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An International Journal
of Research in Management

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The Executive Editor
Jaipuria School of Business
Shakti Khand IV, Indirapuram Ghaziabad
Phone: 0120-488 11 00, 09999686086
Email: ojas@jaipuria.edu.in

From the Editor - in - Chief

Dear authors, reviewers and readers,

I am delighted to share that OJAS international journal of research in management with the motto of "Expanding knowledge Horizon" has been listed in J Gate. Staying true to the multi-disciplinary mission of the journal, the current issue includes research papers, articles and book review across wide range of topics from innovation, supply-chain management to information sciences.

Dr. Gitanjali Upadhaya and Dr. Kamal Gupta in their empirical study on Market Timing Ability of Indian Mutual Fund managers have asserted that the market timing is crucial as per the data across 49 schemes; the findings are critical for calculating returns. Dr. Ranjan Bhardwaj and Atishay Begani in their study titled "A Study on Factors Affecting Customer Buying Decision of Detergents in India with emphasis on major brands used in Kolkata" have posited that consumer awareness is a key input driving purchase decision. Dr. Abhishek Jain and Abhishek Tyagi in their study on using optimisation approach for capacity-building in FMCG sector have explored how integration of sales & marketing with operations can yield better results in terms of meeting demand at least distribution cost.   Dr. Bharat Bhushan in his article titled "Smart Solutions – The Future for Sustained Living" has discussed how AI and IoT can be effectively used to create smart solutions in the disruptive age.

Prof. Maninder Singh has shared his perspective on how marketing is shifting from transactions to relationships and elaborated on the significance of CEM (Customer Experience Marketing). Ms. Radhika Malhotra in her seminal article on "Work Life Balance and Millennials" has discussed useful ways to lead a healthy work-life balance.

The book review by Prof. Komal Kapoor "Steve Jobs" authored by Walter Isaacson, shared that the book provides hope to the US that has been the pioneer in technology and innovation. The biography also takes the reader through the journey of the ups and downs at Apple and the growing resentment against Steve Jobs. Dr. D Datta in her book review for the biography titled "The Firm (The Inside Story of McKinsey)" authored by Duff McDonald chronicles the inside story of McKinsey and its meteoric rise.

As always, we welcome constructive feedback and hope that our work inspires you to engage with our journal.

Regards,

Timira Shukla
Editor-in-Chief

Our Inspiration

Dr. Rajaram Jaipuria
(1934-2015)
Founder, Jaipuria School of Business

"When one performs his prescribed duty only
because it ought to be done, and renounces all
material association and all attachment to the fruit,
his renunciation is said to be in the mode of
goodness"…

Bhagwad Gita

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Research Articles

Market Timing Ability of Indian Mutual Fund Managers: An Empirical Study

Dr. Gitanjali Upadhaya*
Dr. Kamal Gupta**

Abstract

There is an ongoing debate among practitioners and academicians on whether portfolio managers are able to earn abnormal returns by effective market timing skills or investment selection. Most of the literature suggests that there is little evidence of having the market timing skills among investment managers. This paper is an attempt to study the market timing ability of Indian Mutual Fund managers for 49 schemes for the period 2003-2013 using Treynor and Mazuy (1966) and Henricksson and Merton (1984) models. The data regarding net asset value on a daily basis was collected from the Capital Line Database. The empirical results indicated that the majority of mutual fund schemes have negative market timing ability. The findings of the research can provide important insight for the investors, portfolio managers, and academics into which mutual funds managers have been able to time the market providing abnormal returns. Further, future researchers may try to investigate the behavioral causes of no market timing among most of the mutual fund schemes affecting adversely the investment objectives of investors and other stakeholders of mutual funds.

Keywords: Market-Timing Ability, Systematic Risk, Mutual Fund, Market Volatility

Introduction

Market timing is an important instrument in determining success in portfolio management. In an equity portfolio, market timing is the response to changes in the equity markets. If the markets are expected to perform better or to earn a high premium, the systematic risk would be increased by the managers. On the other hand, if the markets are expected to go down or earn low risk premium, then the systematic risk would be reduced. Therefore, modification in the systematic risk acts as an instrument of market timing for the investment manager in an equity portfolio (G. Sethu, 2005).

Market timing ability describes the ability of a manager to predict the direction, the ups and downs in the overall market movements. It is one of the most important skills of the mutual fund managers which determines whether the managers have been able to provide superior returns to offset the expenses of information, transaction costs and management fees charged. Therefore, active fund managers spend considerable time in predicting the market movements and make a strategy for investment accordingly to earn high risk premium for the investors. The ability to earn superior returns on the basis of the forecasting ability of the investment manager is contradictory to the assumptions of the market efficiency hypothesis. In an efficient market, the security prices will adjust automatically based on the information available in the market leaving no scope for the investment manager to predict the markets. But active

fund managers focus on implementing the strategic skills to time the market to provide superior returns to the investors as against passive investors.

In an attempt to evaluate the market timing abilities of mutual fund managers, the present study has focused on 49 mutual fund schemes for the period 2003-2013 by using Treynor & Mazuay (1966) and Henriksson & Merton (1984) Models using daily market returns of mutual returns. Section II highlights the review of financial literature in the field of studying and evaluating the market timing ability of mutual fund managers and explaining the gap which was found during the review which prompted the researcher to undertake this study. In Section III, statistical techniques are given by Treynor & Mazuay (1966) and Henriksson & Merton (1984) are discussed. Section IV is related to the analysis and interpretation of the models. It was found that the majority of mutual fund schemes had negative market timing ability among fund managers as per both the Treynor & Mazuay (1966) and Henriksson & Merton (1984) Models.

Review of Literature

It is a common practice to examine the performance of the mutual fund managers for the better allocation of resources in the economy and further helping the investors for availing abnormal returns, Mutual fund managers for developing their strategies and policy makers for the overall growth of the industry and better allocation of financial resources in the economy. Treynor & Mazuay introduced the market timing concept in 1966 by

*Assistant Professor, Central University of Himachal Pradesh, gitanjali_cuhp@gmail.com, Mobile no. 098165-05313.
**Assistant Professor, Department of MBA, ITS Engineering College, Greater Noida, gargkamal009@gmail.com, Mobile no. 86280-48782.

introducing a statistical test to evaluate the anticipating capability of the stock market on 57 open-ended mutual funds and find little evidence of the market timing ability. Further, Fama (1972) found the two sources of the overall performance of the mutual fund manager. First is the stock-selection ability of the mutual fund managers and second is the market timing ability of the mutual fund manager. Jensen (1968, 1969) examined the stock-selection ability of the mutual fund managers using the single parameter model adding intercept in the CAPM Model and assuming the systematic risk stationary. Since the risk levels were stationary, Fama (1972) and Jensen(1972) addressed the issue of stationary of systematic risk and further redefined by the Kon and Jen (1978, 1979), Fabozzi and Francis(1979), Alexander and Stover (1980) and Miller and Gresis (1980). They find that the risk levels of the mutual funds are not constant and there may be a possibility of timing element in the strategies of the mutual fund managers. Merton (1981) developed the theoretical framework for the final version of the Henriksson & Merton (1984) model to define the changing the risk-levels capability of the mutual fund managers during the up-market and down-market conditions. Earlier studies have used only monthly and yearly returns. Thus, we attempt to add to the existence of literature using daily returns for the mutual fund returns and market index returns for measuring the market-timing ability of the mutual fund managers.

Research Methodology

Sample Selection

There wasaa total of 382 schemes as on 31st March, 2003. Out of this, open-ended growth oriented schemes constitute 115 schemes. Out of 115 schemes there were only 49 schemes which existed during the research period under study as the rest of the schemes either merged with the existing schemes or were no more in existence due to poor performance and other such reasons.

The NAV (Net Asset Value) has been collected from Capital Line Database and then further match with Value Research and Moneycontrol.com databases, for verification regarding the nature of the scheme and date of the scheme. In addition, index funds and sector funds are excluded from the study as they do not come under the direct purview of the equity market segment.

Mutual fund returns are measured on a daily basis by using the formula Ln (P1/P0) where P1 is the current daily's price. P0 is the previous daily price. The main advantage of using logarithmic returns is that it is not affected by the base effect problem.

Benchmark Selection:

In order to fulfill the objectives considered under study, BSE-500 has been considered for its broad-based quality As per SEBI Master Circulation 2013, which defined some particular regulation regarding the comparison of the growth, Equity schemes with the particular benchmark.

Selection of Risk-free Interest rate:

Risk-free interest rate 91-day treasury bills has been taken from the RBI data-base, which is available on the annual-rate basis. It is further calculated on a daily basis by dividing by 365 days.

Models Used

The market timing of sample mutual fund schemes has been evaluated by using the two measures. Brief descriptions of these measures are as follows:

a.   Treynor and Mazuy model (1966)

Treynor and Mazuy's model was proposed in 1966 to define the non-linear relationship between the mutual fund portfolio and market portfolio, adding a quadratic term to the Jensen (1969). In this case, the market timing ability of the mutual fund managers was defined in terms of the capability to switch between the market and risk-free market. The model for the same can be calculated as follows:

$$R_p - R_f = a + b(R_m - R_f) + g(R_m - R_f)^2 + e_p$$

Where,
Rp=Portfolio return
Rf= Risk – free Return
Rm= Market Portfolio return
 = Random error turn
a, b And g are parameters of the model.

The parameters in the above model can be estimated by using standard regression methodology. Treynor and Mazuy have argued that the estimated value of parameter g in the above formula act as a measure of the market timing skill of the fund manager. If fund managers could able to select the time correctly, the estimated value of g would be significantly positive. On the contrary, if the estimated value of g should not be significantly different from zero, the fund managers are not being able to select the market timing correctly.

B)   Henriksson& Merton Model:

Another return-based approach for estimating timing performance is the options approach developed by Merton and Hendrickson. The regression used is similar to Treynor & Mazuy regression. In contrast to the linear beta, adjustment of the Treynor and Mazuy framework, the portfolio beta in the Henriksson and Merton study is assumed to switch between two betas. A large value if the market is expected to do well, i.e. when Rm>Rf up market and a small value otherwise. I.e. when Rm <Rf

(down market). Therefore, it is argued that a successful market timer would select a high up market beta and a low down-market beta according to market conditions. Thus, such a relationship can be estimated by the equation using a dummy variable.

$$R_p - R_f = a + b(R_m - R_f) + g(D[R_m - R_f]) + e_p$$

Where D is a dummy variable that equals 'o' for Rm>Rf and '–1' otherwise.

So, the beta of the portfolio is b in an up-market and (b-g) in a down market. Parameter g indicates the difference between the two betas and the significant value of g would indicate a market timing ability of the fund managers.

Empirical Findings

Table 1 : Descriptive Statistics (N=49)

S.No.	Mutual Fund Name	Mean	Standard Deviation
1	Birla Sunlife Advantage Fund	-.0240	.0179
2	Birla Sunlife Buy India Fund	-.0237	.0155
3	Birla Sunlife Equity Fund	-.0238	.0172
4	Birla Sunlife Frontline Equity Fund	-.0238	.0163
5	Birla Sunlife Midcap Fund	-.0206	.0155
6	Birla Sunlife MNC Fund	-.0238	.0135
7	Birla Sun-Life opportunities Fund	-.0238	.0161
8	Birla Sunlife Yield Fund	-.0226	.0156
9	DSP BR Opportunities Fund	-.0238	.0165
10	DWS Alpha Equity Fund	-.0239	.0171
11	Escorts Growth Plan	-.0241	.0281
12	Franklin India Bluechip Fund	-.0238	.0165
13	Franklin India Prima Fund	-.0238	.0158
14	Franklin India Prima Plus	-.0237	.0155
15	HDFC Capital Builder	-.0240	.0179
16	HDFC Equity Fund	-.0237	.0170
17	HDFC Growth Fund	-.0238	.0161
18	HDFC Top 200 Fund	-.0237	.0169
19	HSBC Equity Fund	-.0238	.0164
20	ICICI PruDyanamic Plan	-.0238	.0158
21	ICICI Pru Top 100 Fund	-.0239	.0173
22	ICICI Pru Top 200 Fund	-.0239	.0172
23	ING Core Equity Fund	-.0240	.0185

24	JM Basic Fund	-.0247	.0206
25	JM Equity Fund	-.0241	.0184
26	Kotal 50	-.0243	.0186
27	LIC Nomura MF Equity Fund	-.0241	.0185
28	LIC Nomura MF Growth Fund	-.0240	.0185
29	Morgan Stanley Growth Fund	-.0240	.0171
30	Principal Growth Fund	-.0240	.0166
31	Reliance Growth Fund	-.0236	.0164
32	Reliance Vision Fund	-.0238	.0168
33	SBI Contra Fund	-.0240	.0193
34	Sudram Select Focus Fund	-.0239	.0175
35	Sudram Select Midcap Fund	-.0229	.1062
36	Sundram Growth Fund	-.0239	.0177
37	Tata Equity opportunities Fund	-.0238	.0172
38	Tata Ethical Fund	-.0238	.0169
39	Tata Growth Fund	-.0245	.0177
40	Tata Pure Equity Fund	-.0237	.0167
41	TaurasBonaza Fund	-.0241	.0194
42	Taurus Discovery Fund	-.0241	.0202
43	Taurus Starshare Fund	-.0238	.0247
44	UTI Equity Fund	-.0240	.0158
45	UTI Master Plus Fund	-.0240	.0172
46	UTI Master Value Fund	-.0243	.0194
47	UTI Mastershare Fund	-.0241	.0161
48	UTI MNC Fund	-.0239	.0134
49	UTI Top 100 Fund	-.0244	.0219

Source: Researcher's Study

Table 2 (N=49)
Results of Treynor&Mazuay Model

	Adjusted R^2	Intercept (a)	P-value	Beta (b)	P-value	Gamma(g)	t- Stat	P-value
Sundram Select Focus Fund	0.91	-0.012	0.238	0.93	0.00	0.008	7.48	0.00
LIC Nomura Growth Fund	0.88	-0.024	0.052	0.96	0.00	0.008	5.80	0.00
JM Equity Fund	0.91	-0.032	0.003	0.98	0.00	0.007	5.99	0.00
UTI Master Plus	0.94	-0.015	0.061	0.93	0.00	0.005	5.33	0.00
Birla SunlifeFrontlineEquity	0.95	0.011	0.092	0.87	0.00	0.004	5.30	0.00
Birla Sunlife Mid-Cap Fund	0.82	0.021	0.097	0.86	0.00	0.003	2.31	0.02
HDFC Top 200 Fund	0.95	0.024	0.001	0.91	0.00	0.003	3.63	0.00
HDFC Equity Fund	0.91	0.024	0.012	0.89	0.00	0.003	2.40	0.02

LIC Noumra Equity Fund	0.92	-0.021	0.036	0.99	0.00	0.002	2.08	0.04
UTI Master Share	0.90	-0.008	0.426	0.83	0.00	0.002	2.10	0.04
Birla Sunlife Equity Fund	0.93	0.017	0.048	0.91	0.00	0.002	2.27	0.02
Tatastarshare Fund	0.46	0.014	0.694	0.98	0.00	0.002	0.51	0.61
UTI Top 100 Fund	0.47	-0.043	0.178	0.88	0.00	0.002	0.54	0.59
Tata Pure Equity Fund	0.93	0.025	0.002	0.88	0.00	0.001	1.58	0.11
Relaince Vision Fund	0.92	0.015	0.090	0.86	0.00	0.001	1.46	0.15
Morgan Stanley Growth	0.94	-0.007	0.390	0.91	0.00	0.001	1.50	0.13
Birla Sunlife Advantage	0.94	-0.002	0.789	0.96	0.00	0.001	1.18	0.24
ICICI Pru Top 200	0.94	0.009	0.252	0.92	0.00	0.001	1.19	0.23
Sundram Growth Fund	0.94	0.006	0.503	0.95	0.00	0.000	0.12	0.90
SBI Contra Fund	0.69	-0.001	0.962	0.90	0.00	0.000	-0.01	0.99
Sundram Midcap Fund	0.00	-0.017	0.249	0.00	0.86	-0.001	-0.31	0.76
HSBC Equity Fund	0.94	0.026	0.001	0.86	0.00	-0.001	-1.02	0.31
Kotak 50	0.73	-0.031	0.103	0.89	0.00	-0.001	-0.45	0.66
DSP BR Opportunities Fund	0.96	0.027	0.000	0.88	0.00	-0.001	-1.59	0.11
Tata Equity Opportunities	0.91	0.031	0.002	0.89	0.00	-0.001	-1.23	0.22
Birla Sunlife Buy India Fund	0.78	0.038	0.005	0.73	0.00	-0.001	-0.94	0.35
HDFC Growth Fund	0.93	0.031	0.000	0.84	0.00	-0.001	-1.60	0.11
Tata Discovery Fund	0.73	-0.009	0.677	0.97	0.00	-0.002	-0.81	0.42
DWS Alpha Equity Fund	0.92	0.019	0.035	0.90	0.00	-0.002	-2.08	0.04
Tata Bonaza Fund	0.79	-0.010	0.575	0.97	0.00	-0.003	-1.55	0.12
Reliance Growth Fund	0.90	0.051	0.000	0.84	0.00	-0.003	-2.84	0.00
Principal Growth Fund	0.93	0.008	0.321	0.87	0.00	-0.004	-3.94	0.00
UTI Equity Fund	0.87	0.022	0.039	0.79	0.00	-0.004	-3.72	0.00
Tata Growth Fund	0.84	0.027	0.049	0.84	0.00	-0.005	-3.60	0.00
Birla Sunlife Opportunities	0.79	0.011	0.429	0.77	0.00	-0.006	-4.24	0.00
Franklin India Prima Fund	0.76	0.052	0.000	0.75	0.00	-0.007	-4.29	0.00
Birla Sunlife Dividend Yield	0.82	0.045	0.000	0.73	0.00	-0.007	-5.55	0.00
UTI MNC Fund	0.72	0.044	0.000	0.58	0.00	-0.007	-5.28	0.00
Birla Sunlife MNC Fund	0.76	0.055	0.000	0.59	0.00	-0.008	-6.2	0.00
UTI Master Value Fund	0.48	0.006	0.816	0.76	0.00	-0.010	-3.26	0.00
Tata Ethical Fund	0.87	0.053	0.000	0.85	0.00	-0.011	-8.58	0.00
Escorts Growth Plan	0.01	0.099	0.080	0.13	0.00	-0.024	-3.77	0.00
HDFC Capital Builder Fund	0.07	0.477	0.000	14.2	0.00	-0.024	-7.97	0.00
ICICI Pru Dynamic Plan	0.07	0.127	0.000	0.17	0.00	-0.025	-7.83	0.00
ICICI Pru Top 100	0.06	0.121	0.000	0.18	0.00	-0.027	-7.59	0.00
ING Core Equity Fund	0.06	0.108	0.002	0.18	0.00	-0.027	-7.04	0.00
Franklin India Prima Plus	0.80	1.699	0.000	**66.1**	0.00	-48.667	-83.21	0.00
Franklin India Blue chip	0.81	1.801	0.000	**70.3**	0.00	-51.863	-85.42	0.00
JM Basic Fund	0.65	2.017	0.000	**82.7**	0.00	-61.487	-56.9	0.00

Source: Data compiled by using SPSS.
Note: * means significant at 0.05, ** means Significant at 0.01.

According to the empirical results mentioned above, out of the 49 mutual fund schemes, 18 mutual fund schemesi.e.Sundram Select Focus Fund, LIC Nomura Growth Fund, JM Equity Fund, UTI Master Plus, Birla Sunlife Frontline Equity Fund, Birla Sunlife Mid-Cap Fund, HDFC Top 200 Fund, HDFC Equity Fund , LIC Noumra Equity Fund, UTI Master Share, Birla Sunlife Equity Fund, Tatastarshare Fund, UTI Top 100 Fund, Tata Pure Equity Fund, Reliance Vision Fund, Morgan Stanley Growth Fund, Birla Sunlife Advantage Fund and ICICI Pru Top 200 have significant market timing ability. The rest of the 31 schemes has a negative market-timing ability.

5.2.2   Henrikkson& Merton Model (1984)

Henriksson& Merton Model (1984) proposed by Henrikkson& Merton in 1984 to evaluate the market timing ability of the mutual fund manager. He considered two betas, one in up-market and another is down-market. The basic objective is to define the model of market-timing ability, assuming that the risk-levels of the mutual fund schemes are changed by the mutual fund managers as per the market conditions. In the case of the up-markets the beta remains the same or low and in case of down-markets the beta decreases. The market timing ability is depicted by the difference between the betas of both up and down markets.

Table 3 Relationship between the mutual fund returns and market index using Henriksson& Merton Model

	Adjusted R Square	Intercept	t Stat	P-value	Beta	t Stat	P-value	Gama	t Stat	P-value
JM Basic Fund	0.60	2.192	49.45	0.000	1.09	1.24	0.21	-88.8	-49.7	0.00
Franklin India Bluechip Fund	0.71	0.342	17.41	0.000	7.90	15.11	0.00	-79.83	-63.0	0.000
Franklin India Prima Plus	0.74	1.845	71.88	0.000	1.51	2.96	0.00	-70.6	-68.3	0.000
Escorts Growth Plan	0.02	0.293	3.90	0.000	-0.1	-1.61	0.108	-0.456	-4.94	0.0000
ICICI Pru Top 100	0.06	0.275	6.51	0.000	-0.02	-0.62	0.537	-0.403	-7.71	0.0000
ING Core Equity Fund	0.05	0.258	5.62	0.000	-0.01	-0.40	0.692	-0.394	-6.95	0.0000
ICICI Pru Dynamic Plan	0.07	0.271	7.25	0.000	-0.02	-0.51	0.609	-0.373	-8.07	0.0000
HDFC Capital Builder Fund	0.06	0.276	5.66	0.000	1.98	0.86	0.389	-0.293	-7.52	0.0000
Franklin India Prima Fund	0.76	0.144	7.48	0.000	0.65	43.15	0.000	-0.194	-8.27	0.0000
HSBC Equity Fund	0.94	0.118	12.36	0.000	0.78	103.39	0.000	-0.192	-14.72	0.0000
Tata Discovery Fund	0.73	0.084	3.12	0.002	0.88	40.55	0.000	-0.174	-5.21	0.0000
UTI Master Value Fund	0.48	0.075	2.06	0.039	0.67	23.05	0.000	-0.168	-3.76	0.0002
Tata Ethical Fund	0.86	0.108	6.98	0.000	0.78	62.36	0.000	-0.149	-7.81	0.0000
Birla Sunlife MNC Fund	0.76	0.103	6.80	0.000	0.53	43.50	0.000	-0.123	-6.61	0.0000
Birla Sunlife Dividend Yield Plus	0.82	0.092	5.91	0.000	0.67	53.41	0.000	-0.118	-6.12	0.0000
Tata Growth Fund	0.84	0.080	4.48	0.000	0.78	58.17	0.000	-0.116	-5.60	0.0000
Birla Sunlife Opportunities Fund	0.79	0.048	2.66	0.008	0.73	49.62	0.000	-0.097	-4.33	0.0000
UTI MNC Fund	0.72	0.078	4.72	0.000	0.53	39.87	0.000	-0.094	-4.61	0.0000
Tata Bonaza Fund	0.79	0.034	1.50	0.134	0.93	49.85	0.000	-0.093	-3.26	0.0011

Fund										
Reliance Growth Fund	0.90	0.094	7.27	0.000	0.79	75.52	0.000	-0.092	-5.76	0.0000
Birla Sunlife Buy India Fund	0.78	0.086	4.84	0.000	0.68	47.65	0.000	-0.092	-4.19	0.0000
Tata Equity Opportunities Fund	0.91	0.070	5.33	0.000	0.86	80.80	0.000	-0.077	-4.73	0.0000
Tatastarshare Fund	0.46	0.056	1.16	0.247	0.95	24.38	0.000	-0.064	-1.08	0.2815
Birla Sunlife Mid-Cap Fund	0.82	0.065	3.79	0.000	0.78	56.30	0.000	-0.062	-2.92	0.0036
UTI Equity Fund	0.87	0.043	3.04	0.002	0.77	67.83	0.000	-0.058	-3.34	0.0009
SBI Contra Fund	0.69	0.029	1.04	0.297	0.88	39.13	0.000	-0.054	-1.56	0.1200
Principal Growth Fund	0.93	0.028	2.65	0.008	0.85	99.07	0.000	-0.052	-4.00	0.0001
HDFC Growth Fund	0.93	0.045	4.19	0.000	0.82	94.72	0.000	-0.032	-2.37	0.0179
DSP BR Opportunities Fund	0.96	0.033	3.88	0.000	0.87	128.02	0.000	-0.015	-1.47	0.1411
Sundram Growth Fund	0.94	0.014	1.28	0.201	0.95	105.96	0.000	-0.015	-1.08	0.2816
Kotak 50	0.73	-0.026	-1.05	0.295	0.89	44.10	0.000	-0.013	-0.41	0.6852
Birla Sunlife Equity Fund	0.93	0.029	2.57	0.010	0.91	99.54	0.000	-0.012	-0.83	0.4064
Birla Sunlife Advantage Fund	0.94	0.006	0.54	0.590	0.96	103.64	0.000	-0.010	-0.69	0.4931
DWS Alpha Equity Fund	0.92	0.017	1.39	0.163	0.90	93.40	0.000	-0.006	-0.39	0.6953
Tata Pure Equity Fund	0.93	0.030	2.81	0.005	0.88	101.04	0.000	-0.002	-0.15	0.8806
Sundram Midcap Fund	0.00	-0.017	-1.15	0.249	0.00	0.18	0.859	-0.001	-0.31	0.7586
Relaince Vision Fund	0.92	0.018	1.55	0.121	0.89	95.16	0.000	0.001	0.07	0.9426
Morgan Stanley Growth Fund	0.94	-0.006	-0.62	0.534	0.92	112.27	0.000	0.006	0.45	0.6561
LIC Noumra Equity Fund	0.92	-0.025	-1.87	0.062	1.00	93.92	0.000	0.018	1.09	0.2744
UTI Top 100 Fund	0.47	-0.052	-1.23	0.219	0.89	26.16	0.000	0.025	0.48	0.6287
HDFC Equity Fund	0.91	0.014	1.11	0.268	0.91	89.38	0.000	0.029	1.89	0.0583
UTI Master Share	0.90	-0.019	-1.45	0.147	0.85	82.26	0.000	0.030	1.90	0.0572
Birla Sunlife Frontline Equity Fund	0.95	-0.004	-0.43	0.664	0.89	125.54	0.000	0.045	4.15	0.0000

HDFC Top 200 Fund	0.95	0.005	0.55	0.584	0.93	124.89	0.000	0.046	4.05	0.0001
ICICI Pru Top 200	0.94	-0.015	-1.43	0.153	0.95	111.27	0.000	0.048	3.68	0.0002
JM Equity Fund	0.91	-0.040	-2.83	0.005	1.01	87.67	0.000	0.049	2.76	0.0059
Sundram Select Focus Fund	0.91	-0.023	-1.73	0.084	0.96	88.69	0.000	0.060	3.61	0.0003
UTI Master Plus	0.94	-0.037	-3.42	0.001	0.96	110.92	0.000	0.061	4.60	0.0000
LIC Nomura Growth Fund	0.88	-0.041	-2.45	0.014	1.00	74.41	0.000	0.068	3.29	0.0010

Table 3 shows the market-timing ability of the mutual fund managers on the basis of Henriksson& Merton Model. Out of the 49 mutual fund schemes, only 5 schemes i.e. Birla Sunlife Frontline Equity Fund, HDFC Top 200 Fund, ICICI Pru Top 200, JM Equity Fund, Sundram Select Focus Fund, UTI Master Plus and LIC Nomura Growth Fund have the significant market-timing ability.

The mutual fund schemes having insignificant market-timing ability are Reliance Vision Fund, Morgan Stanley Growth Fund, LIC Noumra Equity Fund, UTI Top 100 Fund, HDFC Equity Fund and UTI Master Share. The rest of the schemes is having negative market timing ability.

Table 3

Mutual Fund Schemes Having Market-Timing Ability		
Birla Sunlife Frontline Equity Fund	MT	Significant
HDFC Top 200 Fund	MT	Significant
ICICI Pru Top 200	MT	Significant
JM Equity Fund	MT	Significant
Sundram Select Focus Fund	MT	Significant
UTI Master Plus	MT	Significant
LIC Nomura Growth Fund	MT	Significant
Reliance Vision Fund	MT	Insignificant
Morgan Stanley Growth Fund	MT	Insignificant
LIC Noumra Equity Fund	MT	Insignificant
UTI Top 100 Fund	MT	Insignificant
HDFC Equity Fund	MT	Insignificant
UTI Master Share	MT	Insignificant

MT stands for the market-timing ability

Conclusion

This paper attempts to understand the market-timing ability of the mutual fund manager using both Treynor&Mazuay Model (1966) and Henriksson& Merton Model (1984). Market-timing ability is one of the most important skills of the mutual fund industry. For the survival and growth of this industry, the mutual fund manager should have the ability to predict the movement or direction of the market, changing the risk-levels of the portfolio according to the market and economic conditions.

As the time-period taken in the study covers from 2003-2013, which includes the normal market conditions and crisis period, the market timing ability can be measured. On the basis of

Treynor&Mazuay Model, out of 49 schemes only 18 mutual fund schemes have a significant market-timing ability. Further on the basis of Henriksson& Merton Model only 5 schemes have the market-timing ability. Moreover, the future direction of research can be done for the sources of the market-timing ability of mutual fund managers.

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A Study on Factors Affecting Customer Buying Decision of Detergents in India with Emphasis on Major Brands used in Kolkata

Dr. Ranjan Bhardwaj*
Atishay Begani**

Abstract

The research work objectives are to find out about consumer's awareness about the various brands, what are the main features consumers look in detergents while buying and brand loyalty and brand switching tendencies. To gather the data, the questionnaire method is used. The research design used in our research is descriptive. Convenience sampling was done. Target customers are mainly housewives, bachelors and others who are using detergents. The age group was not defined. The area where research is done is Kolkata because of the convenience factor. Quantitative techniques like frequency distribution and statistical analysis using mean and coefficient of variation analysis were carried out to make interpretations.The findings of my research revealed that consumers' awareness of detergent brands is dominated by advertising and word of mouth communications. Though the purchase and usage patterns differ, most consumers tend to remain brand loyal provided the brand gives them a satisfactory wash. Different people have differing notions of the reasons for buying a particular brand. The majority though favor price and recommendations some also favour the promotional offers and fragrance. Though the liquid form is gaining importance, a large part of the consumers still feels powder is the best form of detergent. Finally, among the 4 chosen brands a comparative analysis has been done and the brands have been ranked on various parameters individually. While surf excel rules the roost in almost every parameter, Nirma takes the lead in price shifting it to the second spot.

Introduction

There are several brands available in the Indian market, but we have chosen 4 major brands with the largest market share. The Indian laundry market is around Rs.5000 crore, with HUL enjoying the highest 38% of the share, followed by others like P&G, Nirma, Ghari, etc. The brands in the study, we have tapped are Nirma, Ariel, Tide, Surf Excel and leaving others as an option. Competition in this market is really high with HUl, P&G, and Nirma, etc strategizing and innovating to capture the market.

The first commercially available detergent taking advantage of those observations was Nekal, sold in Germany in 1917, to alleviate world war in the study, we have soap shortages. Detergents were mainly used in industry until world war II. By then new developments and the later conversion of us aviation fuel plants to produce tetrapropylene, used in household detergents, caused a fast growth of household use, in the late 1940s. In the late 1960s biological detergents, containing enzymes, better suited to dissolve protein stains, such as egg stains, were introduced in the USA by Procter & Gamble.

The first companies to manufacture detergents in India were HLL and Swastik. HLL test marketed Surf between 1956 and 1958 and began manufacturing it from 1959. Swastik launched det, a white detergent powder, in 1957 by 1960; det had made rapid inroads in eastern India. Surf, a blue detergent powder, became the national market leader with dominant positions in the west, north and south. In the early 1960s, thetotal volume of detergents manufactured in India grew from around 1600 tons to 8000 tons. HLL dominated the market with a share of almost 70 % compared to det's 25%.

The detergent market is one of the segments of the FMCG market in India that is in the maturity stage and still has high growth potential. Although, the detergent consumption in India is less in comparison to the other Asian countries, it is growing vigorously. The per capita detergent consumption in India is around 2.7 kg per year, whereas places like the Philippines and Malaysia, the per capita consumption is 3.7 kg, and in the USA it is around 10kg. The detergent sector, with its increasing ability to influence consumers through advertisements, is rapidly expanding its market. Due to the increase in population, higher urbanization, the spread of education and rising levels of income and consumption, the overall growth of the detergent market has been in double digits from the last several years. The detergent market is mainly concentrated in the urban areas but the level of penetration in the rural areas for the past few years has been astonishing.

According to "India detergent market outlook, 2021", the overall market for detergent is growing with a CAGR of 13.06% from the last five years. Detergents are available in three forms namely powder detergent, bar detergent and a liquid detergent. Powder detergents are widely accepted by Indian consumers and dominate the industry.

*Assistant Professor, J. D Birla Institute, Kolkata
**PGDM Student, J.D. Birla Institute, Kolkata

The demand for detergents has been growing but the regional and small unorganized players account for a major share of the total volume of the detergent market. In washing powder HUL is the leader with ~38 per cent of market share. Other major players are Nirma, Henkel and Proctor & Gamble. Major brands include Surf Excel, Wheel, Tide, Rin, Ghari, Nirma, Ariel, Henko, etc. In the study, we have focused on Surf Excel, Nirma, Ariel and Tide in the study.

Research Objective

The following project was undertaken by me to gain an understanding of the real environment of the market in which research is conducted. Marketing research, being a very important field of study in management can only be learned through practically working in the markets. The subject of my study being an FMCG product made me go and interact with the households and know their buying behaviour, preferences and expectations from the detergents they use. In the study, in the study, we have defined my research objectives as follows: -

• To find consumer's awareness about the various detergent brands in Kolkata.
• To find the brand loyalty and the brand switching tendency of consumers.
• To determine the qualities important to consumers while buying a detergent.
• To determine the current status of the brands in reckoning using some of these parameters.

The objectives hence set paved the way for the exhaustive research that in the study, we have conducted in the field to elaborate and analyze separately in order to get a complete and dynamic overview.

Research Design

The research has been largely exploratory in nature owing to the nature of the study. Discovering general trends and notions in the market by simple surveys and experiments was the kernel point of this research. Both primary and secondary data have been used to form a cohesive whole for the entire research. The population comprises the women of the households in Kolkata who are the key decision makers with regard to detergent purchase for at least the last 5 years. The sampling unit is the various households in Kolkata. The sampling process has been done via the non-probability sampling technique, i.e. The random selection of elements has not been done. Though various kinds of non-probability samples are available like judgment, quota and purposive, in the study, we have used the convenience sampling technique. The sample size is 63 which is not too small but not too optimal either owing to the constraints of cost, time and resources.

Research Instrument

The research instrument used is the questionnaire method because it is the most feasible way to interact with the sample organizations and get the relevant data for our market research. Mostly all the questions are in a structured form as the questions are multiple choice questions or they are to be answered in yes or no with some open ended ones as well. Some questions also require respondents to rank or scale the various parameters mentioned. The study on detergents which being FMCG made us go to households and interact to find out the consumer's buying behavior in terms of their awareness and preference of the various detergent brands in the city, and to arrive at the current status of the brands in terms of some of these parameters.

Data Analysis and Interpretation

Each question in the questionnaire has been analyses and interpreted. Statistical operations have been performed when required and findings have been revealed subsequently. We had observed that 58.73% of our surveyed respondents use surf excel, followed by the tide. Together both have more than ¾ market share in the detergent market. Also, 55.56% of surveyed respondents became aware of their respective choices via television advertisement followed by word of mouth. The impact of radio was minimum. The loyalty of consumers to their current brand. As we can see 61.9% of the people have been using their current detergent for the past 4-5 years. Interestingly, only 7.94% of the respondents have been using their choice for more than 5 years.

The above table, shows how various parameters influence a consumer's decision making process for purchasing a brand of detergent. The customer repose highlighted the Price of the product to be most important, followed by Brand Image. The parameter Fragrance was chosen least for influencing the decision. In the study, the appropriate price of the products with respect to the brand selected for the study, we have fond the Nirma had the highest average value, followed by Ariel.
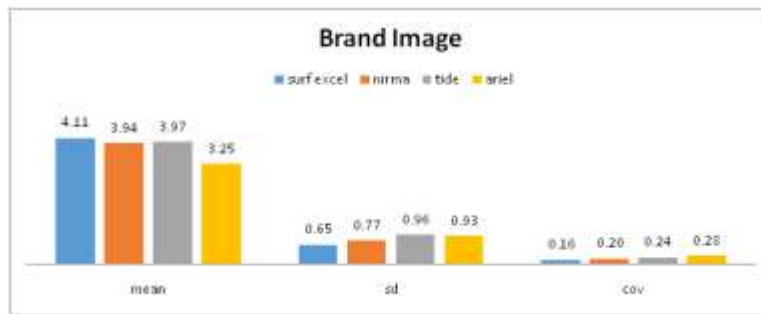

*The above data analysis has been done with respect to annex.
It shows how consumers rate the various brands'
products based on price alone.*
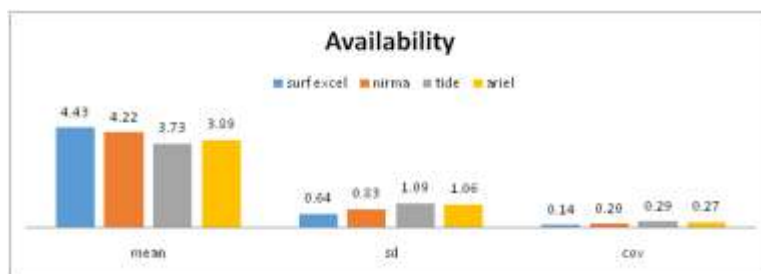
*The above data analysis, shows how consumers rate the various brands'
products based on availability alone. In terms of availability of the
product, customers feel that Surf excel scores highest, followed by Nirma.*
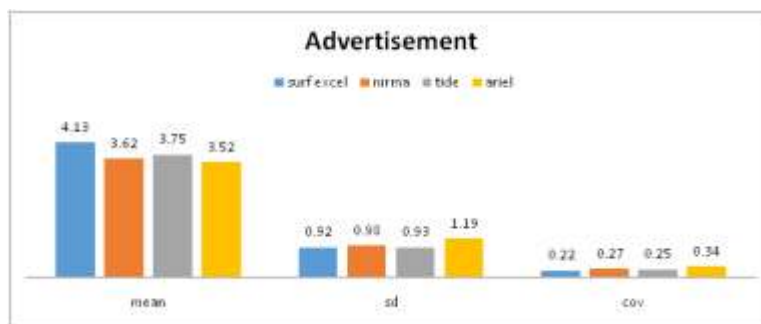
*The above data shows how consumers rate the various brands' products
based on advertisements alone. Surf excel excels in terms of the right
advertising, followed by Tide.*

The above data analysis has been done with respect to annex. 8.4. It shows how consumers rate the various brands' products based on the brand image alone. In terms of Brand image, Surf excel has the highest rank followed by Tide.

Findings

While most customers are brand loyal with the usage of around 4 to 5 years or more, some people are also shifting loyal whereas some tend to switch frequently. The washing in most households happens on a daily basis to date. Some households resort to once or twice a week too but none delays the same for more than two weeks. The purchase of detergent is mainly on a fortnightly or a monthly basis where people buy for the month or fortnight and keep it going as long as the detergent is not over. Among parameters of importance, seasonal variations have a limited role to play as customers are not that bent towards buying based on seasonal variations. The other parameters can be ranked on their cov values as under.

Rank	Parameter
1	Price
2	Brand image
3	Availability
4	Advertisement
5	Recommendation
5	Packaging
7	Others
8	Fragrance

The top 4 have been analyzed only. Other parameters have been left out due to its low importance and owing to a constraint of time. The ranking based on the various parameters for the specific four brands has been arrived at by calculating the cov using the five-point scale of the questionnaire. The parameter rank is considered as weights to calculate the composite score.

	Price (4)	Brand Image (3)	Availability (2)	Advertisement (1)	Composite Rank
Surf excel	2	1	1	1	1.4
Nirma	1	2	2	3	1.7
Tide	4	3	4	2	3.5
Ariel	3	4	3	4	3.4

The Tide has the highest composite rank, followed by Ariel. The composite score, which is depicting different information, elucidates that the companies should consider the price sensitiveness of the customer as well as should also develop the appropriate marketing strategies for Brand building, availability and impactful advertisement.

Conclusion

Consumers' awareness about the detergents is dominated by advertising and word of mouth communication. Most of the people could recall the brands in consideration but surf excel is the leader in terms of current usage. While consumers are dynamic and they may switch according to their whims and fancies, in case of detergents they tend to be loyal to brands and not switch very frequently.

Washing happens on a daily or within a week. Generally, consumers do not intend delaying the same to the following week. However, purchasing is on a fortnightly or more common on a monthly basis. Thus consumers may want to purchase and repurchase accordingly. For most people seasonal variation does not prove to be a very important factor in determining the detergent.

While price and brand image are the most important factors a consumer looks for in a detergent, fragrance and other factors like offers, etc. May prove to be the least important. Surf excel dominates the market overall beaten only in price by Nirma and obtaining the pole position in all the other three parameters considered. Though Nirma is losing its importance it continues to be ahead of Tide and Ariel in terms of brand image and availability.

Limitations of the research

The study is conducted only over a small sample size of 63 respondents. Though the statistical tools help in determining the population characteristics it may not be efficient owing to the small sample. Convenience sampling has been used which results in a problem as only one section or part of the society can be looked into. Random sampling would enable a much better determination of the population characteristics. The coefficient of variation analysis has its own disadvantage as it depends on the mean and standard deviation which may be affected by extreme values.

Only 4 brands could have been focused on owing to the constraint of time and resources. The analysis of brands in parameter specific terms was based on just the top 4 parameters owing to the constraint of time. Knowledge constraint is always a limitation to any research and owing to the same certain advanced operations could have been performed.

Scope of further research

The research was limited to some households of Kolkata. A possibility is to conduct the research for the entire state and region subsequently. Broader based research can be conducted using random sampling for all households in Kolkata. Further the spectrum of brands can be increased too. Just the awareness, consumer patterns and trends were analyzed this time. More exhaustive research can be conducted to gather much more knowledge of the buying patterns and the inter brand analysis.

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ANNEXURE

Chart: 1

	Surf Excel	Nirma	Tide	Ariel	Ghari	Rin	Wheel	Henko
Number of respondents(check)	63	63	63	63	57	59	57	37
Number of respondents(write)	63	60	58	55	42	48	46	24

Chart: 2

Nirma: 2
Surf Excel: 37
Ariel: 6
Tide: 13
Others: 5

■ Number of respondents

Chart: 3

More than 5 years
4-5 years
3-4 years
2-3 years
1-2 years
Less than a year

Chart: 4

	Daily	Once a week	Twice a week	Fortnightly	Monthly
Number	35	21	7	0	0

■ Number of Respondents

Chart: 5

■ Number of Respondents

WEEKLY	FORNIGHTLY	MONTHLY	ONCE IN 2 MONTHS
11	27	23	2

The mean is the weighted average of the score using the number of respondents as the weights.

Chart: 6

Factor	Mean	Standard Deviation	COV
Brand Image	6.73	1.77	0.26
Advertising	5.83	1.94	0.33
Recommendation	6.71	2.30	0.34
Availabilty	6.51	2.01	0.31
Fragrance	3.27	1.97	0.60
Price	7.27	1.71	0.24
Packaging	5.38	1.83	0.34
Others(offers,etc.)	2.06	1.19	0.58

— Mean — Standard Deviation — COV
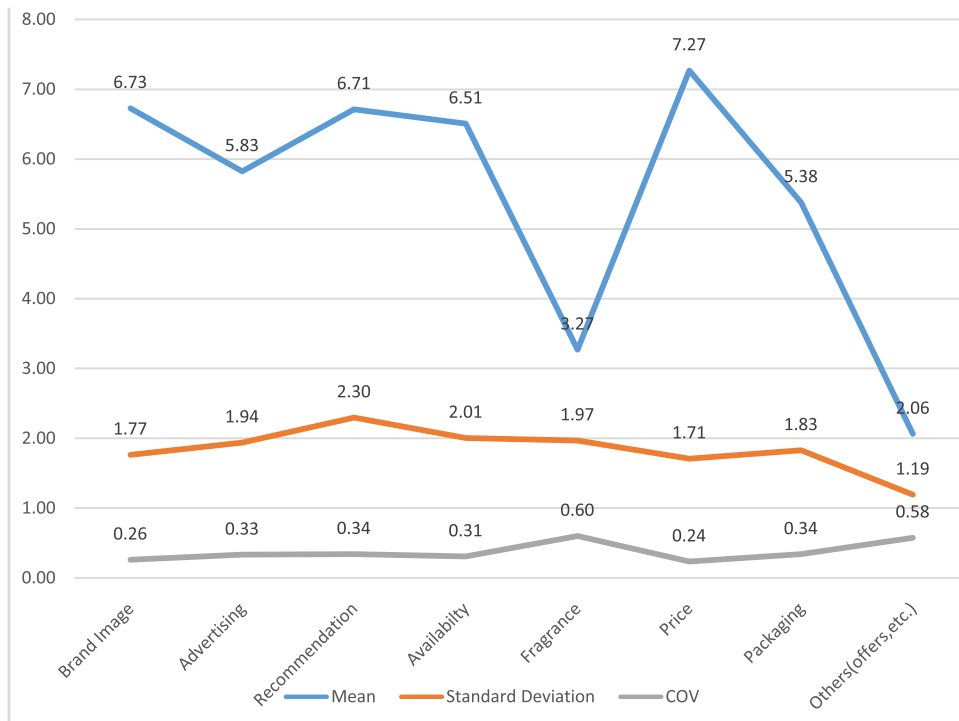
An Optimization Approach to Long- Term Capacity Planning for FMCG Companies in India.

Dr. Abhishek Jain*
Abhishek Tyagi**

Abstract

The key essential component for the smooth functioning of any manufacturing industry is Efficient long-term capacity management. It helps in improving competitive performance by optimizing cost, enhancing delivery speed, dependability and creating flexibility. In every manufacturing setup, capacity is a structural decision category, usually deals with long-term changes in demand levels and dynamic capacity expansion. Within the framework of manufacturing planning and control systems, sales and operation planning (S&OP) is used for long-term planning of production levels related to sales. Under S&OP, resource planning is used to ascertain the appropriate capacity levels that can support the production plan. These paper intents to integrate manufacturing strategy with sales and operation planning for an FMCG company yielding results in terms of long-term investment requirements in capacity enhancement to meet long term future demand with the least delivery cost.

Introduction

All the operations within the supply chain have finite capacity and hence organisation goals within the same can only be achieved planning and implementing capacities required in the longer term [1]. Capacity planning is an important issue faced by almost every organization because of demand fluctuations.

The process of capacity planning varies from one industry to another and is very much industry specific. For effective planning every industry has some unique factors, however few basic elements are common across industries e.g. adjusting the production amount on the basis of anticipated demand for the products, both now and in the upcoming production periods [2]. A typical capacity planning process is shown as a graph in Figure 1.
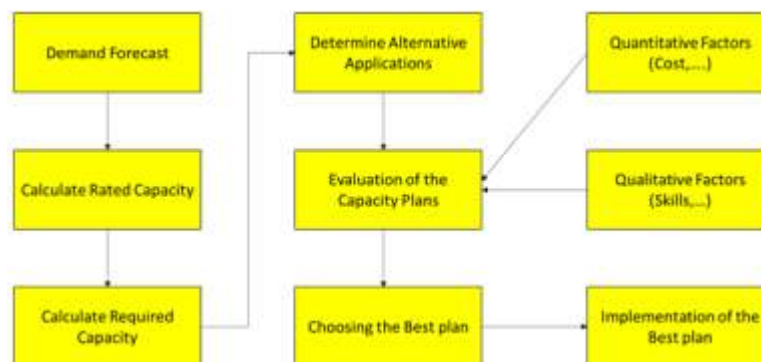

Fig.1. Capacity planning process

The capacity planning process also includes demand management. Infact, demand forecasting is the pre-requisite of capacity planning. Better is the accuracy of demand forecasting, more accurate will be the investment right set of machines, equipment and supplier development. The issue here is that actual demand in the future period is not just dependent on the organization's internal factorsbut also dependent upon strategies of the competitors and external factors controlled by the government.

Capacity planning maintains the balance between the long-term demand and the ability of the operations to satisfy that demand. If capacity is too high in contrast to the demand, a firm will be underutilizing its resources, and the cost per customer gets high as the cost will spread over very few customers. If the capacity is too little, its costs will be low but the ability of the operations to service customers in an efficient way will be lost which will undermine the success of the company in the future. Therefore, there are serious consequences of having the wrong balance between demand and capacity [1].

*Sr Manager, Supply Chain Management (Dabur India Ltd)
**Student- PGDM, Jaipuria School of Business, Ghaziabad

The management of capacity in any manufacturing firm is usually divided into three or four stages, starting from long-term capacity planning to short-term capacity control and execution. In this paper, we deal with the longest-term perspective. The significant issues treated at the level of long-term capacity management are related to identifying when and by how much the capacity levels should change. Capacity usually dealing with key work centersinstead of all individual resources, hence treated at an aggregate level and is usually based on forecasts of product families rather than considering individual products. More specifically, long-term capacity management is most interested in the capacities that take a long time to change, either to acquire new capacity or to reduce capacity levels. Typically, the horizon of planning is 1-5 years and the period of planning is a month, at least for the first year, and afterward possibly quarters or even longer periods. The sales plan is the input to long-term capacity management, based on a demand forecast. Such a sales plan should at least cover the time perspective for acquiring new capacity or reducing the relevant capacity.

Furthermore, capacity may be acquired or reduced at times as per the requirements of the sales plan. Such issues are treated from two separate points of views, one is manufacturing strategy perspective and operations planning perspective is another, representing the highest planning level in a manufacturing planning and control system. The capacity issues are generally related to the strategic relationship between demand levels and the capacity, forming the basis of capacity expansion or reduction strategies. The basic fundamental of having such a strategy is that capacity comes in large, discrete steps instead of small increments. Therefore, it is strategically important to decide whether capacity should come first, i.e. prior to anticipated changes in demand, or if capacity should be acquired first when the corresponding level of demand is acknowledged. In principle there are three different strategies: lead, lag or track. Lead implies that capacity is added in anticipation of increasing demand, whereas lag means just the opposite. The track is a switching strategy, where the distinction between capacity and demand levels are kept to a minimum. Thus, from anmanufacturing strategy perspective the main focus on capacity management is the timing of capacity changes. Sales and operations planning (S&OP) is the longest-term planning level in a manufacturing planning and control (MPC) system. Thus, from a manufacturing strategy perspective S&OP belongs to a manufacturing infrastructure decision category.

Literature Review

Hopp and Spearman [4] propose that decision on how much capacity to install is essentially based on capacity planning.

Additionally, capacity planning also addresses "when" new capacity to be installed and "Where" it should be installed.

Liang and Chou [5] and Chou et al. [6] classify the capacity planning on the basis of time horizon (Long term, medium term and Short term) Li and Tirupati [7] worked upon and proposed a multi-product dynamic investment model that helps in the expansion decisionsinsingle production facility only.

Rajagopalan [8] unified research by developing a general model that suggests capacity expansion considering that capacity is either required for replacement of existing equipment or for the expansion.

Rajagopalan and Swaminathan [9] developed a mathematical programming model as an effective solution to decide the optimal capacity expansion, production and inventory decisions.

Wang and Lin [10], Wang and Hou [11], and Wang et al. [12] made preliminary studies on the capacity expansion in Semi-conductor industries specifically.

Uribe et al. [13] claimed that the main issue in capacity planning is to decide the amount of required investment and the selection of resources to be used.

Papageorgiou et al. [14] formulated the capacity expansion model for the Pharmaceutical industry and proposedmixed-integer linear programming model to formulate a capacity planning and investment problem.

Long Term Capacity Planning (LTCP) in Indian FMCG Companies

LTCP in the context of the FMCG sector in India: India is the world's fifth largest economy and has set an aggressive target of turning into USD 5 Trillion economies by 2023. With this kind of target, all companies operating out of India are looking for aggressive growth. This looks possible because of the increasing disposable income of households which is directly going to support the growth of the FMCG sector. HUL has already announced that India will be the largest market for them in the coming few years. All FMCG companies are now pulling up their socks and planning investments in new factories to meet future demand. In India, many state governments give certain incentives to companies to setup their factories in those states so that employment and development can be generated in those states specially in certain areas of those states. Though the availability of manpower, Material supplier, Transporters etc remains a concern in such remote areas, considering monetary benefits offered by state governments make a cost-benefit analysis look lucrative for

those areas in longer terms. One such benefit is chapter 80I in which companies setting up factories in certain areas get up to 100% return on their PAT imposed on sales generated by selling products produced in those factories. This paper considers 80I benefit as an input to the LTCP model and this factory plays a crucial role for companies to consider the location for expansion.

LTCP Model Construct: The LTCP model in this paper has been constructed in such a fashion that it suggests manufacturing footprint at those SKU-Location combinations so that the total delivery cost of products can be minimized while ensuring no capacity shortages for given future demand.

For constructing such a model, a hypothetical company with its various brands and SKUs (Stock keeping Units) will be proposed changes in its existing manufacturing footprints considering long term demand for its products and additional capacity requirement to meet the above demand.

Model to suggest output with the end goal of maximizing PAT irrespective of line utilization of current factories. That means, if the PAT is more from the factory suggested in potential location for new factories, model to suggest production at that new factory even if line utilization is very small in the current factory (ies). Once monetary benefit like chapter 80I is over, the model should suggest the next manufacturing footprint with the same objective of the overall cost to be minimized.
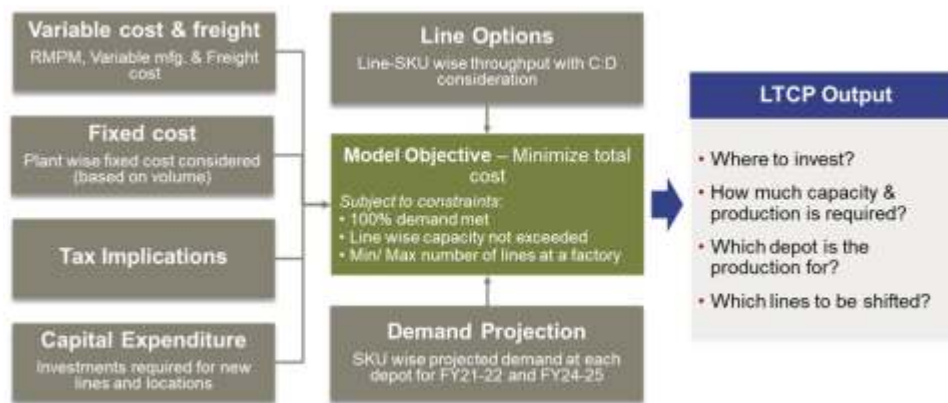

Fig 2: LTCP Model Construct

Detailed SOP: Once the model is ready, following are the steps to be followed to arrive at the output based on the inputs entered in the model.

S. No	Area	Key Process Step
1		Identify a list of brands & SKUs to be included in the LTCP model run
2		Update inputs for raw & packaging material costs
3		Update inputs for primary freight (lane-wise)
4		Provide demand at Depot-SKU level using inputs from Marketing
5	Data collection for a	Update capacity assumptions (capability, throughput) for each SKU
6	model run	Take updated C:D ratios
7		Zero down on potential locations for setting up new facilities
8		Consolidate input costs, variable costs & tax benefits
9		Inputs on line options and capex for each line
10		Fixed cost inputs for plants/ lines
11	Model Run	Run the model with input data
12	Analysis of outputs	Discuss outputs with operations & finance and decide action points

Table 1: SOP of LTCP Model

Inputs to model: TheLTCP model requiresahuge amount of data. This data needs to be high quality data else output of the model will be GIGO (Garbage in Garbage Out). Since so much data is not available with a particular person or department in any organization, the below table suggests the responsibility of various functions/departments of providing data.

Data	Details	Responsibility
Demand	• SKU Growth assumptions • Region saliency	Marketing
Manufacturing Options	• Brand wise possible manufacturing locations (including Greenfield sites)	Manufacturing
Capacity	• Capacity to Demand Ratio (by line category) • Current + Planned line throughputs • New line options with different throughput	Manufacturing
Landed RM/ PM Cost	• RM/PM cost at steady state by SKU-Location	Finance
Mfg. Variable Cost	• The variable cost of manufacturing	Finance
Mfg. Fixed Costs	• Fixed cost of operation (line level, plant level)	Finance
Freight	• Lane wise freight cost & loading assumptions	Supply Chain
Taxation Benefits	• Tax implications per case	Finance
Capital Expenditure	• Capex for new lines & greenfield sites • *Capex will be annualized based on assumptions for the hurdle rate & payback period*	Finance
Other Inputs	• Maximum lines in an existing plant for each line category • Fixed cost reduction possibility for existing units • Maximum volume for greenfield sites	Manufacturing

Table 2: Inputs to the LTCP model

Assumptions for this model: Various assumptions considered for the construct of this model are given below in the table.

Topic	Assumption
Demand Seasonality	1. Seasonality adjusted capacity is considered for each category − Number of available shifts capped using C:D ratio (Not to exceed 1.2)
Variable costs	2. No inflation considered in COGS 3. Variable manufacturing cost for new locations considered as best in a system currently (at SKU level)
Capex	4. WACC of 10% and 5 years of payback period considered to derive Capex annuity 5. Capex estimates on the higher side – cost for new line installation and line upgradation/ shifting taken same 6. For the 6-year model run, capex suggested in 3-year output taken as a sunk cost 7. The land rate for all locations taken same
Fixed Costs	8. Fixed costs assumed based on volume slabs (Small/ Medium/ Large/ Mega plant) referring to current actuals 9. For existing units, fixed costs cannot decrease if volume slab downgrades
RM/PM Costs	10. RM and PM Cost difference for different factories is on account of RM/PM transportation cost to a given factory and purchase price is the same for all factories for any given RM/PM
Number of lines	11. For each line category, constraint put on the number of lines in existing units

Table 3: Assumptions of LTCP Models

Constraints for linear programming

- 100% of the demand has to be met
- RM and PM supplier will operate out of their existing locations and hence transportation cost could be higher for delivering RM/PM to a new location that will be proposed by the model
- Line capacity utilization will be controlled using the formula of C:D (Capacity to Demand Ratio) at 1.2
- Multiple SKUs can be produced on same packing line and hence change-over time to be considered

Expected Output

- Manufacturing foot print as in qty of each SKU to be produced in each factory

- Where to invest?
- How much capacity & production is required?
- Which depot is the production for?
- Which lines to be shifted?

Zero down on potential locations

1. Identify Top brands
2. Map saliency of these top brands across clusters (North, North-East, Rest of East, West and South)
3. Map existing manufacturing footprint for these brands
4. Identify the cluster where capacity is less than demand
5. Identify 2-3 locations for each of these cluster-SKU combinations

Brand	North Sales Value	North Prod. Value	Rest of East Sales Value	Rest of East Prod. Value	North-East Sales Value	North-East Prod. Value	South Sales Value	South Prod. Value	West Sales Value	West Prod. Value
Brand 1		>	>			>	>		>	
Brand 2	>		>			>	>			>
Brand 3		>	>			>			>	
Brand 4		>	>			>	>		>	
Brand 5		>	>			>	>		>	
Brand 6		>	>		>		>		>	
Brand 7		>	>			>	>		>	
Brand 8		>	>		>		>			>
Brand 9		>	>		>		>		>	
Brand 10		>	>				>		>	
Brand 11		>	>			>	>		>	
Brand 12		>							>	
Brand 13		>	>		>		>		>	
Brand 14		>	>		>		>		>	
Brand 15		>	>		>		>		>	
Brand 16		>		>		>	>		>	
Brand 17		>	>			>	>		>	
Brand 18		>	>		>		>		>	
Brand 19		>	>		>		>		>	
Brand 20		>	>			>	>		>	
Brand 21		>	>		>		>		>	
Brand 22		>	>		>		>		>	
Brand 23		>	>		>		>		>	
Brand 24		>	>				>			
Brand 25	>		>		>		>		>	
Brand 26	>		>		>		>		>	
Total		>	>			>	>		>	

Table 4: Supply-demand gap analysis indicates south, west, rest of east are net importing regions

Fig 3: Existing Manufacturing footprints and Potential Greenfield options

Brand	West				South			East			
	Indore	Nagpur	Silvassa	Ahmedabad	Hyderabad	Bangalore	Chennai	Kolkata	Bhubaneshwar	Patna	Tezpur
Brand 1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Brand 2	Y	Y	Y	Y	Y	Y	Y				
Brand 3	Y	Y	Y	Y				Y	Y	Y	
Brand 4					Y	Y	Y				
Brand 5	Y	Y	Y	Y				Y	Y	Y	Y
Brand 6	Y	Y	Y	Y	Y	Y	Y				
Brand 7	Y	Y	Y	Y	Y	Y	Y				
Brand 9	Y	Y	Y	Y							
Brand 10	Y	Y	Y	Y	Y	Y	Y				Y
Brand 11	Y	Y	Y	Y							
Brand 13	Y	Y	Y	Y	Y	Y	Y				
Brand 15	Y	Y	Y	Y				Y	Y	Y	Y
Brand 16	Y	Y	Y	Y	Y	Y	Y				
Brand 17								Y	Y	Y	
Brand 18 & 19								Y	Y	Y	
Brand 25 & 26	Y	Y	Y	Y							Y

Table 5: Based on the supply-demand gaps, chosen relevant options for LTCP evaluation

Analysis of Output and next steps
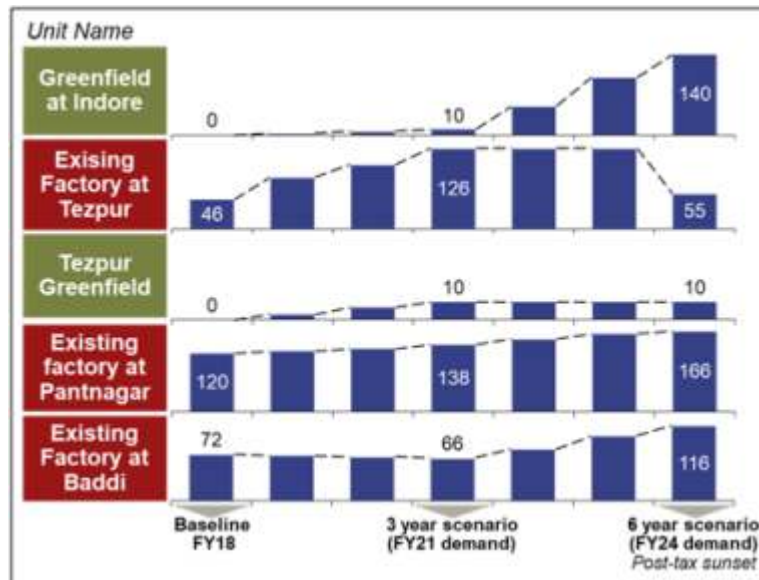**The output of the model is shown in the below figure.**

Fig 4: Output of Model (Yearly volumes in cases)

Model has suggested the following:
1. Volumes to drop at existing big factory in North (Baddi) and sustain volumes in another big factory in North (Pantnagar) due to 80I benefit available at Tezpur up to 2021
2. Major drop in Tezpur volumes from 2024 onwards due to sun-set of Chapter 80I benefits
3. Volumes to increase at both Baddi and Pantnagar from 2022 onwards
4. LTCP model suggests setting up a mega-factory in a central region that will absorb volume drip from Tezpur
5. The model has also suggested a small new unit at Tezpur

Next Steps and Future Scope

Once the output of the model is known in terms of factory wise yearly volumes projection for each product, the entire eco-system now has to be aligned to support the above output. The kind of changes model has suggested in manufacturing foot-prints, execution of the same will be a herculean task. A summary of actions to be performed to execute the above output is given below.
• Setting up a new facility at Indore and at Tezpur (It will include land identification & Purchase, Identification of kind of machine require & Purchase)
• Manpower recruitment for the above facilities
• Shifting of types of machinery from existing units to Tezpur unit where production volumes are to be shifted over the next few years
• Aligning all RM/PM suppliers for supplying material more to Tezpur

• Aligning transporters as more products will move out of Tezpur and fewer products will move from North Factories
• More manpower will be required at Tezpur and less at North factories
• Post 2023, all of the above activities to be re-performed as volumes will shift from Tezpur to new greenfield projects and to existing units in North

Each of the above activities is individual projects in itself and has a huge scope for further studies and research.

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Smart Solutions – The Future for Sustained Living

Dr. Bharat Bhushan*

Abstract

Disruptive technology, the Internet of Things (IoT) is the buzzword across industries today. Many amongst us have already had the privilege to experience it first-hand. The integration of appropriate technologies for creating Smart Solutions can be beneficial in many ways and can lead to value creation for such solution providers, consumers and society. The article tries to discuss the key ingredient for the development of smart solutions for any applications is the data and smart systems as value drivers for capturing real time data, leading to timely decisions and actions. For a successful solution, all the hardware, communication and software have to work seamlessly to achieve the end results and meet the intended objectives.

Introduction

The age old saying "Whatever can be measured, can be Monitored" holds true for almost all aspects of our lives, be it the distance we walk every day for a healthy life style or the number of electricity units we consume for our day to day needs or for that matter, the amount of polluting gases being produced by the industries. In the absence of any convenient ways of continuous measurement, we might be concerned about these but are not able to do much on a personal or collective scale. Such acts on the part of individuals or societies or nations have caused severe damage on various fronts and unless such things are not understood, internalized and controlled, things might deteriorate to irreversible losses. Some strong interventions are needed to monitor, measure and control. The good news is that in the current times, such technologies are available and making inroads to help humanity at large, leading to better and safer standards of living. Internet of Things (IoT) is one such technology.

Hailed as the next disruptive technology, the Internet of Things (IoT) is the buzzword across industries today. Many amongst us have already had the privilege to experience it first-hand. For example, think of the security you experience when you or your loved ones are able to track your ride while travelling or when you are able to remotely control your air conditioner at home from anywhere, even if you are away. Similarly, in the business landscape as well, the advantages of connected devices are many. All such systems are able to collect and provide data and its analysis for timely decision making and initiating any actions if required. This near real time measuring and monitoring is one of the important characteristics of what we call Smart Solutions.

Coupled with several new jargon, there is a lot of hype around such smart solutions. However, at a very simple and basic level a smart system uses a feedback loop of data, which provides evidence for informed decision-making. The system can monitor, measure, analyze, communicate and act, based on information captured from various sensors. Any such systems deployed for solving a given problem have the potential to harness efficiencies to a significant extent at all levels.

For example, if it is a smart energy monitoring solution, then it can be deployed at the utility distribution system or different types of consumers like housing complex, commercial buildings, industries or an individual household. Going by this very example, the need for achieving efficiencies in energy distribution systems needs much more attention in the current times as compared to the past because of the fact that the per capita consumption of energy has increased significantly and is expected to grow even more in near future. The losses of such systems (Aggregated Technical and Commercial losses – AT&C) are directly proportional to consumed quantities. Now, if efficiencies are not brought in, then these increased consumptions can lead to a lot more loses thereby hitting all stake-holders in the energy production, distribution and consumption chain with several ripple effects. So, there is a definite need to achieve energy efficiencies by using appropriate technology, adequate processes, a passionate mind-set and participation from users.

Value Creation through Smart Solutions

The integration of appropriate technologies for creating Smart Solutions can be beneficial in several ways as listed below and leads to value creation for such solution providers, consumers and society.
- Help improve efficiencies
- Enhance economic potentials
- Reduce costs
- Open opportunities for new business streams
- Help improve the society at large

Successful development, deployment and operationalization of such smart solutions require the integration and combination of several systems in a bottom up approach. Technology integration includes vertical integration from field sensors, to low cost communication, backend data aggregation platforms, real time

analysis and control leading to what can be called as a System of Systems. Figure 1 describes the path of integration starting from monitoring to increase the data availability up to the full development of a system of systems.
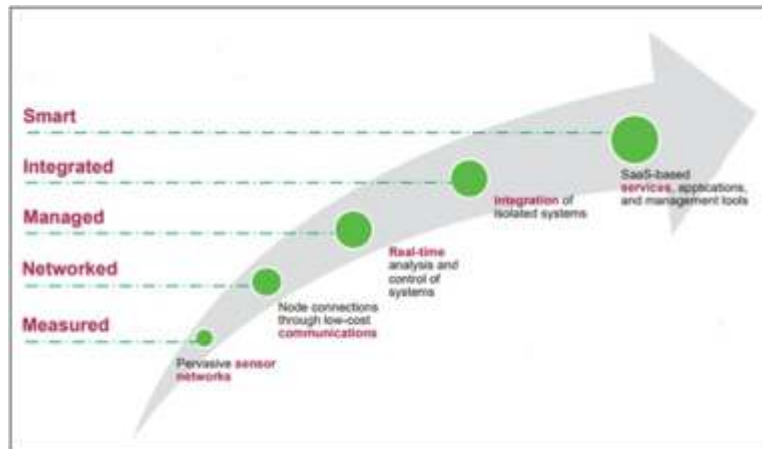
Figure 1: The Path to Smartness (adapted from "Orchestrating infrastructure for sustainable Smart Cities", White Paper by IEC)

The key ingredient for the development of smart solutions for any applications is the data. Thus, the key initial requirement is the selection and integration of sensors that are required to the installed at the data collection points for any smart solution. Once this raw data is collected by the sensors, it is then transmitted through communications networks, either wired or wireless. Data is necessary to gather real-time information to manage services and use the resources in a better and optimal manner. Such Real-time systems can be used to automate the management of various operations, which can result in significant performance and cost advantages. Once the data is collected from various systems and communicated to a common backend platform, value-oriented integration and control can be exercised, leading to smart systems that hold the large potential to create real value for their intended purpose and associated stakeholders, be it consumers, businesses or governments. IoT majorly drives such solutions and helps break the most initial required and difficult part of the chain that is real time data collection.

- Pervasive sensors enable smart systems to collect data from diverse sources like energy, water, transportation, environment and buildings systems in real time.
- Existing communications technologies as well as newly upcoming communications protocols, specifically designed for IoT applications greatly simplify information flows and reduce the cost of gathering data collected by sensors.
- Real-time data management platforms automate the acquisition, processing and persistence of the data to enable

control of infrastructure systems, thereby improving efficiency by optimizing performance.

- Advanced analytic engines utilize the huge amount of raw data that is collected and translates it into actionable intelligence and insights, which can be effectively used for quick decision making to improve the performance of the underlying systems.

IoT Making it Possible

Machine to Machine (M2M) technology based on Internet of Things (IOT) concepts has been playing a significant role to realize such smart solutions, an example being smart grid, smart infrastructure, smart cities, smart homes and smart building management and so on. Such solutions comprise majorly of the hardware ecosystem and the backend platforms, the two being coupled through a communication network. Hardware components get installed in the field to do real time measurement and control of end devices. The backend platform processes all the captured data into the human understandable form that helps to view and controlling end devices in an automated or manual mode. Smart phones and mobile apps have further helped in penetration and popularizing such solutions and help measure, monitor and control almost everything from anywhere. The subsequent sections help understand such solutions for a couple of use cases that have the potential to drive smartness and efficiencies thereby helping the society in a significant manner.

Smart Energy Monitoring Solution (Smart Grid)

Continuing with our earlier example of a smart energy monitoring solution that was touched upon in the Introduction section, Figure 2 shows how a utility distribution company can monitor its distribution transformers for various critical parameters as well as ascertain near real time losses being incurred. Figure 3 shows the high granular data for the load and current of the feeders. Any exceptions are immediately notified as alerts to concerned officials. Similarly taking the examples of the end consumer, Figure 4 shows date wise records for daily consumption of energy. The same can be monitored in real time too and helps get useful insights leading to any measures required for optimized usage. Data analysis over a period of time can give useful insights into consumer behaviour as well as predictive analytics for important activities like demand side planning.

Integrated Building Management Systems

Integrated Building Management Systems (IBMS) play a key role in effective management and conservation of resources and infrastructure of the modern-day townships which includes several subsystems such as Electric Metering, Water Management, DG Management, Street Lights, CCTV, etc; all of which mostly work in silos. Such technology driven solutions integrate and process the data from various such systems in an integrated manner for collective decision making and to ensure comfortable living, along with safety, security, and optimized resource usage. Working in a holistic manner, IBMS captures all important and critical parameters of various sub-systems through intelligent devices and sensors, enabling devices to communicate with each other using IoT/M2M technology and also take certain levels of decisions based on their current states. Further the solutions process the data through the backend platform and provision it to various stake-holders based on their roles and needs. Figure 5 gives an example of the real-time water resource and energy measurement of a residential complex. The system has the intelligence to switch on the pumping system as soon as the water level goes below the configurable threshold.

Environmental Monitoring

The rapid pace at which industrialization and urbanization have been happening has no doubt helped the economy but has also led to serious implications towards the environment, endangered several species and is leading to long term health problems for mankind. The enormous amount of harmful waste from large industrial units, big housing societies and health care providers that goes untreated into the environment is leading to several undesirable outcomes like ecological misbalances, global warming, depletion of the ozone layer and green house effects. Serious and life-threatening diseases are on the rise as a result of all this. A serious look is required for monitoring and controlling such activities. Regulatory frameworks have been there for long but their compliance was not possible in an efficient manner and was always overshadowed by corrupt practices due to manual processes. With the advent of advanced sensors and the IoT ecosystem, accurate real time monitoring is now possible in a fully automated manner. These days, there are environmental sensors readily available for measuring water quality, radiations and hazardous chemical conditions etc. Such automated sensors help in a big way to collect data under conditions that are not suitable for humans and hence were neglected. For example, several industries generate obnoxious gases like Sulphur, methane and Sulphur's compounds which are bad for human health. Sensor based smart systems has given the much-needed strength to the enforcement agencies to work in a much more agile and transparent manner to ensure that the rules are being complied with and every one is doing their bit for a better tomorrow by saving mother nature.

Summing Up

Fully informed and timely decisions and actions are the corner stone for any efficient system. More so, if it could be pro-active in nature. This all is possible if the most important ingredient i.e. data is available in a timely and accurate manner. Smart Systems based on contemporary technologies are helping as value drivers for capturing real time data, leading to timely decisions and actions. Such systems are complex in nature and comprise several sub-systems like the field hardware sensors, data capturing and communication hardware, head end systems for accurately capturing and analysis of the data and then the final presentation layers in the form of a web or mobile apps. For a successful solution, all the hardware, communication and software have to work seamlessly to achieve the end results and meet the intended objectives. IoT Market has a huge potential in India with an increased focus on initiatives such as Digital India and Smart Cities. The Smart Cities initiative itself includes so many IoT/M2M solutions for energy, solar, communication, garbage, parking along a huge scope for intelligent solutions like home automation, energy optimization etc. Much more important is the cross vertical integration of such systems to take informed decisions or prompt the users to take such decisions to make life efficient and effective. Needless to say, such smart solutions can go a big way in increasing the efficiencies as well as leading to a more comfortable life. Not just that, such solutions are a big boost to saving the environment and leading to green and sustained living and that is our duty as well as an obligation towards mother nature as well as our future generations.

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Figure 2: Real Time Monitoring of Critical Parameters of Distribution Transformers

Figure 3: Granular Data of Important Parameters for Distribution Feeders

Figure 4: Daily Consumption records for an end consumer for dual energy sourceson a mobile app.
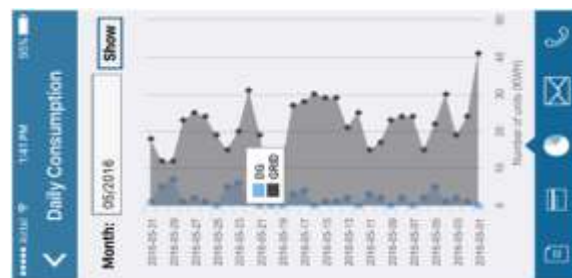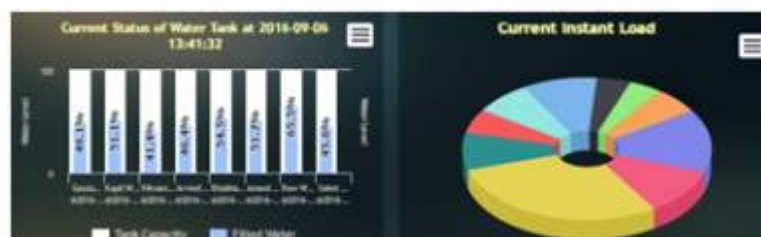

Figure 5: Real-time Water and Energy measurement for a Smart Residential Complex

Customer Expectations and Market Reality Regarding Business in Life Insurance Companies in India

Prof (Dr). Bhoopendra Bharti*
Prof (Dr). Ajay Sharma**

Abstract

Insurance sector in India has gained a significant position in Indian economy. There are many players in this sector hence their endeavor to attract customer's makes customers have a better and bargaining position to deal with. The companies need to focus on their customers to sustain themselves in the market.

This study analyses the impact of offerings by insurance firms that affects customer attitude. The research study was conducted in the city of Bareilly (India) by getting responses from 150 insurance customers. This study also tries to find out the attitudes of the customers regarding the after sales services provided by their insurers.

Key Words: Customer expectations, Customer Satisfaction, Insurance Companies, Insurance Services, Customer Attitude, CRM

Introduction

The current era in insurance sector is run by many players so there is no scope for monopoly that once existed. Globalization, Liberalization, and Privatization has made a free entry for global players creating an environment of immense competition in the market. This may lead to unwanted practices and false promises made to the customers to sell the insurance product. So, it is necessary to monitor how insurance companies treat their customers their needs, demands and attitudes.

In the present scenario not only the private company but also even the public sector company i.e. LIC is witnessing a lot of problems in maintaining customer satisfaction. This is mainly because of a lot of alternatives present in the market for customers. In order to live up to the expectations of customers the insurance companies need to develop unique features in their products and services so that their customers remain satisfied.

The understanding of attitudes of the customers is very important so that they are served in a convincing manner. They might buy the insurance product of tax benefits, easy payment schemes, investment cum insurance features of the product etc. This means that there is a much wider scope of insurance in India related to customer attitude i.e. they want individual attention, responsiveness, customization and other value additions without any premium for these services.

Further there is scope to improve and increase the convenience and comfort level of customers which is none other than the very talked about concept called Customer Relationship Management (CRM).The consumer's expectation are always found to be more in this cut-throat competition, therefore it is important to devise a method which could cater and satisfy the needs of consumers Customer Relationship Management (CRM) is a tool to achieve the desired level of customer satisfaction.

Innovation based CRM initiatives can retain customers which is very vital keeping in mind that the current scenario in the insurance industry is a complex and competitive environment tinged with little stability. Making new customers is a tedious task and so is their retention.

Further, with the banks getting into insurance market, the selling of insurance policies has now become a tough competition. Moreover the Internet has been another channel that has increased the pressure for insurance companies in capturing the market.

Customer Relationship and Insurance

Since a big number of insurance Player are not prepared to tackle their agents and advisors in ordered to deal with the consumers centric problems with the help of existing data CRM assist them to solve their issues and problems, consequently it increases the profitability of insurance companies.

A wealth of customer data is available but insurance companies do not have it readily assessable nor is it coherent. CRM insurance software creates a holistic view of the customer which helps eliminate customer irritation experienced due to this, when they

need to identify themselves repeatedly. Insurance CRM assists Customer Service Representatives when they are not able to properly access customer data. Having ample customer information on hand enables a CSR to be more confident of dealing with the client. It removes the chance of errors.

CRM enables customers themselves to do research on products, have answers to their questions etc. In addition to this policyholders or beneficiaries can check their claim status, change their account information, submit complaints etc. CRM aids the insurance companies by ensuring that campaigns are more affective.

Objectives of the Study

The role of consultants and the way they offer their services to the satisfaction of the customers speaks about the CRM of that company. The investment attitude towards insurance Product on account of services, safety, returns on investments etc. are to be critically analyzed. Furthermore, the level of involvement of insurer to assist customer while purchasing insurance and afterwards is yet another aspect of CRM. Hence the objectives of this study are enumerated as follows:

* To study the effect of consultants on the customer attitude while taking an insurance policy
* To study the customer satisfaction regarding various services provided to them by their insurers.
* To analyze the effect of services, safety, risk, return and various attributes of insurance on the investment attitude of consumers regarding insurance.
* To analyze the effect of assistance provided by the insurers after on the satisfaction level of customer at the time of taking insurance. Sample size of 150 respondents has been used from Bareilly region in order to carry out the research.

Research Methodology

The data used in this study is primary in nature and has been collected from 150 respondents belonging to Bareilly region. To prove the hypothesis Chi-square test had been conducted in order to bring out more accuracy in the findings and conclusion.

The secondary data has been collected from various journals, books, internet and websites of insurance companies, IRDA, and RBI.

Hypothesis

1. There is no difference in business done by agents, corporate agents and brokers in private and public sector insurance.
2. The satisfaction level of customers is the same regarding various services provided by the insurers.
3. Customer attitudes are not influenced by the assistance facilities provided at the time of taking insurance.
4. Investment attitudes of customers are not influenced by services, safety, risk and return attribute of the insurance.

Data Analysis

A questionnaire was prepared to know the attitude of customers regarding the insurance policy they have taken and its features. The questionnaire was served to 189 customers belonging to city of Bareilly, India. The valid considerations are 150. The data is collected from the age group of 20 to 50 years. The educational qualification of 78 per cent respondents are senior secondary to post graduate and rest 22 per cent of the respondents bear professional qualification and are employed. 81 percent of the respondents are employed while 19 per cent are self-employed or entrepreneurs.

Test of Hypothesis

1H0: There is no difference in the business done by agents, corporate agents and brokers in private and public sector insurance

1H1: There is a difference in the business done by the agents, corporate agents and brokers in private and public sector insurance

Table 1 New Business Premium Generated by the Various Insurance Intermediaries

Life Insurers	Individual Agents	Corporate Agents	Brokers
Private	54.94	31.70	2.00
Public	97.34	2.19	4.47

Source: IRDA Annual Report

Description of Table 1: To analyze the effect of different intermediaries on the customers while taking insurance policy we have taken the new business premium generated by different intermediaries (individual agents, corporate agents and brokers) in the overall insurance industry. The data has been classified in to private and public sector life insurance business. The table is been taken from the annual report of IRDA from the website of IRDA and the data represented here depicts the exact business figures generate by the respective intermediaries in the financial year 20012-13.

Table 2 Table of Expected Frequencies

Life Insurers	Individual Agents	Corporate Agents	Brokers	Total
Private	70.07	15.59	2.98	**88.64**
Public	82.21	18.3	3.49	**104**
Total	**152.28**	**33.89**	**6.47**	**192.64**

The Chi-square test is applied to test the hypothesis that results in X2cal=37.47 and X2tab=7.815 at 5% level of significance.

Since the calculated chi-square is 37.47 which is more than the tabulated value of 7.815 it falls in the rejection region. Hence the null hypothesis is rejected, and alternated hypothesis is accepted that there is a difference in the business done by various intermediaries. **Therefore, reject the**

Null Hypothesis

2H0: The satisfaction level of customers is same regarding various services provided by the insurers

2H1: The satisfaction level of customers is different regarding various services provides by the insurers

Table 3

Services and Facilities	Customers satisfied in the sample of 150
Claims settled	46
Premium notification in time	26
Policy Status Notification	03
Loan Receiving on policy	03
Editing and Alteration in Policy	19
Disclosure of new plans	17
Services provided by the agents and employees	42
Officer Response to the queries of customers	41
Problems with depositing premium at cash counter	49

Description of table 3: This table is generated on behalf of the responses of respondents to the questionnaire generated for the purpose among the sample of 150 and the respondents are free to choose more than one option for defining their level of satisfaction for each services provided by the insurers or the insurance companies.

The Chi-square test is applied to test the hypothesis resulting in X2cal = 94.46 and X2tab at 5% level of significance is 7.3444

Tab for 5 per cent level of significance at 8 (n-1) degrees of freedom is 7.344.

Therefore, reject null hypothesis 2 and accept the alternate hypothesis

3H0: Customer attitudes are not influenced by the assistance facilities provided at the time of taking insurance

3H1: Customer attitudes are influenced by the assistance facilities provided at the time of taking insurance

**Table 4 Response of Customers regarding the attitude of customers
while taking insurance in respect to the services provided
by the insurers at the time of taking insurance**

	Assistance Provided	Assistance and Provided
Insurance taken	72	38
Insurance not taken	18	22

Description of table 4: This table describes the attitudes of customers while taking insurance in they are provided the assistance at the time of taking insurance or if they are not provided with any such assistance for taking insurance, this table is also generated on the responses of the customers during the survey and filling of questionnaires.

Table 5 Expected Frequency Table

	Assistance Provided	Assistance not provided	Total
Insurance taken	66	44	110
Insurance not taken	24	16	40
Total	90	60	150

The Chi-square test is applied to test the hypothesis resulting in X2cal= 5.10.
The X2Tab for 5 per cent level of significance is 3.841.
Since X2calis greater than X2Tabtherefore, reject the null hypothesis and accept the alternate hypothesis

4H0: Investment attitudes of customers are not influenced by the services, safety risk and return attribute of insurance
4H1: Investment attitudes of customers are influenced by the services, safety risk and return attribute of insurance

**Table 7 Response of the Customers regarding the investment preference of
the customers in insurance industry with respect to services, safety
and returns and risk provided in the insurance sector and not any other sector**

	Service and safety	Risk and Returns
Investment in Insurance	40	60
Investment in other options	32	18

Description of Table 7: This table is also generated on the responses of the customer to a question regarding their choice for investment in the insurance depending on the various attribute present in the insurance policy which might not be there in other investment option available to the investors these attributes of insurance cover risk return and safety of the funds of the investors.

Note:
1. Other investment options (includes traditional investments – like banks fixed deposits, savings accounts or post office deposits, the mutual funds, asset management companies, chit funds etc.)
2. services provided by insurance (includes part payment – insurance premiums, loaning facility on insurance policy, health insurance claims and benefits, death claims, pension benefits, tax savings, better customer services, safety of funds, secured and fixed amount on maturity etc.)

Table 8 Expected Frequency Table

	Safety and service	Risk and return	Total
Investment in Insurance	48	52	100
Investment in other options	24	26	50
Total	72	78	150

The Chi-square test is applied to test the hypothesis resulting inX2Cal is 7.69.The X2Tab at 5% is 3.841. Since X2Cal is greater than X2Tab therefore, reject the null hypothesis and accept the alternate hypothesis

Findings

Insurance is a prominent service industry hence there is a need to focus on the customer attitudes and attributes that are expected from them by their customers. In order to satisfy lot of personal touch is required. The customers are very much influenced by the individual agents rather than the corporate agents or an insurance broker. The hypothesis one is rejected that shows that the business generated by the individual agents is more than any other insurance intermediary, which depicts the original picture of the preference of the customers while taking insurance (include both public and private sector).

Investors prefer more personal touch regarding their money matter and investment pattern that is why most of the customers would like to go for individual agents which, tries to give them individual attention and the customers' expectations, queries, problems and solution to these problems can be availed by them within very short span of time in the mean time they develop a sense of belonging and trust to the agents involved in their money matters and investment. Since the customer is likely to give premiums every year so is likely to get in continuous touch with the insurance companies, the agents and the employees of the company.

From the data it is found that 49customers are satisfied by the claim settlement services provided by their insurers whether in public or in private sector, but the satisfaction level of the customers is not same for all the types of services provided to them. However, only 03 out of 150 customers are satisfied by the policy status notification and loan receiving on the insurance policy services whereas the other services like alterations, editing in the policy, disclosures of new plans and receiving premium notices on time has low satisfaction rate of the customers.

In this part of the questionnaire I had given the respondents the freedom to choose more than one or two options from the given alternative regarding their satisfaction of the services provided by their insurers whether private or public.

Further 140 respondents out of 150 need assistance and special attention by their respective intermediary while taking insurance. Therefore it is necessary that employees get trained for customer assistance especially at the time of taking insurance as it motivates more customers to buy insurance.

As far as the investment pattern of the customers or investors are concerned, 40 out of 150 respondents would like to invest in insurance because of the services provided by insurance (includes part payment –insurance premiums, loaning facility on insurance policy, health insurance claims and benefits, death claims, pension benefits, tax savings, better customer services, safety of funds, secured and fixed amount on maturity etc.). Further, 60 out of 150 respondents would like to invest in insurance because of its unique features of dealing risk with appropriate return. So it has been proved that 100 out of 150 respondents would like to buy an insurance policy as it gives a blend of customer services, tax savings, risk reduction and return prospects, which might not be with any other option of investments for the investors or customers of insurance. So, it can be rightly sighted that an investment in insurance can be the first choice of the customer provided they are having or provided with proper guidance and knowledge of insurance.

Conclusion

The reach of insurance in India is very low therefore there is a need to develop more insurance education among the masses that will help the insurance industry to grow. Moreover, the CRM is an upcoming trend in this industry so the companies need to put in their efforts so that they can convince their customers to purchase their policies. They must retain their customers and hence should focus on the customer attitudes and change in their preferences for the services to render.

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Experience Marketing: "Shifting from Transactions to Relationships."

Maninder Singh*

Abstract

A couple of decades ago analysts for the movie theater industry greeted the launch of home video less than enthusiastically. Conventional wisdom suggested that as movie watching became more convenient, affordable, and accessible, fewer people would continue visiting theaters. Home video was the perfect solution to avoiding long ticket lines, sticky theater floors, and sharing an armrest with a stranger. Traditional movie theaters prepared for a shakedown and a thinning out of their industry. The paper explains how customer CRM (Customer Relationship Marketing) shifting to CEM (Customer Experience Marketing).

Key words: Marketing, CRM, CEM, Emotions

Introduction

So why the dramatic shift in theater viability?
And how could both categories succeed side by side?

As theater owners had to force their industry to evolve and redefine their value proposition. No longer do successful theaters consider themselves merely as film presenters. Now they provide a full movie-going Experience. The movie itself remains the central component of the whole event, but now it's enhanced by a number of extras. Theater owners installed wide, plush seats as comfortable as home recliners. They elevated concessions to a whole new level, upgrading their snacks and adding waiters and table service. New sound systems, bigger screens, prepaid tickets, more selections and Showtime's, grand, ornate environments – theaters did more and more to distinguish themselves from the televisions in people's living rooms.

Think of nearly any industry, and chances are good it is or has been undergoing a dramatic transformation in Experience.

What Experience is

At first Experience appears to be an abstract concept – easy to illustrate, but difficult to define. But, there's an easy, clear way to think about it:

Experience is the collection of points at which companies and consumers exchange sensory stimuli, information, and emotion.

These exchanges occur in the retail environment, at the point of consumption, in the follow-up stage, in any stage – even some that haven't been thought of yet. These exchanges fall into three categories:
(1) transactional exchanges, when the product or service is delivered and payment made;
(2) informational exchanges, when rational data is shared; and
(3) emotional exchanges or touchpoints, when the company and consumer connect emotionally.

For instance, when a person orders from a clothing catalog, a transactional exchange occurs. Getting the product specs is informational. Receiving an e-mail from a service representative making sure the customer's pleased with the purchase or getting a thank-you note from the company is an emotional exchange or touchpoint.

Companies create an overall compelling Experience for the customer by orchestrating each exchange so it resonates with the same pitch as the others. The best Experiences are holistic, each exchange overlapping with and reflecting the others.

Take credit card providers for example – they would be better served by structuring their acquisition, activation, and retention departments to align with each other. No matter how many exchanges take place, customers should always feel they are dealing with one single, well-oiled machine, not a series of distinct departments that follow different charters and don't even swap memos.

Why Experience is Important

"The degree to which a company is able to deliver a desirable customer experience – and to use information technology, brands and integrated communications and entertainment to do so – will

largely determine its success in the global marketplace of the new millennium. -Brend H. Schmitt, Experiential Marketing

Any number of businesses can provide a satisfying product of service. As studies have shown, however, stopping at that point is not enough to keep customers long-term. A company must stir people's interest, excite them, and turn them from satisfied shoppers into raving advocates. It must demonstrate it cares deeply enough to continually surprise them.

There's no better way to do this than creating an Experience that lets people interact with the company – interactions that engage people and allow them to enjoy the process. Orchestrating an array of Experience communicates that a company values customers and is eager to delight them and show just how important they are.

The shift is now from CRM (Customer Relationship Marketing) to CEM (Customer Experience Marketing)

From Metris to Experience

CRM (Customer Relationship Management) gives you numbers. CEM (Customer Experience Management) tries to tell you whether your customer service is really working.

Let's take an example of a call center on how CRM would differ from CEM.

Amitabh, an agent at a call center, was warned by his team manager that he was taking too long to handle customer calls. On average, Amitabh took three minutes per call. He was advised not to take more than a minute or two – or else someone more efficient would replace him. After that warning, Amitabh took no more than two minutes per call. His stats improved and his manager was pleased. How did he manage that? Simple – he put the phone down just before his two – minute deadline. Of course, that was anything but helpful for the callers. Worse still, that may have changed the customer's perception of the company.

Call centers use customer relationship management (CRM) systems to provide such metrics. They provide reports on anything from the time an agent takes to pick up the phone, the number of calls he attends in an hour, a day or a given week, the time taken on each call, right down to the number of screens on his terminal that was skipped while he kept the customer on hold.

Similarly, since Web – based interactions are now a part of call center interactions, the CRM system also provides similar reports on emails or chats the agent handled.

The conclusion may well be that an agent is efficient, taking 30 to 40 calls per hour, handling them in two minutes. So, according to the CRM report, it's a "job well done". But the CRM system never took into account that the agent actually put the phone down on the customer to meet his service objectives. Or that he wasn't polite to the customer and so on. So the very metrics that are used to judge the center's performance may actually be driving customers away.

To fill this gap, call centers are now turning to customer experience management – or CEM.

CEM is fundamentally about strengthening customer relations – but its approach is different. CEM solutions go beyond the metrics. Instead of capturing the numbers, these solutions capture the actual interactions or the experiences of customers. They record the series of events that occur during a customer's call – how the agent greets the customer how he handles queries, the information he feeds and so on.

For instance, if an agent transfers a call to another agent without informing him of the customer's problems, and the customer has to explain his problem again, the CEM system can track who put the phone down first – the customer or the agent. If someone bangs down the phone – it can capture that too.

Many CEM solutions also capture information in the form of voice energy envelopes. One can see the energy envelopes of voice on the computer screen – if an agent is shouting, it will show a peak. And of course, besides voice, it can also capture Web – based interactions, email and chats.

Capturing voice and other data is just step one of the HCL Comnet, says, "Today, the business is moving from an offline model to a centralized online model. Call centers act as a single point of contact for the customers, and the impression of the organization depends on the agent. At the end of the day, it is people who do business with people, people interact with people. You may have your CRM applications and all those big systems but at the end of the day it is the voice that matters. If you speak to a customer harshly, that's a bad experience for him."

CRM solutions not only record interactions but also provide tools that can help analyze, evaluate and improve customer interactions. You may have a whole bunch of data – say, recording of 10,000 calls. But you're only interested in finding the bad calls related to a particular segment.

To help companies, CEM solutions come with voice data – mining tools – they help you integrate voice and data – to analyze those

interactions and pull them out so that you can listen to them and take action.

Suppose you're a team leader with ten people under you, and you define the objectives or key performance indicators for your team – 80 percent of the calls are to be attended in 15 seconds; and no customer should be put on hold for more than one minute. So the moment someone is put on hold, say, for two minutes there will be a flash and an alert message on your screen.

Royal and Sun Alliances, a UK – based insurance company with 21 call centers, realized that their women agents at a particular center sold more insurance than men. The company implemented at CEM solution from Eryetel and started analyzing the interactions. They found that men, while handling calls quietly waited for transactions and screens to pop up, while women agents, perhaps because they talk more, were different.

Consider this typical vignette. A women agent takes a call, and tells the customer, "you've got Rs.3000 of insurance. Now let me get you a quote", and while she feeds the information and waits for the screens to pop, she asks, "would you like to have insurance cover while you're traveling overseas?" intrigued, the customer asks how much that would cost, and she responded by saying "Rs. 750". By capturing this information, the company made changes to the system, so that every time anyone pressed the sales button, it would pop up a window reminding the agent to mention travel insurance.

As for the return on investments (ROI), Amit Mehta, national marketing manager, call center solutions, Tata Telecom, says, "On an average, companies have seen six to nine months ROI for CEM implementations. These solutions cost, on average, 10 percent of CRM solutions, and deliver much faster ROI in areas such as customer satisfaction, customer and employee retention, call center effectiveness and reduced training cost."

Transport Logistics & Economic Integration

Rajan Vaish*

Abstract

A good Transport Logistics System should improve efficiency, by optimizing operation cost and service delivery, thereby adding to company's overall competitiveness. It should be able to convert resources into useful goods; goods become useful only when the right goods are delivered at the right place, at the right time, in right condition, and at the right cost. Transport is the single most expensive component of trade logistics and an adequate infrastructure is required to facilitate transportation. It is difficult for a manufacturer to export at a competitive price or import at a competitive cost if the transport and logistics sector is inefficient. High prices, poor service, and a lack of certainty in transport and logistics can translate into the effective isolation of a country from world markets.

Keywords: Logistics, optimizing, infrastructure, economic.

Introduction

"Transport Logistics does not improve any product—at best it will not be harmed"
Logistics managers need to thoroughly comprehend transport operations to evaluate options, as around one third to two thirds of a business's logistics costs are spent on transporting goods.

Domestic producer's ability to participate and reap the benefits of the growing global value chains, (i.e. factories locating various stages of production processes in most efficient locations) depends on efficient and reliable Transport Logistics Systems that can support their linkages. The rise of the Global Value Chains is increasingly becoming significant as participation in GVCs is one part of the economy that depends fundamentally on transport and logistics for its success. It is the efficiency in the transport and logistics that can affect trade costs as argued that transport and logistics contribute as much to the costs of international trade as geographical distance.

The future of Transport Logistics lies in greater integration between the different transport modes and its components such as maritime and land transport, air carriage & land transport, even all three together, to provide a service based on Just-In-Time, and door-to-door deliveries, at optimal cost. At the macro level, Transport Logistics plays an important role in the growth and development of a nation's economy by providing connections not only within the country, but also to the international economy.

A better connectivity facilitates social development goals such as employment generation; resource distribution, food & emergency supplies, and yes, improving incomes too.

Transport Logistics particularly in the domain of foreign trade refers to a range of services and processes that are involved in moving goods safely and securely between countries. Poor co-ordination among countries on border procedures; inefficiency of customs clearance process at the ports; fragmented and poor quality of transportation related infrastructure; costly and infrequent shipping (with long and indirect shipping routes); delays in tracking and tracing consignments; delays in terminal handling and clearance of goods; absence of special handling & storage facilities at ports; and the inability to certify product quality; amongst others; can cause significant hindrance to international trade.

Empirical studies provide evidence that inefficiencies within the transportation & logistics infrastructure can have adverse effects on a country's foreign trade. A study by the OECD (2011) revealed that a one day decrease in time spent at sea could increase trade by about 4.5 percent. According to another study by the OECD/WTO (2013) infrastructure remained a serious constraint in many developing countries' economic growth.

With the continuing rise in world trade, the desire of many countries to be part of the integrated global trading system will depend not only on their maintaining an open global economic system but also on their being able to improve the quantity and efficiency of their logistics services. It is the speed and the quality of investments in logistics services that can be a critical element in terms of facilitating greater volume of trade. An improved logistics will positively be influential in facilitating greater volume of international trade.India's logistics sector has remained fragmented and unregulated, despite its centrality to economic growth. Though, there is no official estimation of logistics cost for

 Visiting Faculty, International Business, Jaipuria School of Business, rajanvaish@yahoo.com

India, some private institutions have estimated the logistics cost to be 13 to 14 percent of the GDP. The proposed National Logistics Policy (NLP) aims to reduce this to 9 to10 percent of the GDP.

The vision of the proposed NLP is to drive economic growth and business competitiveness of the country through an integrated, seamless, efficient, reliable, green, sustainable and cost effective logistics network by leveraging best in class technology, processes and skilled manpower.The draft policy has sought to optimize the current modal mix (road-60%, rail-31%, water-9%) to global benchmarks (road - 25-30%, rail - 50-55%, water - 20-25%) and promote the development of multi-modal infrastructure. The policy recommends setting up a nodal Logistics Wing that will identify key projects for driving first mile & last mile connectivity, and to optimize the modal mix to identify commodity & corridor for the most cost-effective modes of transport.

Almost 25-30% of fruits and vegetables produced in India are wasted due to lack of cold chain infrastructure. According to the draft policy, the Logistics Wing will work with different Ministries such as Food Processing, Consumer Affairs, Food & Public Distribution and the Department of Horticulture in respective States to identify key policy interventions, and promote infrastructure enhancement to for greater penetration of cold chain facilities (both storage & transportation) at strategic locations.

India's ambitious "Sagarmala Program" was launched on March 25, 2015, to promote port-led development by harnessing our 7,500 km long coastline and 111 waterways of 14,500 km. The aim is to reduce logistics cost by Rs 30,000–Rs 40,000 crore through implementation of various projects by 2025, to boost domestic and Exim trade, and increase job opportunities.

Strength of Indian economy depends on the growth of its ports. India has 12 major ports and 200 minor and private ports, and is now working towards increasing their capacity. Under the "Sagarmala Program", work has already started on Rs 2.80 lac crore worth projects out of planned investment of almost Rs 4 lac crore. With emphasis is on port-led development through industrial clusters and coastal economic zones, the other part of "Sagarmala" is boosting the 'blue economy' with coastal-area development. Five locations have been identified for development of smart industrial port cities.

Developing inland waterways is the second and most important part of Sagarmala. 110 rivers have already been converted into waterways with a total range of 20,000 km, out of which works have already started on 10 waterways. The national waterway '1' (in Ganga) will be completed next year. Four multimodal transport hubs are being set up in Varanasi, Hadia, Sahibgunj and Gazipur.

Focused work on skill development activities in the port and maritime sector is taking shape and has started reaping rich dividends. All efforts centre around the coastal community and the youth while bringing on-board local state governments, major ports, maritime boards, employers and training institutions to accelerate these projects. 'Sagarmala' is enabling creation of one crore new jobs, including 40 lac direct jobs in the next 10 years. Additionally, indirect but related jobs, temporary jobs and new specialized jobs are being created in sectors such as dredging, cruise tourism, ship building, ship repair, ship breaking, etc.

India is furthering International Cooperation with Bangladesh, Bhutan, Nepal & Myanmar. In July 2019, for the first time ever, an Inland Waterways Authority of India (IWAI) vessel carried 1000-ton cargo from Bhutan to Bangladesh over National Waterway-2 (over Brahmaputra). As part of India's multimodal transport strategy aimed at integrating Indian economy with global and regional production networks, in June 2017, India became the 71st country to ratify the United Nation's TIR (Transports InternationauxRoutiers) Convention.

The Convention will help Indian traders to have access to fast, easy, reliable and hassle free international system for movement of goods by road or multi- modal means across the territories of other contracting parties. By joining the convention, the need for inspection of goods at intermediate borders as well as physical escorts en route shall be obviated due to reciprocal recognition of Customs controls

The opening of Chabahar Port (Iran) for TIR is hugely significant – offering connectivity for landlocked countries, seamless border crossing facilitation and intermodal capabilities. The first shipment from Afghanistan under the TIR Convention through Iran's Chabahar Port arrived at India's NhavaSheva port in Mumbai and Mundra port in March 2019. The operation will definitely open the door for activation of other intermodal corridors such as International North-South Transport Corridor–connecting India to Central Asia, Russia and eventually Europe, through Iran.

Integrating India further in the global trading system, India has ratified the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO) in April, 2016, and formed National Committee on Trade Facilitation (NCTF) under the Chairmanship of Cabinet Secretary. The TFA necessitates simplification of border management procedures and adoption of new transparency measures, all of which are expected to reduce the transaction cost of imports and exports and facilitate smooth movement of goods across borders.

The role of Customs that has traditionally been that of a Regulator, now under TFA is evolving that of a Facilitator. To begin greater

transparency and facilitate the trading community, erstwhile practice of concurrent audit of export-import transactions has now evolved into more trust based and faster clearances with post clearance audits.

Further, to reduce cargo dwell time at ports, and align the Customs Procedure in line with International Practices, Indian Customs have taken up several measures to facilitate India's Foreign Trade, such as, but not limited to simplified documentation for exports and imports through digitization, (i) SWIFT (Single Window Interface For Trade) (ii) Adoption of Digital Signature (iii) 24x7 Customs Clearance – for facilitated Bills of Entry and factory stuffed containers and goods exported under free Shipping Bills at select ports (iv) Import Data Processing and Management System (IDPMS) – jointly launched with RBI to facilitate efficient data processing for payment of imports and

effective monitoring (v) E-Sanchit (vi) Two new IT Modules ICEDASH (Ease of doing business monitoring dashboard) and ATITHI app for electronic filing by passengers for baggage (vii) PCS 1X which is a platform for port related processes developed by Indian Ports Association. (viii) Direct Port Delivery for imports & Direct Port Entry for Exports (ix) Authorized Economic Operator Program, etc to name a few.

Introduction of GST has further brought down the cost of transactions making exports cheaper, hence more competitive in international markets. The results have been impressive India has improved its ranking under Ease of Doing business (EoDB). India's ranking improved 79 places from 142nd in 2014 to 63th in 2019, a record for any major international economy. A lot has been done, and lots more need to be done; to be a $ 5 Trillion economies, we have miles to travel.

Work Life Balance and Millennials

Radhika Malhotra*

Abstract

Chronic stress is one of the most common health issues in the workplace. It can lead to physical consequences such as hypertension, digestive troubles, chronic aches and pains and heart problems. Businesses can assist representatives with accomplishing work-life balance by establishing arrangements, methodology, activities, and desires that empower them to seek after progressively healthy lifestyles, for example, adaptable work routines, took care of time (PTO) approaches, dependably paced time and correspondence desires, and friends supported family occasions and exercises. In the article, it is an effort to discuss useful ways to lead a healthy work-life balance.

Key words: Millennials, work-life balance, Happiness, Vacation.

Introduction

Being overworked can actually be fatal? Work-life balance is an important aspect of a healthy work environment.

Baby Boomers born between 1945 and 1960, around the time of World War II, was exposed to a lot of adversities at a very young age. Making an honest living was no small task, and successively, this generation craved stability within the workplace and valued the chance for employment. due to this, work-life balance wasn't a main priority or concern. Baby Boomers stayed in the companies for longer periods of your time than the following generations. With the millennial generation of workers projected to take up 75% of the workforce by 2025, many leaders think it's time to redefine what work-life balance looks like.

It is no easy task to achieve work-life balance in today's unpredictable, volatile and fast-paced business world. As we grow increasingly more connected through technology and social media, it is becoming more and more difficult to separate work from our personal lives. Employers expect more from their people, which leads to them feeling more pressure to achieve greater results. Consequently, this leads to longer working hours, and less time spent at home. Many employees experience a personal, professional, and monetary need to achieve, work-life balance can be challenging.

Too much stress over a long period of time leads to workplace burnout. Chronic is one of the most common health issues in the workplace. It can lead to physical consequences such as hypertension, digestive troubles, chronic aches and pains and

heart problems. Chronic stress can also negatively impact mental health because it's linked to a higher risk of depression, anxiety and insomnia. Employees who work tons of overtime hours are at a high risk of burnout. Burnout can cause fatigue, mood swings, irritability and a decrease in work performance. This is bad news for employers because according to Harvard Business Review, the psychological and physical problems of burned-out employees cost an estimated $125 billion to $190 billion a year in healthcare spending in the United States.

Few suggested ways one can make use of to achieve a work-life balance:

Take advantage of "me time." But taking care of oneself is important! You need to make sure you take the time to reset and recharge, whether that's going to the gym or allowing yourself a binge-session of your favorite show.

Learn to say "no." Saying no can seem impossible, especially at work. But if you agree to attend every event, take on every project, or manage every co-worker, you'll find yourself with no time left. It'sperfect enough to say no to things that stress you out, as long as it's warranted.

Create boundaries. Don't take your laptop to bed with you or answer your boss' calls at the dinner table. Just because you're physically accessible all the time doesn't mean you have to be. Set boundaries with your employer so you both understand each other's availability.

Set objectives and priorities. Set reachable objectives that you are enthusiastic about, concerning your vocation, wellbeing and

connections. Consider what errands are generally significant for accomplishing a solid work-life adjust and organize them. Make your workday as profitable as conceivable by actualizing time the executives' systems, breaking down your plan for the day and removing undertakings that have next to zero worth.

Take a break. Now and then, really unplugging implies taking the get-away time and closing work totally off for some time. Regardless of whether you get-away comprises of a one-day staycation or a fourteen-day outing to Bali, it's critical to go on vacation to truly and intellectually energize. The study conducted by the State of American Vacation 2018, the US showed that 52% of workers announced having unused get-away days extra toward the year's end. Representatives are frequently stressed that getting some much needed rest will upset the work process and they will be met with an accumulation of work when they return.

Employers can help employees achieve work-life balance by instituting policies, procedures, actions, and expectations that enable them to pursue more balanced lives, such as flexible work schedules, paid time off (PTO) policies, responsibly paced time and communication expectations, and company-sponsored family events and activities.

"Employees who are generally healthy can be more productive, miss less work and have fewer healthcare-related expenses," Chancey told Business News Daily. "Employers who are committed to providing environments that support work-life balance for their employees can save on costs, experience fewer cases of absenteeism, and enjoy a more loyal and productive workforce."

The 2017 World Happiness Report reported that work-life balance is now one of the strongest predictors of happiness. The more your work life filters into your personal life, the more you're losing that balance that's so important to your health and happiness.

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Ms. Komal Kapoor*

Abstract

In the words of Steve Jobs, "The people who are crazy enough to think they can change the world are the ones who do", describes the entire biography written by Walter Isaacson. The book compiles the entire journey of the master genius of technology who founded and developed the world's biggest consumer technology company Apple Ic. The book entails the roller coaster life of Steve Jobs with both personal and professional ups and downs and how the creative entrepreneur left the world while at the peak of his company's success. He revolutionized six industries during his lifetime that are personal computers, animated movies, music, phones, tablet computing and digital publishing. The book also provides hope to the US that has been the pioneer in technology and innovation and is now at the edge of retaining its competitive edge in the global world. the story develops on the creativity, innovativeness, leadership, values and eccentricity of Jobs that made him the epitome of creativity for the world to see.

Description and Analysis

The book begins with the childhood and adoption of Jobs by his parents and issues in personality he faces as he grows up to be the owner of Apple. It clearly explains the interest he developed in electronics due to the work his father was doing. he took interest in machines and computers that later took the shape of the company's first office from the garage of the house. Is parents also realized that he was special in his own way and provided all the necessary inputs and support to help him grow his intellect. He regularly had problems at school as the level of studies could not stimulate his mind enough and was not upto the mark to challenge his intellect. Gradually Jobs began to deal more in electronics and dreamt of meeting the founders of Hewlett Packard. But while growing up at high school, he began into wrong things like drugs that lead to fights with his father. Thus the childhood and growing up years were a mixed lot but that clearly showcased that he was special with some creative qualities that others around him didn't.

The biography is also an indication that successful people need the right compatible people in their lives that would help to elevate the ladder of success. With the meeting of the Apple co-founder Steve Wozniak at university, Jobs was able to find the right person who had a similar interest ad passion for electronics and innovativeness. While they worked together, they realized they have similarities in though, passion, music,etc. that developed confidence in each other. This is very important for any successful person to surround oneself with the right and positive people who could help in paving the path to success. The two

Steve as they say developed the idea of Apple through the results of various pranks that they did together.

As it is popularly said that achievement and success in life can be only achieved through education. But Steve Jobs proved it wrong by having the intellectual mind even while undergoing the traditional studies and course curriculum. The admission to Reed college against his parents' wishes and then being in and out of studies still resulted in the finest of brains that he had. At that time, he got more into Zen and Buddhism that gave him much solace than studying. He wanted to try everything under the sun that leads to a higher level of analysis power for each dimension of life. As it is generally said, that put the fish in water and it will learn to swim on its own. During his journey at Reed College and dropping to pursue only those subjects that interested me, Jobs became a different person who was attracted to more Zen, LSD and also Buddhism. This changed the way he looked at life that stimulated his own mind to bring out the best in him.

May great changes in life come at a time when they are least expected. This was true in the case of Steve Jobs also as he met many important people in his life who played their own important role in defining the personality of Jobs himself. Great people and things are born when people behind them have the courage to go behind them. during Jobs' visit to India and his job at Atari, he kept searching for many answers that were not answered by anyone. So it was left to him to answer all his questions and seek enlightenment. With the continuous experiments that he did with Wozniak and Richard, the first version of the Apple computer was ready. Even when it was nowhere close to what was the actual version of the Mac, the start had been made. Each genius has their

own story of how they build their companies and dreams. The story of Jobs was more based on the designing part of the computers he built as he got the hint of becoming a businessman.

But like other businesses, the story is not always positive and happy. Even with the best of launches being made of the products, his eccentricity was also increasing which was not acceptable to the board. He was asked to leave his own company to return back years later that turned around the fortunes. During this time, another side to Jobs as a family man was visited where he brought up a family of three children whom he wanted to give the best. This same was replicated in the way he did his business and built Apple. Whatever the employees would do, he would not like and would force them to pressurize more to give their best. When he formed the company with Steve Wozniak, many conflicts were faced by the team as Steve had a very eccentric way of working that was not compatible with other members of the organization. it was a very difficult task for people around him to work with meet his expectations. Even through his regular visits to India, moving towards spirituality and Zen philosophy, his overall temperament did not calm down.

The story of Jobs can also be evaluated from the point of view of personal commitments and how he got converted into a family man later in life. The relationship he had with the women in his life at a young age was on and off due to the lack of stability and his behavior also. he even did not take the responsibility of his daughter Lisa who was born to Brennan whom he as seeing for five years. The same kind of jittery and unsatisfying behavior was seen in his development of Apple I and Apple II which kept on continuously under experiments. The development of MAC that was his baby also was taken over by another team and Jobs was removed from the project as neither he understood the point of view of others nor could convey his expectations. This lead to constant turmoil which resulted in many conflicts in the team.

Over the years, it was also understood that Jobs had a penchant for design and simplicity as he rightfully said that real artists make simple things. The designing of MAC was also such a process that resulted in the aesthetic value of the machine. This trend has been observed in all the other products launched by Apple whether phones or tablets. The commitment to designing is clearly visible with the way business was done. Today Apple stands at the pinnacle of creativity and innovation because of the vision and passion of Jobs towards perfection, design and uniqueness.

The biography also takes the reader through the journey of the ups and downs at Apple and the growing resentment against Steve Jobs. The earlier version of Macintosh got some success but later in 1985 the sales started to fall. Many key people like Wozniak also resigned as he could relate to the growing success of

the company being involved in Apple II. The resignation of Jobs in 1985 brought shock to the market that later turned out to be fatal for the company. just like how Jobs is, he was out but not down. His determination and zeal to get back the company he dreamt of were clear through his gusto by making NEXT and Pixar that made his mark in the animation sector also. but his dream company Apple could never get out of his thoughts and mind for that was the first love for him.

His story is also the story of a passionate person who finally gets what he wants. It is said also that is we yearn for something very dearly, even the environment and people around us change to make that happen. It was completely true for Jobs also as in 1997, he made a comeback to Apple as the CEO and after that the company was going to change for the rest of its life. Pixar bought out Apple which proves his conviction and determination to make those things his own that he already owned. There has not been looking back after becoming Apple as both Jobs and Apple grew to become the best company and entrepreneurs the world has ever seen.

Jobs has been bestowed with being the most creative and innovative entrepreneur on earth at a particular time with the new inventions happening at the company. after returning to the company, Jobs was on a mission to change the fortune of the company. the new innovative products like iPhone, iPod and IPad and MacBook Air were all introduced under his leadership that became huge success globally. Steve Jobs has been the source of inspiration for the latest technology and innovation happening at Apple. He has been gifted with an eye for design and aesthetic values that have converted into out of the box products at Apple. Along with this, the book also draws out the milestones and chart of his journey after returning in 1997 till the time he left the world. but it is well known that his erratic and eccentric ways have not changed with time but surely he was a calmed down a person. The craziness that he has showcased throughout his life brought him many rewards and accolades globally.

But the discussion about Jobs cannot be complete without the success and journey of iPhone that was a product that combined three products into one, phone, music and tablet. It was termed as the most revolutionary product of the era with all the qualities of these three products and yet give immense results. Even with the host of treatments going about his pancreative cancer, Steve Jobs was a determined man to transform the world into a new technology phase. This did impact the existence of iPod and tablet to a large extent as consumers shifted to iPhone that served all the purpose. This again proves the qualities of Jobs as a human and a professional. But on the contrary, due to his eccentric style and random diet habits, the recovery was not happening the way it should be. Moreover, he did not pay attention to the doctor's

advice of getting the surgery done along with chemotherapy sessions. Due to his strong headedness, he kept exploring the alternative therapies that could not buy him more time. Thus it is felt that sometimes even the best of business decision makers are not able to make their own personal decisions right.

Conclusion

The journey of Steve Jobs was one of the most fascinating lives anyone has ever lived. The world saw the best creative mind on the earth who with relentless manner proved his mark and contribution to the world. not even once in his life, he changed his focus on making the highest quality innovative products that would serve the needs of the customers and provide them superior experiences. The products were not just from Apple but it was the brand value that Jobs had built around Apple that made people go crazy for the new launches year after year. As the author sadly concludes in the end that such minds and souls deserve to live more to change the face of the world as such people are born only once. Towards the end of his life, Jobs was surrounded by all the family members and loved ones who held tightly to him even when he was never a very family and emotions man. The aura and position that he had built in the world was the most important thing he had earned. After the news of his death was circulated, the stocks of Apple went down which proves the trust people had in him for what he had made of Apple.

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Dr. Damayanti Datta*

Abstract

In the recent years there is a paradigm shift in the definition of leadership. Over the years, the definition of leadership has changed. The leaders have transformed themselves from being very formal to the person working at the ground level like a common man. But then what makes a leader? Then what is special about being a leader? What special journey they go through to become a great leader? They follow a different and tough journey that makes the ordinary person, extraordinary. There are few classic transformational leaders of the past and present like Steve Jobs, Jack Ma, Bill Gates who have reflected some common traits and inspired the world to be one like them and create their own niche.

Key words: Transformational, leadership, traits

When I first saw the book "The Firm" on a bookstore's bookshelves, I thought they had re-released John Grisham's novel by the name. However, on closer inspection, I found that the firm mentioned in the book is a different one by a different author, although, no less intimidating. In his highly readable and thoughtful history of one of the world's most renowned consulting firms, McKinsey, Fortune editor Duff McDonald offers a lucid and engrossing narrative as he considers the question of the effects and value of Mc Kinsey. James O. McKinsey, a University of Chicago account professor, established McKinsey in 1926, with the purpose of providing consulting services to organizations for improving their business in terms of profitability, productivity, etc. But his analysis of organizations and suggestions for improvement were based on using accounting as a strategic tool. In the years following World War I, organizations in the US grew in size very fast which placed a lot of constraints on their resources and supply chain. At that time, McKinsey's consultants were able to compute the profitability of the firms in the years ahead and give beneficial advice to the firms. However, most of the time, McKinsey's consultations involved advising organizations to downsize in one or more areas. This lead to situations where McKinsey's arriving at an organization represented job loss to the employees of that organization and ruffled many feathers!

Consultancy is a high profile profession but it was not always this way. Management consultancy began as early as 1886 with a consulting firm established by a professor of MIT named Arthur D. Little. A few others followed but it was McKinsey under the leadership of Martin Bowers (1950-67), according to the author, who changed the way management consultants were perceived in the US and globally. They revolutionized the way organizations worked globally and brought a new mindset to the renowned business schools though processes and strategies. McKinsey has mastered consulting in such a way that if someone asks them the time of the day, they will want to know the relevance of asking the time in great detail before giving the reply to the person. One of the interesting facts, the author narrates, is the link between McKinsey and Harvard. McKinsey, in its growing years, recruited heavily from Harvard and, as it went on to establish itself in the hearts and minds of the US Government and businesses, the Harvard MBA also became as well-known as McKinsey in the same circles! Also interesting is the McKinsey footprint in the US Government! McKinsey at a point in time became heavily involved in the US government in all spheres, ranging from outsourcing the government's work to appointing appropriate people in key positions in the government. However, according to the author, at a point, McKinsey's involvement in private organizations conflicted with its role in government and hence, it soon downsized its involvement in the White House and its associated organizations. The book also mentions two important facts in McKinsey's success story. McKinsey employees after leaving the organization often took important positions in organizations creating a network that worked to McKinsey's advantage. In addition, McKinsey gathered business intelligence while working for one organization and conveniently used to its advantage in the other organization. More ever, it is McKinsey

 *Assistant Professor- Management, IMS Ghaziabad University Courses Campus

who laid the foundation for skyrocketing CEO wages and strategic management. McKinsey, according to the book, found that the CEO pay was below par in many organizations when it worked with the same and accordingly suggested increases, which set a trend and worked well in its favor, as the CEOs became happy clients! When decentralization began or when an organization became a behemoth, it was McKinsey who laid the foundations of the strategic theory of management albeit being spurred on the side by the success of the BCG matrix from the Boston Consulting group. To continue in the same vein, a spate of failures in the past few decades have shown McKinsey's internal vulnerabilities. It was not able to anticipate the financial crisis of 2008 despite having deep roots in the global financial market. Ironically through the firm has successfully consulted many renowned organizations, it has no spectacular successes to its credit. The book also highlights the internal problems arising from the sheer size of the McKinsey Company. The effects were the same as in the case of BBC where sheer size lead to the decline of a most successful media organization. There were too many internal divisions that lead to a failure of coordination between the different divisions which affected the organization as a whole. Duff McDonald, the author, also dwells considerably on the merits and demerits of the Rajat Gupta period of McKinsey when the firm expanded aggressively to keep up with the growing competition but lost its core values instilled by Martin Bowers, and presided over the spectacular debacle of Enron.

Duff McDonald has penetrated the very heart of the organization from its start to the present form and has helped the readers understand McKinsey in a way as never before. While extolling its various strengths, he has also narrated various incidents when McKinsey has failed miserably like in the cases of Enron, General Motors and K.Mart. Though they were well established at that point and in addition, very experienced in consulting, they were unable to prevent these well-known failures while being involved deeply with these organizations. At IIM-Ahmedabad, a question a batch mate of mine asked McKinsey was "Do you have a work-life balance?" Duff McDonald's narrative shows that to succeed in McKinsey, it is difficult to have a work-life balance; however, success is certainly worth the loss to a degree.

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