tata tea in male and females
H1: There is a significant difference in awareness of Tata tea in male and females.
2. H0: There is no significant difference in awareness of Taj Mahal tea in male and females.
H1: There is a significant difference in awareness of Taj Mahal in male and females.
3. H0: There is no significant difference in appreciation of Tata tea's effort against corruption in male and female customers.
H1: There is a significant difference in appreciation of Tata tea's effort against corruption in male and female customers.
4. H0: There is no significant difference in appreciation of Tata tea's effort against corruption in male and female customers.
H1: There is a significant difference in appreciation of Tata tea's effort against corruption in male and female customers.
5. H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between male and female customers.

- H1: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between male and female customers.
6. H0: There is no significant difference in awareness of Tata tea in different age groups.
H1: There is a significant difference in awareness of Tata tea in different age groups.
7. H0: There is no significant difference in awareness of Taj Mahal tea in customers of different age groups.
H1: There is a significant difference in awareness of Taj Mahal tea in customers of different age groups.
8. H0: There is no significant difference in appreciation of Tata tea's effort against corruption in customers of different age groups.
H1: There is no significant difference in appreciation of Tata tea's effort against corruption in customers of different age groups.
9. H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.
H0: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.
10. H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.
H0: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.
11. H0: There is no significant difference in awareness of Taj Mahal tea in different income groups.
H1: There is a significant difference in awareness of Taj Mahal tea in different income groups.
12. H0: There is no significant difference in appreciation of Tata tea's effort against corruption in different family income groups.
H1: There is no significant difference in appreciation of Tata tea's effort against corruption in different family income groups.
13. H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against

corruption between customers of different income groups.

H1: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different income groups.

14. H0: There is no significant difference in use of different tea brands in different family income groups.

H1: There is a significant difference in use of different tea brands in different family income groups.

Research Methodology (Opted)

This study consisted of both secondary and as well as primary data. Secondary data used, were collected from magazines, newspapers, journals and websites of Tata group & others. Primary data were collected with the help of a structured and non disguised questionnaire. Questionnaire was developed in English as well as in Hindi languages so that it became easy for the respondents to give answers conveniently. A sample of 300 respondents was taken; convenience & judgmental sampling technique was used to frame the concerned sample. Every attempt was made to have sample elements from different demographic profile so that the sample became representative. Data were collected from in and around Bareilly district of Uttar Pradesh during March and April 2012.

For the purpose of analysis of data, SPSS software was used.

Sample Profile

As mentioned, a sample of 300 respondents was taken & for this purpose, 350 questionnaires were distributed, out of the filled returned questionnaire, 300 were found apt for the analysis purpose. A description of sample profile on the basis of Gender, Age, Family income and residential geographic location of the respondents, is given below.

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	202	67.3	67.3	67.3
Female	98	32.7	32.7	100.0
Total	300	100.0	100.0	

Geographic Area

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Rural	79	26.3	26.3	26.3
Urban	221	73.7	221	100.0
Total	300	300	100	

Age Group

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-25 years	148	49.3	49.3	49.3
26-35 years	66	22.0	22.0	71.3
36-45 years	48	16.0	16.0	87.3
more than 45 years	38	12.7	12.7	100.0
Total	300	100.0	100.0	

Family Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid up to 15 thousand	120	40.0	40.0	40.0
15-30 thousand	122	40.7	40.7	80.7
30-45 thousand	27	9.0	9.0	89.7
more than 45 thousand	31	10.3	10.3	100.0
Total	300	100.0	100.0	

Data Analysis and Interpretation

Analysis of the questionnaire was made on different demographic profile like gender, age of the customer, and family income of the customer. These demographic variables were considered important for understanding the impact of social message advertising.

a) Analysis on the basis of Gender of the respondents

In order to understand the awareness of the Tata brand due to its social message advertising respondents were asked which brands come to the mind of the respondents when mentioned "Soch Badlo /Jagoo Re". Analysis is shown below.

Table 1: Brand in Mind "Soch Badlo /Jagoo Re"

			Brand in Mind "Soch Badlo/Jagoo Re"				
			Taj Mahal	Taaza	Brooke Bond	Tata Tea	Total
Gender Male	Count		18	51	34	99	202
	Expected Count		12.1	51.2	35.0	103.7	202.0
	% within Gender		8.9%	25.2%	16.8%	49.0%	100.0%
Female	Count		0	25	18	55	98
	Expected Count		5.9	24.8	17.0	50.3	98.0
	% within Gender		.0%	25.5%	18.4%	56.1%	100.0%
Total	Count		18	76	52	154	300
	Expected Count		18.0	76.0	52.0	154.0	300.0
	% within Gender		6.0%	25.3%	17.3%	51.3%	100.0%

Total 51% of the respondents are aware about the Tata tea's campaign of "Soch Badlo /Jagoo Re". Following hypotheses to find out difference in awareness between male and female were tested by using chi square test

H0: There is no significant difference in awareness of Tata tea in male and females

H1: There is a significant difference in awareness of Tata tea in male and females.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.475 ^a	3	.024
Likelihood Ratio	14.970	3	.002
Linear-by-Linear Association	4.056	1	.044
N of Valid Cases	300		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.88.

As the p value is less than 0.05, H0 is rejected and hence there is a significant difference in awareness of Tata tea in male and females. Awareness among females is more than the awareness among male. 56.1% female respondents are aware while 49% of male respondents are aware of Tata tea's social message advertising.

2. Brand in Mind "Saif Ali Khan"

Respondents were asked to check their awareness due to use of film celebrity in tea brand. For this purpose they were asked which brand comes to their mind if mentioned about "Saif Ali Khan". Response are shown in the table below

Crosstab

		Brand in Mind "Saif Ali Khan"				Total
		Taj Mahal	Taaza	Brooke Bond	Tata Tea	
Gender Male	Count	157	24	12	9	202
	Expected Count	163.6	18.2	12.1	8.1	202.0
	% within Gender	77.7%	11.9%	5.9%	4.5%	100.0%
Female	Count	86	3	6	3	98
	Expected Count	79.4	8.8	5.9	3.9	98.0
	% within Gender	87.8%	3.1%	6.1%	3.1%	100.0%
Total	Count	243	27	18	12	300
	Expected Count	243.0	27.0	18.0	12.0	300.0
	% within Gender	81.0%	9.0%	6.0%	4.0%	100.0%

Table shows 81% respondents are aware of Taj Mahal tea using film celebrity Saif Ali Khan. This percentage is much higher than the percentages of the respondent who are aware of the Tata tea's social message campaign which shows 51% respondents are aware. So, use of film celebrity is causes more awareness than use of social message campaign.

To find out if awareness of the Taj Mahal brand using film celebrity is different among different gender, following hypotheses were tested by using chi-square test.

H0: There is no significant difference in awareness of Taj Mahal tea in male and females.

H1: There is a significant difference in awareness of Taj Mahal in male and females.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.848 ^a	3	.077
Likelihood Ratio	8.009	3	.046
Linear-by-Linear Association	1.808	1	.179
N of Valid Cases	300		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 3.92.

As the p value is more than 0.05, H0 is accepted, hence there is no significant difference in awareness of Taj Mahal in male and females customers.

3. Tata Tea advertisement & effort against corruption be appreciated:

In order to understand if Tata tea's social message advertising has favourable impact on the perception of the customers on the gender basis, respondents were asked if they appreciate Tata Tea

advertisement & effort against corruption. Following tabulation was made.

Crosstab

		Tata Tea adv & effort against corruption be appreciated					Total
		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	
Gender: Male	Count	15	16	18	80	73	202
	Expected Count	10.1	10.8	16.2	84.2	80.8	202.0
	% within Gender	7.4%	7.9	8.9%	39.6%	36.1%	100.0%
Female	Count	0	0	6	45	47	98
	Expected Count	4.9	5.2	7.8	40.8	39.2	98.0
	% within Gender	.0%	.0%	6.1%	45.9%	48.0%	100.0%
Total	Count	15	16	24	125	120	300
	Expected Count	15.0	16.0	24.0	125.0	120.0	300.0
	% within Gender	5.0%	5.3%	8.0%	41.7%	40.0%	100.0%

About 40% respondents strongly agree and 41.7% respondents agree that Tata Tea advertisement & effort against corruption should be appreciated. So, we can say majority of the respondents appreciate Tata tea's effort, hence social message advertising develops favourable perception of customers towards the brand and the organization. If order to understand if there is any difference in appreciation of the Tata's effort among male and females following hypotheses were tested by using t-test.

H1: There is a significant difference in appreciation of Tata tea's effort against corruption in male and female customers.

Group Statistics

Gender	N	Mean	Std. Deviation	Std. Error Mean
Tata Tea adv & effort against corruption be appreciated Male	202	3.89	1.196	.084
Female	98	4.42	.608	.061

H0: There is no significant difference in appreciation of Tata tea's effort against corruption in male and female customers.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality fo Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper	
Tata Tea adv & effort against corruption be appreciated	Equal variances assumed	15.997	.000	-4.111	298	.000	-.53	.128	-.780	-.275
	Equal variances not assumed			-5.061	297.350	.000	-.53	.104	-.732	-.322

As the p value is less than 0.05, H0 is rejected hence there is a significant difference in developing favourable perception toward brand and organization due to social message advertising and campaign. Here mean value of male respondent is 3.89 while the mean value for female respondents is 4.42, as the mean value of females is higher, it can be said social message advertising causes more favourable impact on females than males.

4. You buy Tata tea more due to its advertisement & effort against corruption:

As ultimate aim of a business organization is to earn profit, it is required to know that social message advertising results into sales of the brand or not. When respondents were asked if they buy more Tata tea due to its advertisement and efforts against corruption following responses were availed and tabulated.

Crosstab

			you buy tata tea more to its adv & effort against corruption					Total
			Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	
Gender Male	Count		9	39	40	81	33	202
	% within Gender		4.5%	19.3%	19.8%	40.1%	16.3%	100.0%
Female	Count		9	12	27	39	11	98
	% within Gender		9.2%	12.2%	27.6%	39.8%	11.2%	100.0%
Total	Count		18	51	67	120	44	300
	% within Gender		6.0%	17.0%	22.3%	40.0%	14.7%	100.0%

Following hypothesis were tested

H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between male and female customers.

H1: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between male and female customers.

Group Statistics

Gender	N	Mean	Std. Deviation	Std. Error Mean
You buy tata tea more Male to its adv & effort against corruption	202	2.58	1.122	.079
Female	98	2.68	1.118	.113

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality fo Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
you buy tata tea more due to its adv & effort against corruption	Equal variances assumed	.421	.517	-.721	298	.471	-.10	.138	-.371	-.172
	Equal variances not assumed			-.722	192.791	.471	-.10	.138	-.371	-.172

As p value is more than 0.05, H0 is accepted means there is no significant difference in male and female customers when it comes to buy more a brand due to its social message advertising.

Both male and female respondents disagree that they buy more of Tata tea due to its social message advertig. So it can be said that impact of social message advertising on sales is doubtful.

b) Analysis on the basis of Age of the respondents:

To understand if impact of social message advertisement differs among customers of different age groups, responses obtained were analyzed on different age groups of the customers, analysis and interpretation is mentioned below

1. Brand in Mind "Soch Badlo/Jagoo Re":

Tabulation of awareness of Tata tea's "Soch Badlo/Jagoo Re" campaign and Tata brand among respondents of different age groups is as below

Crosstab

			Brand in Mind "Soch Badlo/Jagoo"				Total
			Taj Mahal	Taaza	Brooke Bond	Tata Tea	
Age Group	20-25 years	Count	11	35	17	85	148
		Expected Count	8.9	37.5	25.7	76.0	148.0
		% within Gender	23.6%	23.6%	11.5%	57.4%	100.0%
26-35 years		Count	3	21	12	30	66
		Expected Count	4.0	16.7	11.4	33.9	66.0
		% within Gender	4.5%	31.8%	18.2%	45.5%	100.0%
36-45 years		Count	1	12	11	24	48
		Expected Count	2.9	12.2	8.3	24.6	48.0
		% within Gender	2.1%	25.0%	22.9%	50.0%	100.0%
more than 45 years		Count	3	8	12	15	38
		Expected Count	2.3	9.6	6.6	19.5	38.0
		% within Gender	7.9%	21.1%	31.6%	39.5%	100.0%
Total		Count	18	76	52	154	300
		Expected Count	18.0	76.0	52.0	154.0	300.0
		% within Gender	6.0%	25.3%	17.3%	51.3%	100.0%

Following hypotheses were tested by using chi-square test

H0: There is no significant difference in awareness of Tata tea in different age groups.

H1: There is a significant difference in awareness of Tata tea in different age groups.

As p value is more than 0.05, H0 is accepted, hence there is no significant difference in awareness of Tata tea in different age groups.

2. Brand in Mind "Saif Ali Khan":

In order to understand awareness of Taj Mahal Tea brand using film celebrity Saif Ali Khan, among customers of different age groups, following table was made.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14..565 ^a	9	.104
Likelihood Ratio	14.392	9	.109
Linear-by-Linear Association	.466	1	.495
N of Valid Cases	300		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 2.28.

Crosstab

		Brand in Mind "Saif Ali Khan"				Total	
		Taj Mahal	Taaza	Brooke Bond	Tata Tea		
Age Group	20-25 years	Count	128	9	11	0	148
		Expected Count	119.9	13.3	8.9	5.9	148.0
		% within Gender	86.5%	6.1%	7.4%	.0	100.0%
	26-35 years	Count	45	9	6	6	66
		Expected Count	53.5	5.9	4.0	2.6	66.0
		% within Gender	68.2%	13.6%	9.1%	9.1%	100.0%
	36-45 years	Count	39	6	0	3	48
		Expected Count	38.9	4.3	2.9	1.9	48.0
		% within Gender	81.3%	12.5%	.0%	6.3%	100.0%
	more than 45 years	Count	31	3	1	3	38
		Expected Count	30.8	3.4	2.3	1.5	38.0
		% within Gender	81.6%	7.9%	2.6%	7.9%	100.0%
Total	Count	243	27	18	12.0	300	
	Expected Count	243.0	27.0	18.0	12.0	300.0	
	% within Gender	81.0%	9.0%	6.0%	4.0%	100.0%	

Following hypotheses were tested by using chi square test

H0: There is no significant difference in awareness of Taj Mahal tea in customers of different age groups.

H1: There is a significant difference in awareness of Taj Mahal tea in customers of different age groups.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.974 ^a	9	.006
Likelihood Ratio	30.191	9	.000
Linear-by-Linear Association	1.967	1	.161
N of Valid Cases	300		

a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is 1.52.

As p value is less than 0.05, H0 is rejected; hence there is a significant difference in awareness of Taj Mahal Brand in different age groups. Awareness is high in age group 20-25 years.

3. Tata Tea adv & effort against corruption be appreciated:

Following hypotheses were tested by one way ANOVA test.

H0: There is no significant difference in appreciation of Tata tea's effort against corruption in customers of different age groups.

H1: There is no significant difference in appreciation of Tata tea's effort against corruption in customers of different age groups.

Crosstab

			Tata Tea adv & effort against corruption be appreciated					Total
			Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	
Gender 20-25 years	Count		3	7	10	63	65	148
	Expected Count		7.4	7.9	11.8	61.7	59.2	148.0
	% within Gender		2.0%	4.7%	6.8%	42.6%	43.9%	100.0%
26-35 years	Count		6	3	6	30	21	66
	Expected Count		3.3	3.5	5.3	27.5	26.4	66.0
	% within Gender		9.1%	4.5%	9.1%	45.5%	31.8%	100.0%
36-45 years	Count		3	2	7	16	20	48
	Expected Count		2.4	2.6	3.8	20.0	19.2	48.0
	% within Gender		6.3%	4.2%	14.6%	33.3%	41.7%	100.0%
more than 45 years	Count		3	4	1	16	14	38
	Expected Count		1.9	2.0	3.0	15.8	15.2	38.0
	% within Gender		7.9%	10.5%	2.6%	42.1%	36.8%	100.0%
Total	Count		15	16	24	125	120	300
	Expected Count		15.0	16.0	24.0	125.0	120.0	300.0
	% within Gender		5.0%	5.3%	8.0%	41.7%	40.0%	100.0%

Descriptives

Tata Tea adv & effort against corruption be appreciated

	N	Mean	std. Deviation	std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Low or Bound	Upper Bound		
20-25 years	148	4.22	.915	.075	4.07	4.36	1	5
26-35 years	66	3.86	1.188	.146	3.57	4.16	1	5
36-45 years	48	4.00	1.149	.166	3.67	4.33	1	5
more than 45 years	38	3.89	1.247	.202	3.48	4.30	1	5
Total	300	4.06	1.069	.062	3.94	4.18	1	5

ANOVA

Tata Tea adv & effort against corruption be appreciated

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.364	3	2.455	2.173	.091
Within Groups	334.433	296	1.130		
Total	341.797	299			

As p value is more than 0.05, H0 is accepted hence there is no significant difference in appreciation of Tata tea's social message advertising. Mean Value for all the age group range between 3.86 to

4.22. It is concluded that all the age groups equally appreciate Tata tea's social message advertisements.

4. You buy Tata tea more due to its adv & effort against corruption:

Following hypotheses were tested by using one way ANOVA.

H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.

H0: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different age groups.

Crosstab

			You buy tata tea more due to its adv & effort against corruption					Total
			Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	
Gender	20-25 years	Count	10	26	31	64	17	149
		% within Age Group	6.8%	17.6%	20.9%	43.2%	11.5%	100.0%
	26-35 years	Count	3	12	9	33	9	66
		% within Age Group	4.5%	18.2%	13.6%	50.0%	13.6%	100.0%
	36-45 years	Count	5	4	16	14	9	48
		% within Age Group	10.4%	8.3%	33.3%	29.2%	18.8%	100.0%
	more than 45 years	Count		9	11	9	9	38
		% within Age Group		23.7%	28.9%	23.7%	23.7%	100.0%
Total		Count	18	51	67	120	44	300
		% within Age Group	6.0%	17.0%	22.3%	40.0%	14.7%	100.0%

Descriptives

You buy Tata tea more due to its adv & effort against corruption

	N	Mean	std. Deviation	std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
20-25 years	148	2.65	1.106	.091	2.47	2.83	1	5
26-35 years	66	2.59	1.123	.138	2.31	2.87	1	5
36-45 years	48	2.63	1.196	.173	2.28	2.97	1	5
more than 45 years	38	2.53	1.109	.180	2.16	2.89	1	4
Total	300	2.62	1.120	.065	2.49	2.74	1	5

ANOVA

You buy tata tea more due to its adv & effort against corruption

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.509	3	.170	.134	.940
Within Groups	374.408	296	1.265		
Total	374.917	299			

As the p value is more than 0.05, H0 is accepted hence all income groups equally appreciate the Tata Tea's effort of Social message advertising.

4. You buy Tata tea more due to its adv & effort against corruption:

Family Income * you buy tata tea more due to its adv & effort against corruption Cross tabulation

			you buy tata tea more due to its adv & effort against corruption					Total
			Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly disagree	
Family Income	up to 15 thousand	Count	12	18	15	56	19	120
		% within Family Income	10.0%	15.0%	12.5%	46.7%	15.8%	100.0%
	15 - 30 thousand	Count	3	18	40	39	22	122
		% within Family Income	2.5%	14.8%	32.8%	32.0%	18.0%	100.0%
	30 - 45 thousand	Count		12	3	12		27
		% within Family Income		44.4%	11.1%	44.4%		100.0%
	more than 45 thousand	Count	3	3	9	13	3	31
		% within Family Income	9.7%	9.7%	29.0%	41.9%	9.7%	100.0%
Total		Count	18	51	67	120	44	300
		% within Family Income	6.0%	17.0%	22.3%	40.0%	14.7%	100.0%

Following hypotheses were tested by using one way ANOVA

between customers of different income groups.

H0: There is no significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption

H1: There is a significant difference is tendency to buy more Tata tea due to its advertisement and effort against corruption between customers of different income groups.

Descriptives

You buy Tata tea more due to its adv & effort against corruption

	N	Mean	std. Deviation	std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
upto 15 thousand	120	2.62	1.231	.112	2.39	2.84	1	5
15-30 thousand	122	2.52	1.030	.093	2.33	2.70	1	5
30-45 thousand	27	3.00	.961	.185	2.62	3.38	2	4
more than 45 thousand	31	2.68	1.107	.199	2.27	3.08	1	5
Total	300	2.62	1.120	.065	2.49	2.74	1	5

Group Statistics

You buy tata tea more due to its adv & effort against corruption

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.309	3	1.770	1.417	.238
Within Groups	369.608	296	1.249		
Total	374.917	299			

As p value is more than 0.05, H0 is accepted means there is no significant difference in buy more of Tata tea brand by families of different income group. All income groups disagree to buy more of the brand due to it social message advertisement and campaign.

d) Tea Brand being used in the families of respondents:

In order to know which tea brand is used in the families of the respondents, a close ended question was asked with options mentioned in the table.

Family Income * Tea Brand Used Crosstabulation

			Tea Brand Used					Total
			Tata Tea	Taj Mahal	Taaza	Brooke Bond	Lipton	
Family Income	up to 15 thousand	Count	30	15	47	13	15	120
		Expected Count	39.2	19.6	36.8	14.8	9.6	120.0
		% within Family Income	25.0%	12.5%	39.2%	10.8%	12.5%	100.0%
	15 - 30 thousand	Count	41	15	39	24	3	122
		Expected Count	39.9	19.9	37.4	15.0	9.8	122.0
		% within Family Income	33.6%	12.3%	32.0%	19.7%	2.5%	100.0%
	30 - 45 thousand	Count	12	9	3	0	3	27
		Expected Count	8.8	4.4	8.3	3.3	2.2	27.0
		% within Family Income	44.4%	33.3%	11.1%	.0%	11.1%	100.0%
more than 45 thousand	Count	15	10	3	0	3	31	
	Expected Count	10.1	5.1	9.5	3.8	2.5	31.0	
	% within Family Income	48.4%	32.3%	9.7%	.0%	9.7%	100.0%	
Total	Count	98	49	92	37	24	300	
	Expected Count	98.0	49.0	92.0	37.0	24.0	300.0	
	% within Family Income	32.7%	16.3%	30.7%	12.3%	8.0%	100.0%	

Table shows Tata tea is used by 32.7% respondents, Taaza by 30.7% respondents, Taj Mahal by 16.3% respondents, Brooke Bond by 12.3% and Lipton by 8% respondents.

It was analysed if use of tea brands is different in different family income groups. A cross tabulation for this purpose was made as above, It shows use of Tata tea and Taj Mahal increases as income of family increase but Taaza, Brooke Bond and Lipton are the brand which are used more in low income group families. To find out if use of tea brand is significantly different in various income group following hypotheses were tested by using chi square test

H0: There is no significant difference in use of different tea brands in different family income groups.

H1: There is a significant difference in use of different tea brands in different family income groups.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	49.142 ^a	12	.000
Likelihood Ratio	57.048	12	.000
Linear-by-Linear Association	12.179	1	.000
N of Valid Cases	300		

a. 5 cells (25.0%) have expected count less than 5. The minimum expected count is 2.16.

As p value is less than 0.05, H0 is rejected, hence there is a significant difference in use of tea brands in different family income groups.

Conclusions and Managerial Implications

Social Message Advertising being used by Tata Tea having theme of corruption in Indian environment, has found moderate awareness among the customers. Females tend to have more awareness than male customers. When compared with celebrity

advertising, it was found that awareness of Taj Mahal brand, which used film celebrity Saif Ali Khan, is very high irrespective of the demographic profile.

Social message advertisement definitely results into developing favourable brand perception especially among female customers. Brand and product targeting females can take right decision by having social message advertising campaign. Recent initiative by Stayfree seems right in this direction.

It can be concluded that social message advertisements result into moderate awareness and high favourable perception towards the brand but such messages fail to result into sales which is the ultimate aim of any business. Hence if any brand wants to develop favourable image of the customers, it can use social message advertisement, but brand should do something else to result into sales.

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Challenges and Strategies in Services Marketing - INDIA 2020

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Abstract

As per 2008 NASCOM report, Services Sector contribution to Indian economy are 57% of GDP and rapidly increasing. The scale, complexity and interdependence of today's service systems have been driven to an unprecedented level, due to globalization, demographic changes and technology developments. Basic characteristics like intangibility, inseparability, heterogeneity and perishability pose services marketers challenges and issues not faced by goods marketers. Services-marketing-challenges and issues require services-marketing-solutions and strategies developed for goods marketing are often insufficient. This paper offers (a) conceptual frame work summarizing the unique characteristics of services, the challenges stemming from these characteristics and strategies suggested as appropriate to overcome the issues (b) to compare the challenges and strategies cited in literature with those identified during survey (c) to offer recommendations for further development of services marketing concept. Questionnaire was developed to assess the difficulties of unique services, classifying services businesses, identifying business practices and strategies. Survey was conducted in Ghaziabad / Noida to determine (1) the extent to which challenges reported to be associated with services that actually presented problems for sample firm, and (2) the degree to which sample firms used the suggested marketing strategies to overcome these. Each unique characteristic of services leads to specific problems for services marketers and necessitates special strategies for dealing with them. It emerged from this study that fundamental critical goods-services distinction universally cited is intangibility i.e. services can not be seen, felt, tasted or touched in the same manner as goods and appropriate strategy need to be applied for resolving related challenges/issues.

Keywords: Services marketing, intangibility, inseparability, heterogeneity and perishability.

Introduction

A service system is a dynamic configuration of people, technology, organizations and shared information that creates and delivers value between the provider and the customer through service. Existing literature separates services from tangible goods on four unique characteristics-IHIP (intangibility-I, heterogeneity-H, inseparability of production and consumption-I, and Perishability-P). Service marketers face vexing problems because of these unique characteristics. Service should be defined and studied as different from and a complement to products. Services marketing problems require services marketing solutions. Strategies developed from experience in goods marketing, are often insufficient.

Objective

In this research paper efforts are made:

- 2a. to offer a conceptual frame work summarizing the unique characteristics of services, the problems stemming from these characteristics and strategies suggested as appropriate to overcome the problems;
- 2b. compare the problems and strategies cited in the literature with those reported by services firm;
- 2c. to offer recommendations for further development of the services marketing concept.

Literature on Services Marketing

Summary of references documenting these differences are given in Illustration-1. The fundamental difference universally cited by authors is intangibility. Because services are performances rather than objects, they can not be seen, felt, tasted or touched in the same manner in which goods can be sensed. Intangibility is the critical goods-services distinction from which all other differences emerge. Inseparability of production and consumption involves

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the simultaneous production and consumption which characterizes most services. Whereas goods are first produced, then sold and then consumed. Services are first sold, then produced and consumed simultaneously. Since customer must be present during the production of many services (haircut, health services, travel), inseparability "forces the buyer into intimate contact with the production process". Services could be directly produced and delivered to buyer himself or to the products owned by the buyer. Inseparability also means that the producer and the seller are the same entity, making only direct distribution possible in most cases and causing marketing and production of services to be most interactive. Heterogeneity concerns the potential for high variability in the performance of services. The

Illustration 1: References listing unique characteristics of Services

Sr. No. and Authors Reference	CHARACTERISTICS			
	INTANGIBILITY	HETEROGENEITY	INSEPARABILITY	PERISHABILITY
1. Zeithamal (1981)	√	√	√	-
2. Lovelock (1981)	√	-	√	-
3. Berry (1975,1980,1983)	√	√	√	√
4. Johnson (1969,1981)	√	√	√	-
5. Kinsely (1979)	√	√	√	√
6. Davidson (1978)	√	√	√	-
7. Carmen & Langeard (1980)	√	√	√	-
8. Booms & Bitner (1981,1982)	√		√	-
9. Shostack (1977)	√	√	√	-
10. Fisk (1981)	√	-	-	-
11. Gronroos (1977, 1978, 1979)	√	-	√	-
12. Bell (1981)	√	√	-	√
13. Sasser (1976)	√	√	√	√
14. Uhl & Upah (1980)	√	√	√	√
15. Langeard et al (1981)	√	√	√	-

quality and essence of a service (medical examination, car rental, restaurant, and beauty treatment) can vary from producer to producer, from customer to customer, and from day to day. Heterogeneity in service output is a particular problem for labor intensive services. Many different employees may be in contact with an individual customer, raising a problem of consistency of behavior. Service performance from the same individual may also differ. People's performance day in and day out fluctuates up and down. The level of consistency that you count on and try to communicate to the consumer is not a certain thing.

Perishability means that services can not be saved. Taxi service not used, Motel rooms not used, airlines seat not booked, hospital bed not used can not be reclaimed. Because services are performances that can not be stored, service business frequently find it difficult to synchronize the supply and demand. Sometimes too much demand exist (weekend movie theaters and restaurant night) and sometime too little demand exists (income tax office

Illustration 2: Frequent Problems resulting from Service Characteristics

Unique Services Characteristics	Resulting Marketing Problems	Selected references citing problems
Intangibility	1. Services can not be stored.	Bateson (1977), Larry (1980), Sassen (1976) Langeard et al.(1981)
	2. Services can not be protected through patents.	Eaglier and Langeard (1975/76)
	3. Services can not be readily displayed or communicated.	Rathmal (1974)
	4. Prices are difficult to set.	Dearden (1978), Livelock (1981)
Inseparability	1. Consumer involved in production and delivery.	Booms & Nyquist (1981)
	2. Other consumers involved in production.	Bateson (1977), Gonroose (1978)
	3. Centralized mass production is difficult.	Sasser (1978)
Heterogeneity	1. Standardization and quality control is difficult.	Berry (1980), Booms & Bitner (1981)
Perishability	1. Services can not be inventoried.	Bateson (1977) , Sasser (1976)

after March 31 till end October every year). Each unique characteristic of services leads to specific problems for service marketers and necessitates special strategies for dealing with

them. Illustration 2 and 2a summarizes the problems which frequently stem from each of the four service characteristics.

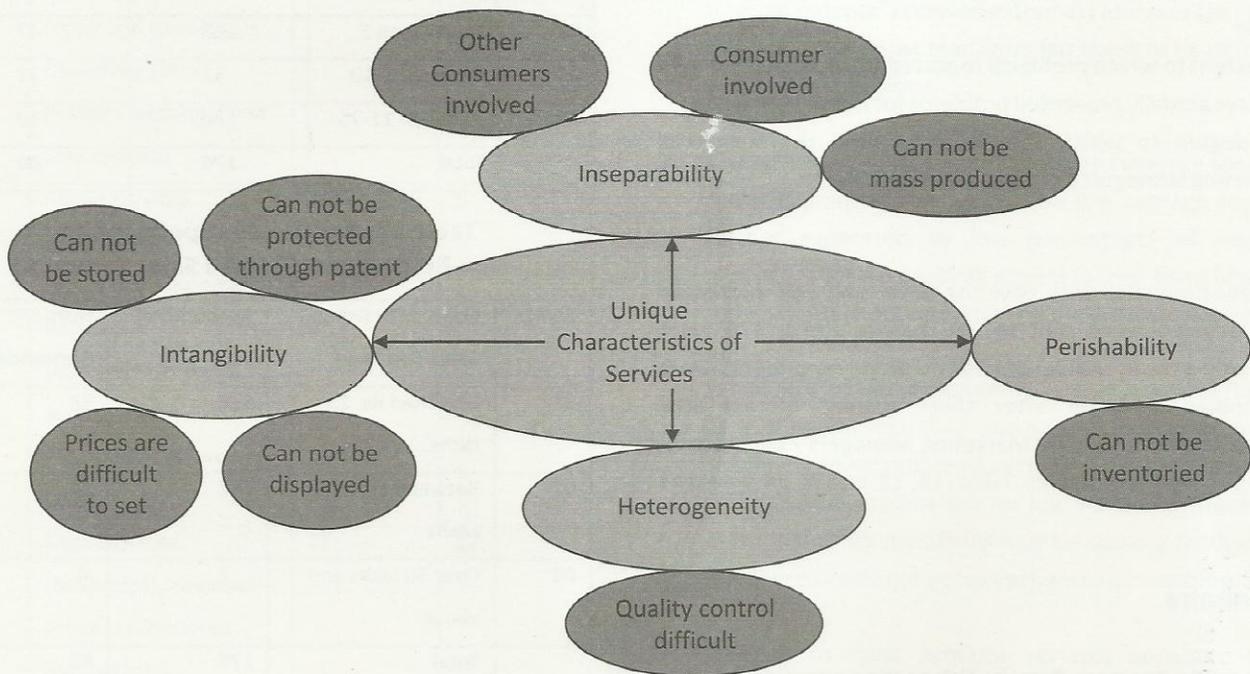


Illustration 2a: Unique Characteristics and Frequent Problems resulting from Each Service Characteristics

Illustration 3 lists the marketing strategies suggested in the literature to overcome these problems.

Illustration 3: Suggested marketing strategies for problems stemming from Unique Service Characteristics

Unique Services Characteristics	Marketing Strategies to solve the Problems	References Citing Strategies
Intangibility	1. Stress tangible cues	Berry (1980), Booms & Bitner (1981)
	2. Use personal sources more than non-personal sources	Donelli (1980)
	3. Promote or stimulate word-of-mouth communications	George and Berry (1981)
	4. Create strong brand/organizational image	Kinsely (1979), Uhl & Upah (1980)

	5. Use cost accounting to help set prices.	Dearden (1978)
	6. Engage in post purchase communications	Zeithamal (1981), Fisk (1981)
Inseparability	1. Emphasize selection and training of public contact personnel	Berry (1981), Davidson (1978)
	2. Manage customers	Lovelock (1981)
	3. Use multi site locations	Carmen and Langeard (1980)
Heterogeneity	1. Industrialize service	Levit (1976)
	2. Customize service	Bell (1981), Berry (1980)
Perishability	1. Use strategies to cope with fluctuating demand	Lovelock (1981)
	2. Make simultaneous adjustment in demand and capacity to achieve a closer match between the two.	Sasser (1976)

The Study

Based on the literature review, a questionnaire was developed. 250 service firms were approached. Aim of the survey was to determine

- 3a. the extent to which problems reported to be associated with services actually presented problems for the sample firms,
- 3b. the degree to which sample firms used the suggested marketing strategies to overcome the problems.

Sample

Original questionnaire with covering letter and self addressed stamped envelop were sent to 250 service firms, 170 were received and were in usable conditions. Non-respondents were sent a follow-up letter after three weeks. Almost 80% questionnaires were filled by Marketing Managers / partners-in-the-firms / owners themselves. Table -1A, 1B, and 1C provides the details.

Questionnaire

Primary Service Business Details: This section contained details of primary customer group, need for customer's physical presence, and duration of benefits.

Problems unique to services characteristics: This section contained following problems reportedly associated to the service characteristics and the extent to which statement applied to their firm on a scale ranging from 1 (does not apply to our firm) to 5 (definitely applies to our firm):

- 5.2a Services can not be stored.
- 5.2b Services can not be protected through patents.
- 5.2c Service quality is difficult to control.
- 5.2d Mass production of services is difficult.
- 5.2e Services can not be transported
- 5.2f Service costs are difficult to calculate
- 5.2g Demand for service fluctuates
- 5.2h Consumers are themselves involved in the service production process.

Table 1A: Profile of Respondent and Non Respondent (Employees)

Sr. No.	Firms with Nos. of Employees	Respondent	Non-Respondent
01	Fewer than 5.	118	47
02	Between 6-10	32	23
03	Between 11-25	20	10
	Total	170	80

Table 1B: Profile of Respondent and Non Respondent (Annual Sales Turnover)

Sr. No.	Firms with Annual Sales Turnover	Respondent	Non-Respondent
01	Less than Rs. 25 lakhs.	136	58
02	Between Rs. 25-50 Lakhs	27	18
03	Over 50 lakhs and above	7	4
	Total	170	80

Table 1C: Profile of Respondent and Non Respondent (Groups of Companies)

Sr. No.	Groups of companies	Respondent	Non-Respondent
01	Construction (property dealers, builders)	21	9
02	Transportation (Freight, rail/road, air)	23	7
03	Personal services (Laundries, barbers, beauty saloons)	29	15

04	Business Services (Photo-copiers, photo finishing, data processing, house repair and painting , Consulting firms, Private Coaching, Child care centers)	34	22
05	Repair Services (electrical and electronics equipment)	14	6
06	Recreation (Amusements parks, audio/video entertainment, picture halls)	6	1
07	Legal Services (Advocates), Financial Services (Chartered Accountants)	27	12
08	Healthcare services (Doctors clinics, maternity homes, pathological laboratories)	16	8
	Total	170	80

7a. "Demand for service fluctuates" received a mean score exceeding the mid point on the 5-point scale.

7b. "Services can not be stored"; "Services can not be protected through patents" received extremely low average responses, indicating that most managers felt them to be of little or no problem in their firms.

7c. The remaining problem areas received average scores below the mid point of the scales. The low average scores were further supported by low percentages of respondents reporting that the problem applies to their firms (indicated by respondents checking a 4 or 5 on the problem items).

7d. While 53% of the respondents viewed 'demand fluctuation' as a problem, less than one-quarter perceived any of the remaining seven problems as relevant to their firms (Table 2). One possible explanation for low scores on these problem areas is that services firms may be dealing them effectively and therefore do not perceive them to be troublesome.

7e. Inability to mass produce services appeared to affect business serving institutional customers more than those serving individual customers.

7f. Costs of services appear to be more difficult to calculate as the duration of benefits increases. Associating direct and indirect costs with provision of a service evidently becomes less precise and more difficult as the service extends longer over a longer time period.

Results

For the sample as a whole, mean scores (on a 1 to 5 scale) were calculated for each problem area, business practices and strategy.

Problem Areas

Table 2 reports the means of respondent's perceptions concerning the extent to which service characteristics presented problems in their firms. Following emerged from the study:

Table 2: Significant Differences in Perceptions of Problem Areas among types of Service Firms

Problem Areas	Customer Group			Duration of Benefit			Need of Customers Presence			All Firms	% of firms checking a 4 or 5
	Indi	Inst	Bo	Imme diate	Short term	Long term	High	Med	Low		
Services can not be mass produced.	1.98	2.62	2.48							2.88	23
Services can not be transported.										1.50	7
Services can not be protected by patents.	1.52	2.21	2.05							1.71	14
Cost of providing services is difficult to calculate.							2.40	2.48	2.82	2.71	28
Services can not be stored.							1.95	1.38	1.67	1.76	17
Customer themselves are involved during the production of service.										2.24	15
Quality of services difficult to control.										2.72	27
Demand for services fluctuates										3.49	53

Indi- Individual customer; Inst - Institutional customer; Bo - Both; Numbers in all columns except last column are mean values on a 5 - point scale; higher the value, the more the characteristics applies to the firm; Numbers in the last column are percentages.

- 6g. Quality control difficulties were more salient to non-local than to local firms, possibly because non-local firms generally operate a greater number of units that are more dispersed geographically. Nevertheless, quality must be carefully guarded because a bad experience in one outlet can affect business in other outlets.
- 6h. An important finding is the absence of significant differences across different types of firms on problem areas that had the highest mean scores (3.49) - "Demand for service fluctuates". Perception of demand fluctuation as a somewhat serious problem is apparently universal.

Practices / Strategies

Table 3 summarizes the extent to which various business practices and strategies are used to overcome problems associated with

service across all firms and different types of firms. These practices and strategies have been cited in the services marketing literature as particularly appropriate for service firms.

Pricing

Average responses across all firms show that cost - oriented pricing strategies are used more than competition / demand-oriented pricing strategies. Basing prices on what it costs to provide the service had a higher mean (3.89) than either basing price on what competition charges (mean of 3.11) or on what the market is willing to pay (mean of 2.95). Consistent with these averages are the percentages of respondents checking 4 or 5 on the scales (indicating that the strategies applies to their firms) : 69% base their prices on costs whereas a much lower percentage base their price on competition (41%) and market willingness to pay (38%). Although services costs are difficult to control, yet

service companies are apparently making estimates of costs to be sure that they are covered. Competition oriented pricing, although simple, may not provide assurance of covering costs. Demand-oriented pricing may be as difficult to implement as cost oriented pricing and does not guarantee that cost will be covered. Consistent with the relative popularity of cost - oriented pricing ; local firms use the system significantly less than do statewide-regional firms, probably because these firms tend to be smaller and less sophisticated.

Advertising

For the sample as a whole, direct mail and news paper appear to be more important advertising media than television. While 42% of the respondents indicate that newspaper is important and 47% indicate that direct mail is important, only 11% claim that television is an important part of their marketing programs. Television advertising is less appropriate for services because of intangibility. Unless service is associated with relevant tangibles (physical evidence at health/medical services; the equipment in a health club), service firm may have little to demonstrate. Respondent service firms reported attempts to encourage word-of-mouth advertising finding consistent with literature. Average response of 3.92 on this item, firms place a high degree of importance on word-of-mouth communication. 72% of respondents checked a 4 or 5 on this item.

Personal Selling

Over all, respondent firms appear to choose carefully their customer contact personnel (4.18) and to train them to interact well with customers (3.99%). These high averages are consistent with high percentages of respondents checking 4 or 5 on these items: 79% report careful selection of personnel and 69% report training them in interaction skills. Firms selling services to institutional customers report greater care in choosing personnel (4.28%) than firms selling to individual customers (4.01%). Also international firms report greater care in selecting personnel than firms which operate local, regional, statewide or national levels. This result may be due to the large number of people many international firms employ necessitating more sophisticated hiring practices.

Brand/Organizational/Institutional Image

Overall firms emphasize their marketing to project a specific company image. As expected, service firms which emphasize facility design most are those the consumers visits: firms whose primary customer group is individual customers (travel industry), whose geographic scope is local (hair cutting salons), whose benefits are immediate (child care centers), and whose need for the customers presence is high (health services) appear to be more marketing oriented than service firms serving end consumers.

Customer Orientation

However lower scores obtained on other marketing orientation items, such as performing the service over if the customer is dissatisfied, reveals less sensitivity to customer needs.

Strategies to cope with fluctuating demand

Table 4 presents average responses for all firms concerning the use of strategies to cope with fluctuating demand as well as differences among types of firms. Peak time strategy apply to most of the sample firms include hiring extra part-time employees (3.79), having employees work overtime (3.64), cross training employees (4.01). Peak-time strategies do not apply to firms that have "letting work fall behind" (1.57), taking care of regular customers first and allowing other customers to wait (1.72), turning away business (1.83), and sub-contracting to others. These responses are confirmed by the percentages of firms checking 4 or 5 on each item. Most prominent strategy for responding to low demand involved trying to increase business by calling on customer. A surprise finding was that many firms do not reduce price during slow demand periods (2.0). Only 17% respondents checked 4 or 5 on this item. Consumer firms scored higher than institutional firms on strategy: "education of customers to use services during non-peak periods". Institutional firms showed sharply greater usage of the strategy: "try to increase business by calling on customers". Institutional firms also reported higher usage of employees by using scheduling strategy: "letting employees work overtime, hiring extra full-time employees, and laying off employees". Finally institutional firms reported significantly higher usage of strategies such as turning away business, taking care of regular customers and allowing

others to wait, seeking sub-contract work during slow times, offering other services to use resources during slow periods. National firms used the strategies to synchronize demand and supply, scoring higher than firms in other categories on seven of the strategies (taking care of regular customers and allowing others to wait, cross-training employees, offering price reductions, increasing advertising, turning away business, and calling on other customers). Size and sophistication of national

firms most likely account for their higher usage of strategies to cope with the problem of fluctuating demands. A number of differences were also reported in terms of duration of benefits and need for customer presence. The need to match supply with demand is more urgent when customers are at the service site, waiting to be served than when customers physical presence is not critical and service benefits endure over a longer period (architectural services).

Table 3: Significant Differences in Usage of Business Strategies among types of Service Firms

Business Practice	Customer Group			Duration of Benefit			Need of Customers Presence			All Firms	% of firms checking a 4 or 5
	Indi	Inst	Bo	Imme diate	Short term	Long term	High	Med	Low		
PRICING:											
a. Base prices on what it costs us										3.89	69
b. Base prices on what competition charges										3.11	41
c. Base prices on what market is willing to pay										2.95	38
d. Use a cost accounting system										3.10	48
ADVERTISING AND WORD OF MOUTH											
a. Television advertising is important part	1.70	1.38	1.47	1.85	1.52	1.40	1.71	1.69	1.29	1.58	11
b. News paper advertising is a important part	3.27	1.72	3.23	3.19	2.62	2.34	3.11	2.88	2.13	2.71	42
c. Direct mail advertising is important part										2.87	47
d. Word-of-mouth is important part							4.01	4.11	2.72	3.92	72
QUALITY CONTROL											
a. Formal system for controlling quality	3.12	3.65	3.26							3.48	52
PERSONAL SELLING											
a. Do a lot of personal selling of services										3.73	63

b. Contact customer after purchase	2.92	3.92	3.22						3.39	52
c. Carefully select personnel who interact with consumers	4.01	4.28	3.92						4.18	79
d. Train personnel to interact well									3.99	69
MARKETING ORIENTATION										
a. Regularly collect information about customer needs	3.48	4.21	3.58						3.85	66
b. Marketing activities are based on knowledge about customers	3.35	3.94	3.36			3.64	3.44	3.74	3.72	64
c. When a customer is dissatisfied, redo service									2.85	38

Indi- Individual customer; Inst- Institutional customer; Bo- Both. ; Numbers in all columns except last column are mean values on a 5-point scale; higher the value, the more the characteristics applies to the firm; Numbers in the last column are percentages.

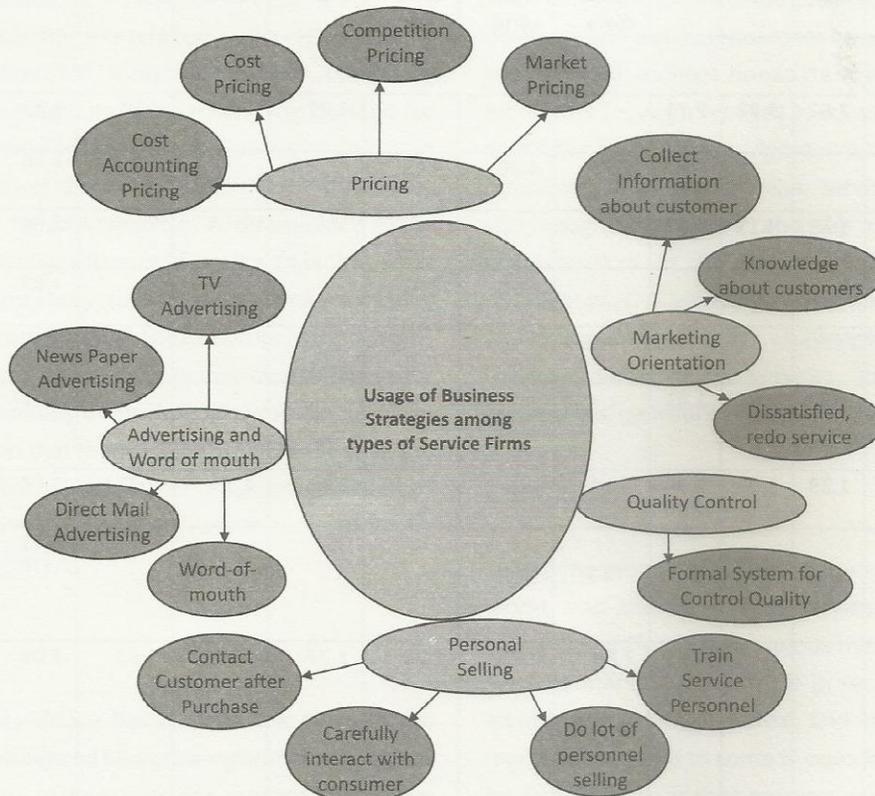


Table 3a: Significant Differences in Usage of Business Strategies among types of Service Firms

Discussions

This research paper presents a conceptual framework of problems and strategies in services marketing that derive from four unique characteristics of services: intangibility, inseparability, heterogeneity, and perishability.

Differences among Service Firms

One conclusion can be drawn from the findings is that differences exist among service firms. Most of the existing literature is dominated by discussions of the differences between goods marketing and services marketing. Much less has been written about the differences among service firms. Respondent companies were classified based on: "primary customer group, duration of benefits to the customer, and need for customers

presence during service production". Many significant differences surfaced among service firms when classified according to these criteria, especially with respect to usage of practices and strategies. Firms marketing to institutional customers differ from firms marketing to end consumers in several important ways. Advertising appears to be less important part of institutional firms marketing programs. With respect to goods firm practices, institutional firms seem to be more marketing oriented. They are more apt to contact consumers, and to regularly collect information about customer needs. Perhaps customers are few and each customer spends more in the institutional market than in the end consumer market. Institutional firms are also more aggressive in responding to low demand period as well as high demand periods.

Table 4: Significant Differences in Usage of Strategies to cope with fluctuating demand.

Business Practice	Customer Group			Duration of Benefit			Need of Customers Presence			All Firms	% of firms checking a 4 or 5
	Indi	Inst	Bo	Imme diate	Short term	Long term	High	Med	Low		
Periods of high demand											
*Hire extra full time employees	2.67	3.22	2.71				3.22	2.58	2.91	2.83	41
*Hire extra part time employees				4.01	4.28	3.45				3.79	66
*Let employees work overtime	3.33	4.11	3.37							3.64	63
*Subcontract work to others										1.88	16
*Let work fall behind										1.57	5
*Attend regular customers, ignore others	1.39	2.01	1.61							1.72	11
*Turn away business	1.39	1.95	1.34				2.18	1.53	1.82	1.83	16
*Cross train employees to perform other jobs										4.01	73
*Offer customers incentives to avail service during non-peak hours				2.64	1.73	1.71	2.77	1.76	1.92	2.01	22

Periods of low demand											
*Lay off employees	2.44	2.89	2.11	3.13	2.96	2.52				2.78	36
*Use employees to do non vital tasks during slow periods										3.21	47
*Offer price reduction				2.34	1.95	1.67	2.59	1.81	1.73	2.01	23
*Increase advertisement				2.55	2.24	2.32	2.89	2.29	2.17	2.83	24
*Seek sub-contract work during slow times	1.58	2.26	1.55							1.83	18
*Try to increase business by calling on customers	3.01	4.14	3.51				3.44	3.35	3.86	3.67	67

Indi- Individual customer; Inst- Institutional customer; Bo- Both ; Numbers in all columns except last column are mean values on a 5-point scale; higher the value, the more the characteristics applies to the firm; Numbers in the last column are percentages.

Services Marketing Problems

Eight marketing problems associated with the unique characteristics were identified from the service marketing literature. Only one of the eight problem areas: "the demand for services fluctuates" received an average score above midpoint on the scale. Others were lower than mid point, indicating that they were not perceived to be troublesome. A discrepancy exists between what literature suggests would be the case and what respondents to the present study claim. Perhaps firms are dealing with these problems successfully by using appropriate strategies suggested in the literature. There were higher overall scores for business practices and strategy items than the problem items on questionnaire. This means that many of the problems cited in the literature could be less critical than other areas which were not investigated (e.g., difficulty in developing new services, difficulty in evaluating profitability etc).

Recommendations

It is inevitable that globalization has become the norm in the service industry. This is evidenced by a growing number of business that a service firm operates in more than one country. Those have

since evolved their business practices. The changes in the world economy and business practices have driven the focus on service: the fact that services dominate the modern economies of the world; the focus on services as competitive business imperative; specific needs of the deregulated and professional service industries; the role of new service concepts growing from technological advances; and the realization that the unique characteristics of services result in unique challenges and opportunities. A service provider has to adapt to ever changing world economy, identify challenges, distinguish among pure services, value-added services, customer services, derived services and appropriately address these service sectors.

Conclusion

Seeing the growth of service sector in economies throughout the world, and the belief that services marketing in certain key respects is different from goods marketing, the rapid growth of services marketing literature in recent years is not surprising. Increased academic interest and research activity in services marketing in years to come is expected and is necessary because far more questions than answers exist at this time. A need exists

for services marketing research to enter a new phase of empirical work that integrates various disciplines and various services industries. Detailed research study needs to be done on some of the following identified problems:

- 11a. Whether the identified critical problems associated with the services are changing with the environmental, competitive and other conditions?
- 11b. How they differ among various service firms?
- 11c. Whether the effectiveness of strategies selected to tackle particular service problem vary for different services characteristics?
- 11d. Do we need different strategies for each service problems?
- 11e. Are certain strategies more appropriate for certain types of service businesses?
- 11f. Should the services firm's dealings with the industrial consumers be different than end user?

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Reason behind Kingfisher Airline's Failure: "An Eye opening case study Revealing Three Key Words for Aviation Industry Success: Costs, Costs, Costs"

Jayant Srivastava*
Asad Ali**
Akanksha Tiwari**

Abstract

Our research paper try to throw lights on some major reasons which were somehow responsible for the current crisis going inside the kingfisher Airlines which can be realized by the press statement from KFA, on 12 March 2012, highlights the challenges:

"The flight loads have reduced because of our limited distribution ability caused by IATA suspension. We are therefore combining some of our flights. Also, some of the flights are being cancelled as a result of employee agitation on account of delayed salaries. This situation has arisen as a consequence of our bank accounts having been frozen by the tax authorities. We are making all possible efforts to remedy this temporary situation."

Research Objective

The key objective of this research study is to investigate the reasons behind the failure of the Kingfisher airline in the year 2012. To investigate the government policies and the various steps taken to fix the current crisis. To investigate the reasons due to which the whole Aviation Industry is suffering from higher operating losses. What went so terribly wrong with Kingfisher when rival Jet Airways has comparatively much higher debt?

Keywords: Risk Management, Strategic Analysis, Market Analysis, Operational Risks

Introduction

Global aviation industry is passing through challenging times due to unprecedented fuel price hike during the last 4 years, turbulent financial markets and economic recession. Vijay Malaya's dream bird, Kingfisher Airlines - popularly known as The King of Good Times - is witnessing its worst phase. Indian domestic aviation is suffering from a serious market failure, caused by misguided government policy and ministers need to step in quickly to fix it. In India, most of the upcoming airlines added a large number of aircraft since 2006 and deployed them mostly on metro sectors resulting into suicidal price war among all the airlines. Every airline in India is currently suffering from operating losses.

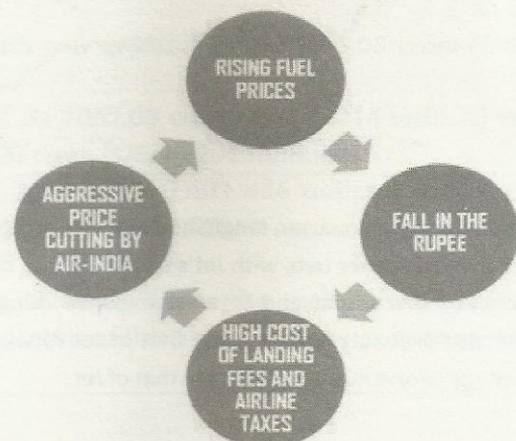
Research Methodology

The data for the current study are collected from secondary sources such as annual reports, news papers (Economic Times, Business Standards, TOI, etc), and Aviation industry analysis report. In analyzing various parameters, last one year data is

collected. The study has been confined to study only the various reasons behind the failure of Kingfisher airlines.

Findings

- While doing the research, we find that there are four main reasons why Indian Aviation Industry is in so much pain, which can be reviewed as given below:



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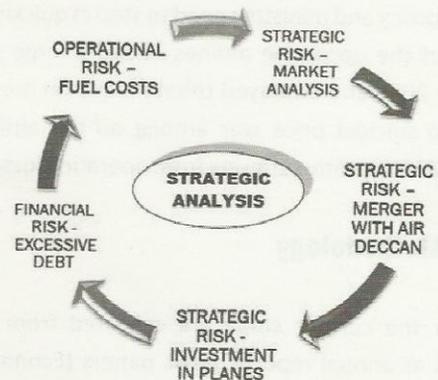
- Kingfisher's net worth has been completely eroded, while its auditors had raised several questions about its accounting practices in its annual report.
- Kingfisher Airlines Ltd's loan funds stand at Rs7, 543 crore (debt-to-equity ratio of about 3.2) & that of Jet Airways (India) Ltd's is Rs14, 123 crore (debt-to-equity about 4.2).
- Spice jet Ltd, on the other hand, has lowest debt at Rs712 crore (debt-to-equity about 0.7).
- Kingfisher's fixed assets stand at Rs2, 286 crore, but it has a negative net working capital (excluding cash and bank balance) of Rs1, 970 crore. Jet Airways has a much stronger asset base with the value of its fixed assets at Rs14,417 crore; its negative net working capital (excluding cash and bank balances) is relatively much lower at Rs560 crore. Spice Jet has a total fixed asset base of Rs1, 115 crore.
- Kingfisher could not deliver on profitability even last year when the going was considered to be good. According to analysts, the sector experienced its best returns in the quarter ended December 2010. Even during such times, Kingfisher's net loss for fiscal 2011 stood at Rs1, 027 crore. That's when Jet had managed a net profit of Rs9.69 crore-on a stand-alone basis-and Spice Jet posted a net profit of Rs101 crore. Spice Jet's net profitability, of course, was also supported by relatively lower interest expenses.
- Kingfisher Airlines share price: Sep-2010 to Sep-2011



- For the September quarter, Kingfisher's operating losses are higher than the other two, with Jet's operating loss being far lower. Kingfisher's fuel and interest expense (Kingfisher's debt is also probably costlier than that of Jet Airways) as a percentage of revenue is higher than that of Jet.

- A higher interest cost, coupled with higher operating losses, has led to pressure on Kingfisher's ability to service its interest and debt obligations. Further, Kingfisher's current liabilities have increased by 23% in September from March (an indication that it may be
- Stretching payments to suppliers). Naturally, Kingfisher seems to be the worst affected of all the three.
- Revenue growth for Kingfisher domestically was very weak, falling 3% to Rs. 1,184 Crore from Rs. 1,227 Crore
- International Revenue growth was even worse, falling 9% to Rs. 363 Crore from Rs. 398 Crore
- Passengers carried fell 15% to 2.63 million; antithetical to general market trends.
- Domestic Passenger Yield fell 3% to Rs. 3,804 despite capacity discipline.
- International Passenger Yield rose 5% to Rs. 10, 864.
- EBTIDAR Profit (which measures operating results before taxes, interest, depreciation, loan amortization, and rents) of Rs. 125 Crore (Rs. 284 Crore in Q3 10-11), EBITDAR profit of Rs. 161 Crore on Domestic (Profit of Rs. 225 Crore in Q3 10-11), and EBITDAR loss of Rs. 36 Crore on International (Rs. 59 Crore profit in Q3 10-11)
- Kingfisher deferred almost 213.4 Crores worth of losses into future taxes under "Deferred Tax Asset"
- There was a onetime special item of almost Rs. 79.25 crore that contributed to the loss.

RISK MANAGEMENT FAILURES IN KINGFISHER AIRLINES



<p>STRATEGIC RISK – MARKET ANALYSIS</p>	<ul style="list-style-type: none"> ✓ KFA was launched as a premium business class airline. ✓ A lack of understanding of customer requirements and basing a decision that luxury sells in airlines. ✓ Mr. Mallya, highly successful in liquor business, didn't comprehend the differences in customer preferences within the two industries. 																
<p>STRATEGIC RISK – MERGER WITH AIR DECCAN</p>	<ul style="list-style-type: none"> ✓ KFA acquired Air Deccan's international flying rights and simultaneously entered the cheaper market segment. ✓ It became the largest Indian airline with 27.5% market share, and domestic travel increased by 30%, however it didn't make profits. Despite the fact the it's main rival – Jet Airways – continuously showed profitable quarters. <div data-bbox="671 635 1146 1079" data-label="Figure"> <table border="1"> <caption>Market Share of Indian Airlines</caption> <thead> <tr> <th>Airline</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>Jet Airways</td> <td>19.2%</td> </tr> <tr> <td>Air India</td> <td>17.4%</td> </tr> <tr> <td>Indigo</td> <td>18.7%</td> </tr> <tr> <td>Kingfisher</td> <td>18.8%</td> </tr> <tr> <td>Spicejet</td> <td>13.4%</td> </tr> <tr> <td>Jetlite</td> <td>8.1%</td> </tr> <tr> <td>Go Air</td> <td>5.3%</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> ✓ With the merger, it lost its brand image of a premium business class airline. 	Airline	Market Share (%)	Jet Airways	19.2%	Air India	17.4%	Indigo	18.7%	Kingfisher	18.8%	Spicejet	13.4%	Jetlite	8.1%	Go Air	5.3%
Airline	Market Share (%)																
Jet Airways	19.2%																
Air India	17.4%																
Indigo	18.7%																
Kingfisher	18.8%																
Spicejet	13.4%																
Jetlite	8.1%																
Go Air	5.3%																
<p>STRATEGIC RISK - INVESTMENT IN PLANES</p>	<ul style="list-style-type: none"> ✓ According to 31 March 2011 ending annual report, KFA flew 366 domestic flights and 28 international flights. It owned 67 aircraft. ✓ Aircraft/engine lease rentals stood at Rs. 984 crore (USD 197 million) during the twelve month period from April 2010 to March 2011. 																
<p>FINANCIAL RISK - EXCESSIVE DEBT</p>	<ul style="list-style-type: none"> ✓ KFA posted a loss of Rs 1027.39 crore (USD 205.95 million) in December 2011 quarter. ✓ As of 31 March 2011, its net worth was negative at Rs 3633.08 crore (USD 728.29 million). ✓ Presently, KFA has a total debt of Rs 7057.08 crore (USD 1414 million) and total accumulated losses of Rs 6000 crore (USD 1202 million). 																
<p>OPERATIONAL RISK – FUEL COSTS</p>	<ul style="list-style-type: none"> ✓ Expenditure on fuel stood at Rs. 2274 crore (USD 456 million) during the twelve month period from April 2010 to March 2011 accounting to 28% of the total costs. ✓ The Indian industry was hit more adversely due to the cumulative impact of Customs Duty and Sales Tax on account of this sharp increase in international fuel prices. 																

All the full-service boys messed up their mergers. Coincidentally, all three - Jet, Kingfisher and Air India - went in for acquisitions and mergers in 2007-08. While Jet bought Sahara, Kingfisher bought Air Deccan and Air India merged with Indian Airlines. The traditional logic of mergers is cost savings and synergy, where two and two equals five. The management ignored the warning signs of stormy weather and failed to navigate the company into safety.

Conclusion

Running an airline in India is a mugs' game. Once defined as the simple business of "getting bums on seats" - more "bums" means better bottom line - the way the Indian industry is being run, one wonders if the "bums" are paying enough for the seats they sit on. Almost paradoxically despite their continual shrinkage in the domestic market, Kingfisher has continued to post solid, if unspectacular operating figures in the domestic market. Kingfisher plans to increase revenues through more efficient operations, while simultaneously controlling costs by shedding some realty assets (including its Mumbai corporate office),

entering sale and leasebacks for some Airbus aircraft, and switching some high-cost rupee loans into low-cost foreign currency loans. There has also been speculation the carrier will permanently reduce its fleet of 66 aircraft (the same level as Jun-2010) to 35 aircraft. Kingfisher Airlines is also working "aggressively" with a consortium of banks, which hold a 23% stake in the company, to further reduce interest costs and raise working capital.

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Role of Microfinance in Women Empowerment in India

Shuchi Loomba*

Abstract

In India, the emergence of liberalization and globalization in early 1990's aggravated the problem of women workers in unorganized sectors from bad to worse as most of the women who were engaged in various self employment activities have lost their livelihood. Despite in substantial contribution of women to both household and national economy, their work is considered just an extension of household domain and remains non-monetized. In India, Microfinance scene is dominated by Self Help Group (SHGs) as an effective mechanism for providing financial services to the "Unreached Poor", and also in strengthening their collective self help capacities leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Micro finance is necessary to overcome exploitation, create confidence for economic self reliance of the rural poor, particularly among rural women. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment. Through their contribution to women's ability to earn an income, these programmes have potential to initiate a series of 'virtuous spirals' of economic empowerment, and wider social and political empowerment.

The results from these self-help groups (SHGs) are promising and have become a focus of intense examination as it is proving to be an effective method of poverty reduction and economic empowerment. Mainly on the basis of secondary data analysis, this paper attempts to highlight the role of Microfinance and SHGs in the empowerment of women in India.

Keywords: Self Help Groups, NGOs, MFIs, CGAP

Introduction

Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation.

Women have been the most underprivileged and discriminated strata of the society not only in India but the world over. In spite of all Government and Non-Governments' efforts, they have been highly ignorant clients of the financial sector. In the recent times, microfinance has been emerging as a powerful instrument for empowering women particularly, the rural women. Apart from the informal sector of finance the formal and semi formal sectors like commercial banks, NGOs etc. are taking much interest in providing microfinance to women considering it to be a profitable commercial activity. Women are also participating in the

microfinance movement by availing the microfinance services being provided by the various financial channels.

The main aim of microfinance is to empower women. Microfinance is the provision of financial services to low-income clients, including consumers and the self employed, who traditionally lack access to banking and related services. Microcredit, or microfinance, is banking the unbankables, bringing credit, savings and other essential financial services within the reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral. Women make up a large proportion of microfinance beneficiaries. Traditionally, women (especially those in underdeveloped countries) have been unable to readily participate in economic activity. Microfinance provides women with the financial backing they need to start business ventures and actively participate in the economy. It gives them confidence, improves their status and makes them more active in decision

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making, thus encouraging gender equality. According to CGAP, long-standing MFIs even report a decline in violence towards women since the inception of microfinance.

The most of the microcredit institutions and agencies all over the world focuses on women in developing countries. Observations and experience shows that women are a small credit risk, repaying their loans and tend more often to benefit the whole family. In another aspect it's also viewed as a method giving the women more status in a socioeconomic way and changing the current conservative relationship between gender and class.

A recent World Bank report confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard for all people. At a macro level, it is because 70 percent of the world's poor are women. Women have a higher unemployment rate than men in virtually every country and make up the majority of the informal sector of most economies. They constitute the bulk of those who need microfinance services. Giving women access to microcredit loans therefore generates a multiplier effect that increases the impact of a microfinance institution's activities, benefiting multiple generations.

Concept of Empowerment

What do we mean by empowerment? Nobel Laureate Amartya Sen (1993) explains that the freedom to lead different types of life is reflected in the person's capability set. The capability of a person depends on a variety of factors, including personal characteristics and social arrangements. However, the full accounting of individual freedom goes beyond the capabilities of personal living. For example, if we do not have the courage to choose to live in a particular way, even though we could live that way if we so chose, can it be said that we do have the freedom to live that way, i.e. the corresponding capability? Another important point made by Sen (1990) is that for measurement purposes one should focus on certain universally-valued functioning, which relate to the basic fundamentals of survival and well-being regardless of context. Taking the example of universally valued functioning like proper nourishment, good

health and shelter, Sen asserts that if there are systematic gender differences in these very basic functioning achievements, they can be taken as an evidence of inequalities in underlying capabilities rather than differences in preferences.

Empowerment can range from personal empowerment that can exist within the existing social order. Thus this kind of empowerment would correspond to the right to make one's own choices, to increased autonomy and to control over economic resources. Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so (Kabeer, 2001).

Malhotra et. al (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. Since these dimensions cover a broad range of factors, women may be empowered within one of these sub-domains. They give the example of "socio-cultural" dimension which covers a range of empowerment sub-domains, from marriage systems to norms regarding women's physical mobility, to nonfamilial social support systems and networks available to women. The World Bank defines empowerment as "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.

Microfinance and Women Empowerment

Micro-finance programmes not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organised groups. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening. Through their contribution to women's ability to earn an income these programmes have potential to initiate a series of 'virtuous

spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment. Micro finance services and groups involving men also have potential to question and significantly change men's attitudes and behaviours as an essential component of achieving gender equality.

Majority of microfinance programmes focus women with a view to empower them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

Self-help groups intermediated by microcredit have been shown to have positive effects on women, with some of these impacts being ripple effects. They have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge (Zaman 2001). Several recent assessment studies have also generally reported positive impacts (Simanowitz and Walker 2002).

Literature Review

Malhotra (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological.

It has been well-documented that an increase in women's resources results in the well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence.

Ranjula Bali Swain (2007) "Can Microfinance Empower Women? Self-Help Groups in India" concluded many strides have been made in the right direction and women are in the process of empowering themselves and NGOs that provide support in financial services and specialized training, have a greater ability to make a positive impact on women empowerment.

Susy Cheston, Lisa Kuhn in their article titled 'Empowering Women through Microfinance' concluded Microfinance has the potential to have a powerful impact on women's empowerment.

Ranjula Bali Swaina and Fan Yang Wallentin (September 2009) in their article 'Does microfinance empower women? Evidence from self-help groups in India' concluded that their study strongly indicate that SHG members are empowered by participating in microfinance program in the sense that they have a greater propensity to resist existing gender norms and culture that restrict their ability to develop and make choices.

Batliwala (1994) identified three approaches to women's empowerment: the integrated development approach which focused on women's survival and livelihood needs; the economic development approach which aimed to strengthen women's economic position and the consciousness approach which organized women into collectives that address the source of oppression.

Mayoux (1997) argues that the impact of microfinance programmes on women is not always positive. Women that have set up enterprises benefit not only from small increases in income at the cost of heavier workloads and repayment pressures. Sometimes their loans are used by men in the family to set up enterprises, or sometimes women end up being employed as

unpaid family workers with little benefit. She further points that in some cases women's increased autonomy has been temporary and has led to the withdrawal of male support.

Research Objectives

The major objectives of the study are:

1. To study the role of micro finance in women empowerment.
2. To study the performance of SHGs in Ghaziabad district.
3. To analyse the empowerment which women members get in SHGs.
4. To offer suggestion for betterment of women's empowerment through microfinance.

Research Methodology

Sources of Data: The study is exploratory in nature and is based on both primary and secondary data. Secondary data was collected from various journals, articles, working papers, NGO reports etc. Primary data was enumerated from a field survey in the study region. (Ghaziabad).

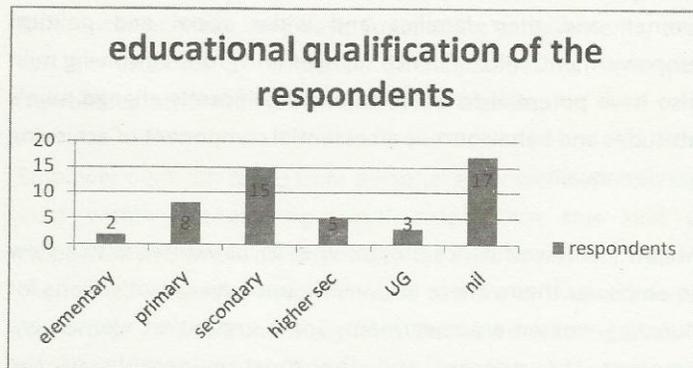
Area of Sampling: The study was conducted in the district of Ghaziabad through a field survey to get an insight of the benefits and challenges faced by women in SHGs.

Sample Size: 50 samples from 3 SHGs from the area of study have been considered to conduct the present study.

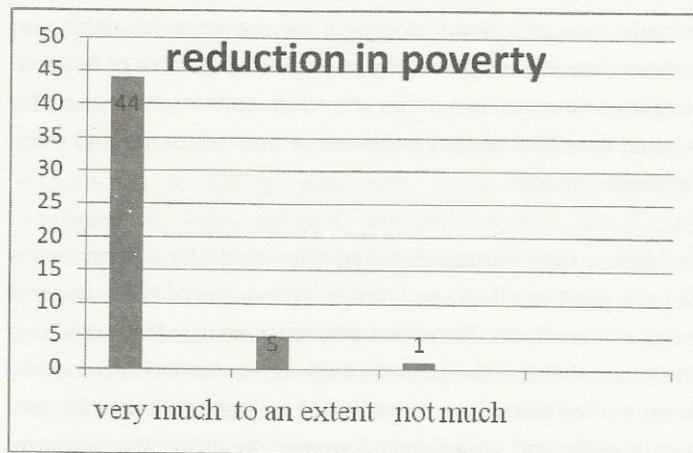
Method for data collection: A structured interview schedule was prepared and used for collecting data from the women SHG member. Both open ended and close ended questions were included in the schedule.

Statistical tools: Simple correlation coefficient, paired t-test, cross tabulation and percentage analysis are used for the analysis of the data.

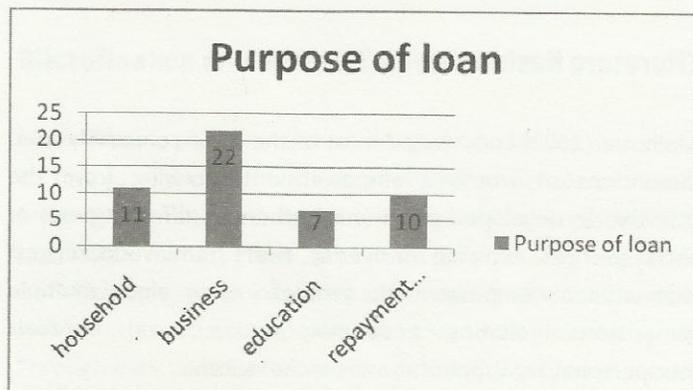
Data Analysis and Findings



34% of the women are illiterate and 30 % of the women have completed upto secondary level education. It is noticeable that only 6% of the respondents are graduates.



88% of the respondents believe that microfinance has reduced their poverty levels to a greater extent.



44% of the beneficiaries use the loan for starting a new business or for expanding the existing business. It is interesting to note that 20% of the respondents take loan for the repayment of an existing loan. However, 14% of the respondents take loan for the education of their children, which signifies their awareness.

Paired t-test

Hypothesis: H_0 = There is no difference in mean income of respondents before and after joining SHG.

Table 1: Paired t-test table

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Income before joining SHG	1.2640E3	50	222.01305	31.39739
	Income after joining SHG	1.7720E3	50	222.27029	31.43377

Paired samples test

	Paired Differences				T	df	Sig. (2-tailed)	
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower				Upper
Income before joining SHG - Income after joining SHG	-5.08000E2	160.15299	22.64905	-553.51498	-462.48502	-22.429	49	.000

Since the probability value is 0.000 ($p < 0.01$), we reject the null hypothesis and conclude that mean salary after joining SHG is significantly higher than the mean salary before joining SHG. Thus the microfinance is significantly increasing the salary of the respondents.

On the basis of t test it can be easily concluded that microfinance is playing an important role in increasing the income of women.

Thus the findings of the study can be summarized as follows:

1. It is found that micro finance improved the literacy levels of the respondents and also improved their awareness on child education.
2. Maximum number of respondents accepted that microfinance has brought economic development directly and indirectly and thus happiness and peace in the family.
3. Women are getting economically and socially empowered after getting micro finance as 88 percent of the respondents reported that poverty level has reduced by participating in micro finance program.

4. More than 96% respondents said that they play an important role in decision making and they were consulted for making important decisions of the family. This is an important factor of economic empowerment.
5. There is a significant improvement in the income of the respondents after joining SHG.

Conclusion

Thus it can be concluded from the above study that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. Microfinance loan avaiement and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Ghaziabad.

Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity.

Though different studies conducted at various levels show different conclusions, it can be acknowledged from the present study that despite of bottlenecks, microfinance is capable of helping the poor to upscale themselves to a better living and playing a significantly positive role in upgrading women empowerment.

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Role of Well-Being and Emotionality in Managing Stress

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Abstract

The Banking sector is becoming increasingly competitive around the country. Hence, this adds more responsibilities on the shoulders of employees, resulting in stress which makes it difficult for the employee to perform effectively. In order to come out from these stressful situations one factor which can help an employee can be his/her emotional intelligence. This study discusses the relationship of two main dimensions of emotional intelligence i.e. well-being and emotionality with stress management. From the analysis it was found that well-being and emotionality both share a positive and significant relationship with stress management. This indicates that a person with high emotional intelligence level will be good in managing stress and vice-versa.

Key words: Emotional intelligence, stress management, well-being, emotionality

Introduction

There has been an enormous increase in the research in the field of job stress over the last decade. Stress is the feeling of anxiety, nervousness, sadness and withdrawal. A little stress is not bad as it motivates to perform better but if it is not handled constructively then stress is hazardous for health, both mentally and physically. Researchers define stress as a physical, mental or emotional response to events that cause bodily or mental tension. In case of the banking sector, the stress level is very high due to increasing competition in the market. In order to minimize this effect of stress on banking employees, emotional intelligence of a person can come to rescue. Emotional intelligence is the ability to identify and control the emotions of oneself in a positive and constructive way. Some researchers suggest that emotional intelligence can be learned or developed while others say that it is an inborn characteristic. It is a social intelligence which enables us to recognize our as well as others emotions around us. It is not a single construct, but rather several constructs that measure different individual traits or abilities.

According to Petrides and Furnham (2006), there are four main dimensions of emotional intelligence: Well-being, self control, emotionality and sociability. In this study we are focusing on only two dimensions of emotional intelligence i.e. well-being and emotionality. Petrides and Furnham (2001) explained that a high well-being score indicates an overall sense of well-being. In general, individuals with a high score on this factor are fulfilled and satisfied with life. On the other hand, low scores represent individuals that have poor self-esteem and are not satisfied with life at the present time. For emotionality he explained that individuals with a high emotionality score possess a wide array of emotion-related skills: recognizing internal emotions, perceiving emotions, and expressing emotions. In turn, these skills are often used to form and nurture close relationships with family and friends. On the contrary, individuals with a low emotionality score have difficulty recognizing their own emotions and conveying their feelings to others. In turn, these individuals generally experience less gratifying personal relationships with others.

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So in this study we will try to find whether well-being and emotionality share any positive relationship with stress management.

Literature Review

Managing Stress

The term "stress" was first used introduced by Selye (1937) as "the non-specific response of the body to any demand for change." Arnold and Feldman (1986) defined stress as "the reactions of individuals to new or threatening factors in their work environment." This definition also highlights the fact that reactions to stressful situations are individualized and can result in emotional, perceptual, behavioral, and physiological changes. Stress may be regarded as a force that strains usual coping resources. In actual, a situation found to be stressful for one person might have little effect on another. In other words, each individual has a distinct stress response. Stress can have wide ranging effects on a person's physical body, emotions, mood, and behavior.

Further, Beena & Poduval (1992) suggested that women experienced more stress at the workplace as compared to men while others like Guppy & Rick (1996) claimed that gender is not a contributor to stress. Stress has also been linked to various management aspects like job satisfaction. Many researchers like Richardson and Burke (1991) examined the relationship between occupational stress and job satisfaction and concluded that high levels of occupational stress was negatively related with satisfaction and high job satisfaction was related to fewer specific work stressors. Chandraiah et al (2003) examined a causal relationship between occupational stress and job satisfaction and found a positive relationship between the two among managers having more age. Similarly, Healy and McKay (1999) in a study found higher intensity of stress associated with lower job satisfaction.

Emotional Intelligence

Salovey and Mayer (1990) defined a tighter subset of intelligence. They originated the term "emotional intelligence" and defined it

as "a form of intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions". Further in 1997, they revised their original framework and contended that emotional intelligence is differentiated from other intelligence as it deals with the management of emotions and therefore specifically describes the complex process that links emotion and cognition. They redefined emotional intelligence as, "The ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and to regulate emotions to promote personal growth". But Goleman (1995) was the person who popularized the concept of emotional intelligence as a way to bring focus to what individuals need to change within themselves to be more productive in their everyday life. It consists of five constructs namely self motivation, self regulation, self awareness, empathy and relationship management which fueled the adoption and implementation of emotionally intelligent policies within organizations.

Thus the popularity of the emotional intelligence during the past decade has led researchers to examine its potency in various areas of human functioning. It has been found that trait or ability emotional intelligence are related to life success (Bar-On, 1997), life satisfaction (Palmer et. al., 2002), interpersonal relationships (Fitness, 2011), occupational stress (Nikolaou et. al., 2004), work success and performance (Vakola et. al, 2004), leadership (Palmer et. al., 2000), etc.

Objective of the Study

There are two main objectives of this study. First to study the relationship between well being and stress management, Second is to study the relationship between emotionality and stress management. To achieve these research objectives, following hypothesis were framed.

H0 - There is no significant relationship between well being and stress management in banking sector employees.

H1 - There is no significant relationship between emotionality and stress management in banking sector employees.

Scope of the Study

The scope of the study is confined to Ludhiana city in Punjab. The population of the study is the banking sector employees. The study includes a sample of 100 respondents only.

Sources of data collection

The data which has been collected for the present study is primary data. It has been collected through standardized questionnaires for emotional intelligence and stress management. Various banks were approached according to the convenience for data collection in the Ludhiana city.

Details of the Instruments:

The data was collected using standardized questionnaires of emotional intelligence (as well being and emotionality are two dimensions of emotional intelligence) and stress management. Instrument details are as follow:

In order to assess the emotional intelligence of teaching employees, a scale developed by Petrides and Furnham (2006) named Trait emotional intelligence (Short Form) which is based on full form of TEIQue was used. It was designed to measure global trait emotional intelligence. This Trait emotional intelligence Questionnaire focuses on the following 15 facets: Adaptability, Assertiveness, Emotion perception (Self and others), Emotion expression, Emotion management (others), Emotion regulation, Impulsiveness, Relationships, Self-esteem, Self-motivation, Social awareness, Stress management, Trait empathy, Trait happiness and trait optimism. All these facets scores are combined to give overall EI score. These facets are organized under four factors: well-being, self-control, emotionality and sociability. It contains total 30 items and two items represent one facet. The scale has an internal reliability of 0.86.

For the measurement of stress management, a standardized questionnaire designed by The International Stress management Association of United Kingdom was taken. It consists of 25 statements. The internal reliability (Cronbach Alfa) came out to be .82. The acceptable value of Cronbach Alfa is .60, so this measure can be safely used.

Emotional Intelligence Scale

The emotional intelligence questionnaire is on 7-point Likert scale and is divided into 4 parameters: self-control, well being, emotionality and sociability. In this study we are focusing on only two of them i.e. well being and emotionality.

Well being

The 6 statements which tell about the well being of an individual are 5, 9, 12, 20, 24 and 27. The total scores of these statements were taken, in order to calculate the well being score, the total was divided by the number of statements i.e. 6. The well being score can range from 1 to 7.

Emotionality

The 8 statements which tell about the emotionality are 1, 2, 8, 13, 16, 17, 23 and 28. The total scores of these statements were calculated. In order to calculate the emotionality score the total was divided by 8. The emotionality score can range from 1 to 7.

Data Analysis

The data analysis for this study was performed using Pearson's Correlation Analysis in order to investigate the relationship between emotional intelligence and stress management. Hence, to prove the Hypothesis 1, Pearson's Correlation was run on the data comprising of emotional intelligence score and stress management.

Results and Analysis

For this research, 100 banking sector employees were considered from the various banks located in the Ludhiana city. The respondents' age in the study varied from 25 years to 48 years. In the sample of 100 respondents, there were 64 males and 36 females.

In order to examine the relationship between well being and emotionality with stress management, statistical tool of Pearson correlation has been used. Pearson correlation signifies the magnitude and direction of relationship between two variables. Its value ranges from -1 to +1, if the value of coefficient of

correlation is closer to 1 it signifies a stronger relationship between the variables and if it is close to -1 it signifies a strong negative relationship.

H01: There is no significant relationship between well being and stress management in banking sector employees.

Table 4.1: Correlation Coefficient of well-being and stress management

Factors		Well being	Stress management
Well being	Pearson Correlation	1	.931**
	Sig. (2-tailed)		.000
	N	100	100
Stress management	Pearson Correlation	.931**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Table 4.1 shows the relationship between well being and stress management in banking sector employees. The coefficient of correlation is found to be 0.931 ($r = 0.931$) and the significance level is 0.000 ($p = 0.000$) which shows that there is a significant positive correlation between well being and stress management in banking sector employees. Hence, our null hypothesis (H01) is rejected since, the relationship is significant ($p < 0.01$).

H02: There is no significant relationship between emotionality and stress management in banking sector employees.

Table 4.2: Correlation Coefficient of emotionality and stress management

Factors		Emotionality	Stress management
Emotionality	Pearson Correlation	1	.381**
	Sig. (2-tailed)		.000
	N	100	100
Stress management	Pearson Correlation	.381**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Table 4.2 shows the relationship between emotionality and stress management in banking sector employees. In this case, the coefficient of correlation is 0.381 ($r = 0.381$) and the significance level is 0.000 ($p = 0.000$) which shows that there is a significant positive correlation between emotionality and stress management in banking sector employees. Hence, our null hypothesis (H03) is rejected since, the relationship is significant ($p < 0.01$).

Conclusion

The study reveals that EI dimensions i.e. well-being and emotionality have a positive and significant relationship with stress management. According to the researchers, more than 75% of employees in banking sector experience stress on daily basis. This situation demands that management should invest in the EI training programs in order to develop the EI levels of employees. As a person with high emotional intelligence level will better be able to manage stress. His/her high well being score will help him/her to feel satisfied and confident to take challenging tasks and his/her high emotionality score will help him to make strong bonds with people around weather it is boss or colleagues.

Limitations and Future Recommendations

Discussing about the limitations of the study, one of it can be that the study was conducted in Ludhiana city so it is restricted to that area and even the sample size of the study was small. This may

limit the generalizability of results. Different findings may occur with different population groups and various levels of an organization in different settings/environment. Some biasness is also expected in case of emotional intelligence questionnaire as people were conscious that they can be rated as having low Emotional Intelligence level.

The current research is only the beginning of a large program to study the role of well being and emotionality in banking employees. The findings of the study have provided valuable insights about the variables that effect banking employees. However, additional research is needed to fill in the gaps of the study and to broaden the understanding of the factors, which contribute in the development and management of emotional intelligence and stress. The study has the implications for the banking sector and economists. This is because emotional intelligence is still a growing field and we should not limit our research to well being and emotionality dimensions but also try to find out the relationships of various emotional intelligence competencies with other different type of occupational problems i.e. teamwork, leadership, conflict, turnover etc. Apart from this, the benefits of emotional intelligence competencies should be explored in other industries beyond the banking sector and this study can be used as a base.

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The Art of Negotiation and its Management

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Introduction

Man has to keep on working ceaselessly and there is no getting away from it. Even the fulfillment of our basic needs, would require us to work constantly. As soon as a child is born, he is burdened with the necessity of working. He has to breathe, drink milk from the bosom of his mother and start performing all essential tasks that an adult has to perform. His work may be less onerous, but given his size and reach, it is enough to keep him fully occupied. The quantum and quality of work undergo some cosmetic changes as he grows, but the necessity of work is not dispensed with, till he breathes his last.

Performance of work and various tasks, also create certain desires in him. Some desires are basic and are need based, and must be fulfilled to make both ends meet, or as is often said, to keep the body and soul together. Some of us are not content with the fulfillment of, only the basic desires and aspire for bigger things in life. So we start working harder. Some of us again not content with what we have aspire to acquire many more things in life, without having to work for them. In other words, all of us want to own the world with or without work. No one, who has entertained desires and has strong material aspirations, feels happy, if they are not fulfilled. The important question is that how does one achieve them with or without working. You will of course earn them by putting in some hard work, but they may not meet with your expectations. This is where the need the art of negotiation comes in.

Let us begin from the beginning. A child in his growing phase is an astute negotiator and we need to learn a thing or two from him. Everybody in every stage of his life has certain needs and desires and they have to be fulfilled. A growing child also has them, though they have to be fulfilled. A growing child also has them, though their scale and pattern may not be very high. These demands may involve buying a new toy, permission to watch television, going out to play in the park or visiting a friend's house close by etc. He does not like to be refused permission, however

small or insignificant the demand may be. He recalls his past experience of having asked one of the parents, and depending upon his success in the previous episode, he asks that parent with whom the chances of success are brighter. He has an uncanny ability to identify both his specific demands and the person most likely to grant them. In other words, he is able to connect his need with that parent who would encourage him to participate in such activity and see no harm in the child indulging in it. For instance, his going out to the park to play with his friends, would normally not be objected by his father. Watching television for long hours may cause harm to his vision, and is sure to be disapproved by his mother. He learns the first step for successful negotiation; the ability to size up others.

The second component for effective negotiation and perhaps the most important one relates to the content. The demand that you make on other should be based on truth and righteousness. It should be morally justified and should not result in any harm to anybody. One must be fully convinced of the genuineness of the demand and any association with frivolous cause should be completely discouraged.

Your strength as a negotiator does not necessarily come from your personality, although that is one of the several factors for success. It emanates, essentially from the issue involved, the number and kind of people whose behalf you are negotiating. For example, if the issue involved is intended to benefit a very large number of people, you can never go wrong. Indeed you get an extra strength to negotiate. If you are negotiating on behalf of the poor and the underprivileged, it will become difficult for others to say no easily. If you are placing a demand which is meant for the benefit of one or two persons, it would be looked upon with suspicion. Interceding on behalf of large number of people, from whom you do not stand to gain anything, gives you additional strength.

Have no hidden agenda in your discussions. Everyone appreciates honesty in others, including those who are not famous for honesty themselves. Honesty of purpose and transparency in

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your words, create confidence in your ability to deliver to those for whom you negotiate. Straightforward deals go through without much pain.

Having achieved successful negotiation, do not cheat or renege on your commitments. You may have to come back again on the negotiation table for more. If you have cheated, chances of your success second time round, would be bleak, if not altogether nil. It is equally important to conform to both the letter and spirit of the agreement arrived at during the course of negotiations.

You need To Perform on the Understanding or the agreement arrived at during the negotiations. If there are some shortfalls, you better have some genuine reasons for it, which you must communicate to the person you have negotiated with. This act will reinforce your credibility.

While we need to carry several positive attributes to the Negotiating table, like honesty of purpose, transparency, value based Issues, intention on follow up and genuine demands, one entity that all the participating members can do without is their 'ego'. This would pose the biggest hurdle in reaching an amicable agreement anywhere in the world.

Do not go for negotiation with any pre-conceived notions, apprehensions or indeed any expectations. You may succeed in the first attempt or you may have to marshal new facts to provide strength to your stand, and come back for a fresh round of discussions.

You have to show and express enormous amount of patience nothing of substance is ever achieved with impatience. If you are contemplating something big or out of the ordinary, you have to Work for it and work with great patience. Impatient behavior makes other defensive, and reduces our negotiating abilities. It also engenders suspicion in the mind of others. Do not rush anyone to take a decision for or against. Patience can often wear out the unreasonable resistance put up by the opposite party to the negotiation. It also helps you to reflect calmly, on various aspects of the deal that you wish to square up in your favor. Very often, negotiations that involve massive Stakes economically or

politically tend to stretch for long hours, Indeed days and you need to store enough water like camel in a desert, to last you through to a successful conclusion.

It is extremely important to stay cool throughout the course of negotiations. All discussions in a negotiation, involve the Concept of give and take. A typical course of negotiation sometime generates lots of heat, especially if one of the parties throws certain allegations. This creates an avoidable amount of negative energy, and if the order party throws counter allegations, the negotiation either and in a impasse or breakdown completely to the detriment of all concerned. Recently I was present in a meeting where negotiation started on a wrong note. The first remark made by one person, cast blame on the other group. This meant a series of accusation and counter accusation and the entire discussion was veering around to a position of a deadlock, till a senior member of a particular group got up apologized and urged everyone to resolve the matter. Till his intervention, sparks flew about freely without any basis of significance, and the negative energy in the room reached and unbearable level of intense heat, threatening to demolish the entire process for which several people had worked for years.

It is equally important to stay focused on the subject of the negotiation. Every party must avoid discussion on the peripherals, unless its reference creates a sense of much needed bonhomie. Otherwise, these aside remarks that are not germane to the subject of negotiations, only take away from the attention and the concentration and reduce the discussion to a meaningless babble.

One must always remember not to accuse or blame anyone for intransigence. No one present in a meeting attended by a large number of people, likes to be called an obstacle to the smooth flow of negotiations. The blame may be justified but no useful purpose is served by 'calling a spade a spade' in a group situation. You only end up making that person a bigger roadblock.

I remember having attended a round of negotiation, where two parties to a dispute had also appointed an independent referee or a mediator, to resolve an issue that had been defying resolution for a long time. One of the first thing that mediator did was to

speak of the positive features of both the parties to the dispute, and of their keenness to settle it right there. By a few introductory remarks, he had managed to pull both sides together and one petty issue that had eluded settlement, disappeared as if it never existed.

It also helps to know all that is possible, about the general background of the negotiators, especially of the opposite party. If you are able to reach out to them before the start of the discussion, it creates the right ambience to move ahead in the right direction.

Regardless of the direction of the discussion, it is advisable not to betray any emotions of satisfaction or of any disappointment. This attitude needs to be retained all through and indeed, till the end

of the negotiation. The central issue for both parties is to give and take and any exhibition of euphoria or of deep disappointment, creates negative impression in the mind of the opposite camp. Ideally, in all situations including those that involve important negotiations, one must follow the dictum of the Gita which says the following in chapter 2, Shloka 38:

*Sukh dukhe same kritava
Labha labho jaya jayo
Tato yudhaye yujasva
Naivam papam vapsyasi*

“Treat victory or defeat, loss or gain, happiness or sorrow, on equal footing. Prepare yourself for the battle of your life. You shall never be accused of committing any sin.