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# **NATIONAL SEMINAR**

**on**

## **Emerging Technological Trends in Banking, Insurance, Finance & Marketing**

**Organized by**  
**DEPARTMENT OF COMMERCE AND MANAGEMENT**  
**ROOTS DEGREE COLLEGE**  
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**CHALLENGES OF CONVERGENCE TO IFRS IN INDIA**

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**ABSTRACT**

*A good financial reporting system is the most important requirements to operate a Business effectively. Keeping this in mind, Accounting Professionals and Accounting Bodies of every country have its own accounting standards.*

*In India, the Ministry of Corporate Affairs laid down the roadmap for application of Ind AS which is convergence form of IFRS. Companies' rules, 2015 has also notified to implement Ind AS from 1st April, 2015 either voluntarily or following the 3 phrase released by MCA.*

*This paper is an attempt to describe the initiatives taken by India for convergence to International financial reporting standards. In this paper difference between IFRS and Ind AS has been discussed for Carve out from IFRS in the relevant Ind AS's and other major changes as notified by Ministry of corporate affairs(MCA).*

*A brief discussion of challenges to be faced by banks in implementing Ind AS . This paper also deals with the Challenges faced in the process of convergence in Indian perspective and measures taken to address the challenges.*

*Ind AS (as commonly known in India), is essentially bringing in the global standards on accounting to India. Corporate entities have already started implementing Ind AS from April 1, 2016, in a phased manner, whereas banks and NBFCs started implementing it from April 1, 2018,*

*Keywords: International Financial Reporting Standards (IFRS), carves out, challenges for banks*

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**INTRODUCTION**

IFRS is short for International Financial Reporting Standards. IFRS is the international accounting framework within which to properly organize and report financial information. It is derived from the pronouncements of the London-based International Accounting Standards Board (IASB). Till now approximate 150 countries adopted the IFRS , India is one of them.

International Financial Reporting Standards (IFRS) is a set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board (IASB).

The goal of IFRS is to provide a global framework for how public companies prepare and disclose their financial statements. IFRS provides general guidance for the preparation of financial statements, rather than setting rules for industry-specific reporting.

Having an international standard is especially important for large companies that have subsidiaries in different countries. Adopting a single set of world-wide standards will simplify accounting procedures by allowing a company to use one reporting language throughout. A single standard will also provide investors and auditors with a cohesive view of finances.

The term international financial reporting standards comprises of international financial reporting standards(IFRS), international accounting standards(IAS), interpretations from the international financial reporting interpretation committee (IFRIC), interpretations from standing interpretaion committee (SIC). Existing AS refers to existing accounting standards notified under companies (accounting standards) Rules, 2006.

IFRS requires businesses to report their financial results and financial position using the same rules; this means that, barring any fraudulent manipulation, there is considerable uniformity in the financial reporting of all businesses using IFRS, which makes it easier to compare and contrast their financial results.

IFRS is used primarily by businesses reporting their financial results anywhere in the world except the United States. Generally Accepted Accounting Principles, or GAAP, is the accounting framework used in the United States. GAAP is much more rules-based than IFRS. IFRS focuses more on general principles than GAAP, which makes the IFRS body of work much smaller, cleaner, and easier to understand than GAAP.

Ind AS is a principles based standard, the Regulators could provide simplified guidelines for ease of implementation and bringing consistency in implementation amongst banks. In the long run, moving to

internationally acceptable accounting standards will help the Indian banking system in becoming more resilient and tapping international pools for their capital requirements.

### **LITERATURE REVIEW**

1. The German philosopher and cultural critic Friedrich Nietzsche, on the power of a new system, once said: 'the reputation, name and appearance, the usual measure and weight of a thing, what it counts for – originally almost always wrong and arbitrary – grows from generations unto generations, merely because people believe in it, until it gradually grows to be a part of the things and turns into its very body'. New Accounting Standards (read IFRS) are also a type of new system which could make or shake up Indian banking system.
2. Cai & Wong (2010) in their study of global capital markets summarized that the capital markets of the countries that have adopted IFRS have higher degree of integration among them after their IFRS adoption as compared to the period before the adoption.
3. Paananen & Lin (2009) gave a contrary view to prior research that IFRS adoption ensures better quality of accounting information. Their analysis of German companies reporting showed that accounting information quality has worsened with the adoption of IFRS over time. They also suggested that this development is less likely to be driven by new adopters of IFRS but is driven by the changes of standards.
4. Kannan (2003) conducted a study regarding international standards with respect to banking operations and importance of corporate financial reporting in corporate governance and documentation of the changes occurred in corporate reporting practices. He has given justifiable suggestions for their gradual introduction in the Indian Banking sector
5. Dangwal and Singh (2005) in his study observed some interesting issues with regard to the financial reporting of banking companies in India and finds that the quality of financial reporting enables the banks to capitalize their underlying strengths, disclosure practices and social viability.
6. Epstein (2009) studied Economic effects of IFRS adoption by emphasizing on the fact that universal financial reporting standards will increase market liquidity, decreases transaction costs for investors, lower cost of capital and facilitate international capital flows.

### **OBJECTIVES**

1. the Challenges faced in the process of convergence in Indian perspective.
2. challenges faced by bank in implementing Ind AS.
3. To offer suggestions based on findings

#### **OBJECTIVE - 1**

1. the Challenges faced in the process of convergence in Indian perspective and measures taken to address the challenges.

IFRS can be implemented in two ways either by Full Adoption or Convergence. The two terms though used interchangeably but there is a faint but important difference:

**Adoption:** It is a process of adopting IFRS as issued by IASB, with or without modifications.

Modifications being, generally in the nature of additional disclosures requirement or elimination of alternative treatment. It involves an endorsement of IFRS by legislative or regulatory with minor modifications done by standard setting authority of a country.

**Convergence:** It is harmonization of national GAAP with IFRS through design and maintenance of accounting standards in a way that financial statements prepared with national accounting standards are in compliance with IFRS.

India has chosen a path of International Financial Reporting Standards (IFRS) convergence rather than adoption. Hence, Ind AS are primarily based on the IFRS issued by the International Accounting Standards Board (IASB). However, there are certain carve-outs from the IFRS. There are also certain general differences between Ind AS and IFRS:

- The transitional provisions given in each of the standards under IFRS have not been given in Ind AS, since all transitional provisions related to Ind AS, wherever considered appropriate, have been included in Ind AS 101, 'First-time adoption of Indian Accounting Standards', corresponding to IFRS 1, 'First-time adoption of

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### International Financial Reporting Standards

A complete set of financial statements under Ind AS includes the following:

- Balance sheet at the end of the period
- Statement of profit and loss for the period
- Statement of changes in equity for the period
- Statement of cash flows for the period; notes, comprising a summary of significant accounting policies and other explanatory information
- Comparative financial information in respect of the preceding period as specified
- Balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements having an impact on the balance sheet as at the beginning of the preceding period.

These Ind AS contain a number of deviations from IFRS that may be segregated into five broad categories.

- Category 1: Deviations from IFRS that result in Ind AS financial statements not being in compliance with IFRS. For example, under IFRS, a foreign currency convertible bond is treated as a hybrid instrument having a liability and a derivative component. Ind AS 32 requires that the derivative component is treated as equity, if the exercise price is fixed in any currency.
- Category 2: Removal of Options. Ind AS financial statements are compliant with IFRS, although accounting treatment choices are eliminated or minimised. For example, International Accounting Standard (IAS) 40 permits both the cost and the fair value model for subsequent measurement of investment properties. Ind AS 40 does not permit the use of the fair value model.
- Category 3: Additional options provided under Ind AS. The financial statements do not remain compliant with IFRS if the entity has chosen these options. For example, Ind AS101 allows a first-time adopter to use the transitional date circumstances to measure noncurrent assets held for sale and discontinued operations at the lower of carrying value and fair value less cost to sell.
- Category 4: Deferment or nonadoption of certain IFRS. Ind AS statements are not IFRS-compliant. For example, the next IFRS pronouncements have not been issued under Ind AS:

IFRS 9, Financial Instruments

IAS 26, Accounting and Reporting by Retirement Benefit Plans

IAS 41, Agriculture

(IFRIC) 2, Member's Share in Cooperative Entities and Similar Instruments

IFRIC 15, Agreement for Construction of Real Estate

Category 5: Regulatory and practice-related differences. For example, the differences necessary to ensure conformity with Indian Companies Act 1956 and requirement of presentation of annual accounts under Schedule VI of the same Act.

IFRS covers a broad array of topics, including:

- Presentation of financial statements
- Revenue recognition
- Employee benefits
- Borrowing costs
- Income taxes
- Investment in associates
- Inventories
- Fixed assets

- Intangible assets
  - Leases
  - Retirement benefit plans
  - Business combinations
  - Foreign exchange rates
  - Operating segments
  - Subsequent events
  - Industry-specific accounting, such as mineral resources and agriculture
1. Ind AS uses some terms that differ from IFRS. For example, the term “balance sheet” is used instead of “statement of financial position,” and the term “statement of profit and loss” is used instead of “statement of comprehensive income.” The words “approval of the financial statements for issue” are used instead of “authorization of the financial statements for issue” in the context of financial statements considered for the purpose of events after the reporting period.
  2. Under IFRS 1, transitional provisions in other IFRS do not apply to a first-time adopter’s transition to IFRS, unless otherwise permitted by IFRS. Ind AS standards do not contain transitional provisions of corresponding IFRS/IAS standards.
  3. Notification/applicability of certain standards/appendices of Standards such as IFRIC 12(Appendix A to Ind AS 11), Standing Interpretations Committee (SIC) 29 (Appendix B to Ind AS 11), IFRIC 4 (Appendix C to Ind AS 17), IFRS 4 (Ind AS 104), and IFRS 6 (Ind AS 6) has been deferred to a later date. However, Ind AS 8 states that an entity may consider the most recent pronouncements of IAS 8 in deciding the accounting treatment for transactions not covered by Ind AS.
  4. The conceptual framework for financial reporting has not been notified under Ind AS. However, certain Ind AS (e.g., Ind AS 1 and Ind AS 8) refer to the framework. Further, differences may arise, depending on the manner in which the Companies Amendment Bill is legislated, particularly with regard to provisions relating to Section 100, Section 78, Schedule VI, Schedule XIV, consolidation requirements, etc. In addition, differences may arise due to future changes introduced in IFRS and the manner in which they are incorporated in Ind AS.

#### **The following are the challenges that Indian corporate might face**

- After the adoption of IFRS the whole set of financial reporting practices needs to undergo a extreme change.
- To bring about awareness of IFRS and its impact among the users of financial statement it would be a challenge.
- Lack of Trained Manpower: IFRS has been implemented with effect from 2011; but it is observed that there are shortage of trained IFRS manpower.
- The institute of Chartered Accountants of India (ICAI) has started IFRS training programmes for its members and other interested parties but still there are a large gap between trained professionals required and trained professionals available.
- Currently, the reporting requirements are governed by various regulators in India and their provisions override other laws. IFRS does not permit such overriding laws.
- In IFRS framework, treatment of various accounting transaction is different in IND AS like treatment of lease, treatment of contract accounting entries, expenses like premium payable on redemption of debentures, discount allowed on issue of debentures, underwriting commission paid on issue of debentures etc. It results a complexity to understand the income statement
- IFRS implementation is a time consuming process for first time users due to dual set of financial statements are prepared.

ICAI play vital role to harmonization and proposed implementation plan but only few companies prepared their financial accordingly. Government announced another phase wise implementation plan later. So in this way we are too late



**OBJECTIVE - 2**

2. challenges faced by bank in implementing Ind AS.

Ind AS 109, an equivalent of IFRS 9 is the biggest impact of Ind AS, which impacts almost all line-items of bank's balance sheets. Ind AS 109 will lead to early recognition and higher provisions for loans and off-balance sheet exposures using expected credit loss (ECL) Model thereby impacting capital requirements.

ECL model has its own unique complexities, it should be mapped to banks own risk management practices as it has similarities to BASEL computation.

It involves use of

1. bank specific data
2. pooling homogeneous advances,
3. appropriate staging of such advances
4. determination of probability of default
5. loss given default
6. forward-looking adjustments.

This will differentiate and reflect real credit quality of individual banks' portfolios in their financial statements. The profitable and not so profitable portfolios of bank can be traced out as the estimated expected cash flows for non-performing loans on individual basis and provisioning for performing or underperforming loans at homogeneous pools levels will be made. As per the new provisions banks also need to reassess the price of their products especially in competitive and regulated environment.

To boost banks reserves and make them more volatile due to changes in market conditions, Ind AS 109 requires banks to present their investment portfolios based on their business model of holding those investment. Portfolios held for the sole purpose of yield will be carried at amortised cost, whereas portfolios held for opportunistic sale or trading will be carried at fair value through other comprehensive income or P&L.

**OBJECTIVE-3**

*To offer suggestions based on findings*

**SUGGESTIONS**

- i. provide adequate manpower to industry and fulfill the gap. It also helps in reduction of cost of preparedness.
- ii. Top management of companies should provide the IFRS training/workshops to their accounting staff to enable them familiar and competent.
- iii. By keep in mind the complexities of IFRS Companies should start conversion process within time frame with positive attitude.
- iv. Mandatory application should be enforced by ICAI and MCA for successfully and effective implementation of IFRS.
- v. IASB should publicize standards developed by it and get support from the accounting profession, member countries and corporate management all over the world.
- vi. Legislation should be passed to the effect that in case of any changes or amendments in IASB, the local standards, if any, should be brought in line with these.

**CONCLUSION**

Looking at the present scenario of the world economy, implementation of Ind AS is a demand and need of the day in order to compete globally. Implementation of IFRS is global investors friendly, companies can expand their operation globally by following single set of standards. Therefore, convergence with IFRS can be strongly recommended, but at the same time it is not easy to converge with IFRS as we discuss there are many regulatory and other issues involved in convergence with IFRS.

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## CUSTOMERS PERCEPTION ABOUT BANKING SECTORS AT THE TIME OF POST DEMONETIZATION

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### ABSTRACT

Now a day banking sectors are playing a vital role and acting as the largest service sectors in Indian economy. The nationalized banks are the majority lenders in the Indian economy. The primary function of banking sector is to provide efficient services to its customers. This paper highlights the impact of service quality on customers / beneficiaries of Indian Banking sectors at the time of demonetization. The Government of India led by Prime Minister Narendra Modi initiated a revolutionary step on 8<sup>th</sup> November 2016 with an objective to curb black money and cashless transactions. As a result there has been a severe inconvenience faced by people in India in availing banking services throughout the country. The customer perception significantly changed by post demonetization towards banking and financial services. The Government of India and RBI shall solve the problem of NPAs (non-performing assets) to establish people trust over the banks.

The demonetization on banking services is very clear relating to mobilization of deposits, withdrawals in a negative sense. As people are not very much versatile with digital operations they are facing various operational risks like cyber fraud. The initial increase in the bank deposits had negatively affected later due to insufficient liquidity in the banking systems.

It also caused various problems not only to the common people but also to other sectors like cash shortages in banks, transportation, stock market, industrializations, legal issues, international reactions etc.

The scarcity of cash due to demonetisation led to chaos, and people faced difficulties in depositing or exchanging the demonetised banknotes due to long queues outside banks and ATMs across India. The ATMs were short of cash for months after demonetisation.

The major drawbacks for agricultural sectors are heavily dependent on cash and were adversely affected by demonetization. Due to scarcity of new banknotes, many farmers have insufficient cash to purchase seeds, fertilizers and pesticides.

My study is on overall effect during and after demonetization and the changed perception of common man on banking sectors.

### DEMONETISATION

#### CANCELLED



#### INTRODUCED



#### What happened on demonetization?

- On 8<sup>th</sup> November 2016, Government of India had announced that from today onwards rupees 500 and 1000 rupee note will not be a legal tender.
- Which means that 500 and 1000 rupee notes will not be accepted by anyone except the organization declared by the government.
- Public can deposit and change the currency from the banks and post offices till 30<sup>th</sup> December 2016.

#### What is Demonetization?

- Demonetization is the withdrawal of a particular form of currency from circulation.
- It is a process by which a series of currency will not be a legal tender.
- The series of currency will not be acceptable as valid currency.

### Demonetization History and Background in India?

- This is not the first time, When Indian Currency is Demonetized in India.
- Earlier it was done in 1946 with the complete ban of Rs 1000 and Rs 10000 notes to deal with the unaccounted money i.e., Black Money.
- Second Time, it was done in 1978 by Government headed by Morarji Desai when Rs 1000, Rs 5000 and Rs 10000 Notes were demonetized.

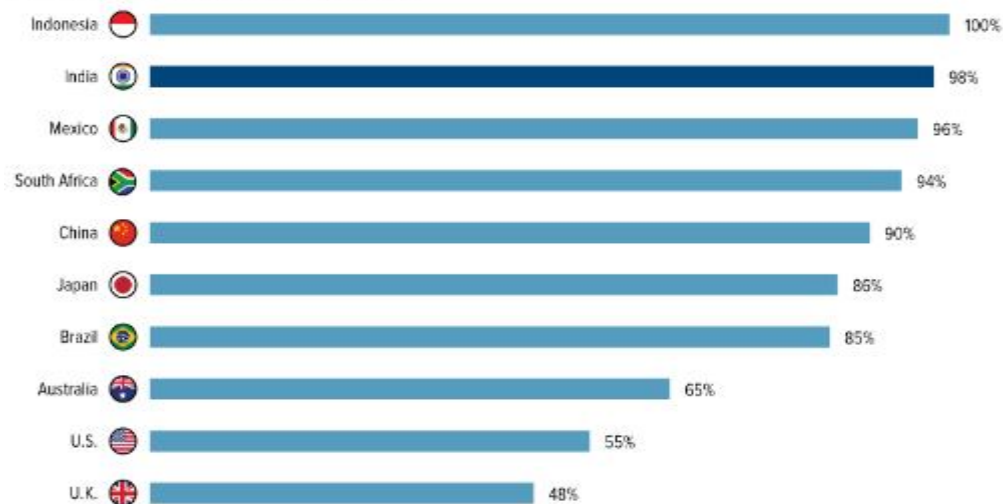
### Major aim of demonetization



### Making India a cashless society

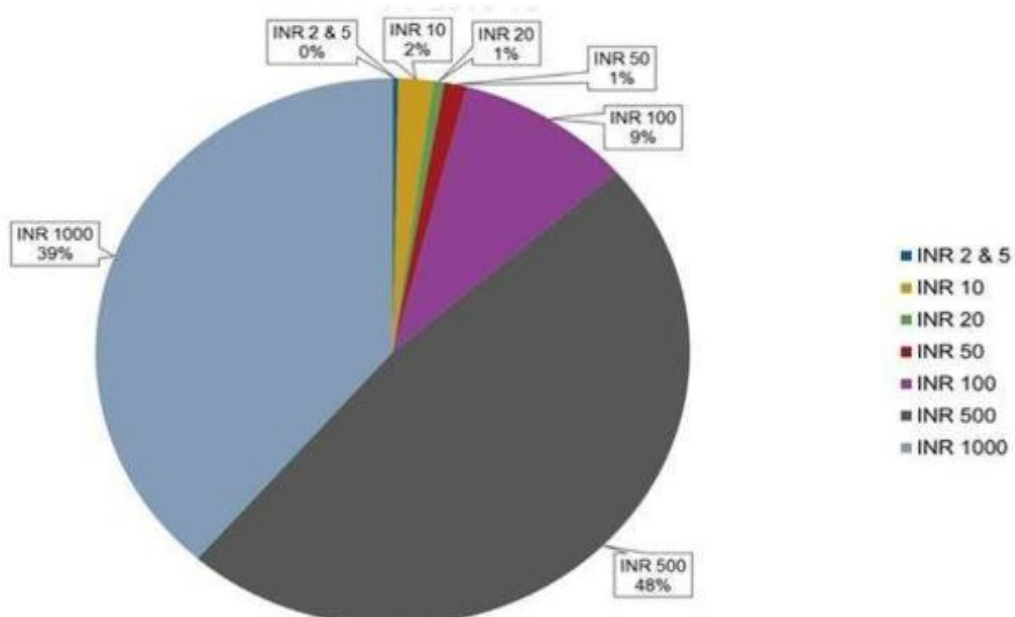
#### In India, Cash Is King

Share of Cash in Volume of Consumer Transactions



Source: Bloomberg, PWC 2015, U.S. Global Investors

### Percentage share of Denominations before Demonetization



**What are the causes of Demonetization?**

There can be many causes of Demonetization in any economy such as”

- Black Marketing
- Currency shortages
- Corruption
- Fake currency in the economy etc.

**Pros and Cons of Demonetization****Pros:****I.Attack on black money holders**

- People who possess huge amounts of black money in hard cash are at a complete loss now.
- Their black money in hard cash is now a pile of trash.
- Now if a Black money holder wants to deposit money in Bank account he/she has to show ID.
- There will be 200% Penalty.

**II. Death knell to fake Currency Rackets**

- Most of the fake currencies used to be in the denominations of Rs.500 and Rs.1000.
- By banning Rs.500 and Rs 1000 notes, Narendra Modi has busted all these unethical rackets completely.
- Now there will be no use of this Money.

**III .Transparency**

- Online transaction=More transparency=Financial Intelligence Unit will track all online transactions.
- Now there will be More Transparency in Real estate sector.

**IV. End of huge Donations**

- These money minded people running the institutions like schools, engineering ,medical colleges would be stopped private institutions take more money as donations especially in the form of hard cash in the denominations of Rs.500 and Rs.1000 would their hands.

**V. Towards a cashless economy**

- It is highly impossible to have a 100% cashless economy, but the proportion will decrease and our economy will get more digitalized.
- This would result in greater transparency.
- Government has introduced some limitations for cash withdraw from Bank Accounts, People will go for online payments.
- Most of the people use PAYTM or other online payments to companies for buying goods or making payments.
- It promotes for usage of Debit and Credit Card.

**VI. Hawala Transaction ends**

- Most of the Hawala transactions which were used earlier denominations like Rs500 and Rs1000 cant trade anymore.
- There tried to put full stop for such transactions.

**Cons of demonetization in India****I.Rush at Banks**

- Banks were extremely over –crowded by people
- Most of the people went to Banks officially to exchange the banned notes leading to a tremendous chaos

**II. Shortage of Money to common people**

- Demonetization affected the common people rather than Black money holders.
- In first demonetization seemed to be a very positive step taken towards corruption and black money holders.

- It received praises from all side but as days passed, it became difficult for people to manage cash.
- Most of them chunk of cash is stored by people as 500 and 1000 rupees notes.
- The difficulties that people have been facing owing to the shortage of cash are going to persist, even after PM Modi,s fifty days are over, and even after the six months that most others see as the minimum period required for the restoration of normalcy are over.
- Poor and common people have to queue up outside banks for long hours to withdraw or deposit their own hard-earned money. He decision targeting the holders of Modi took the decision targeting the black money holders and counterfeit currency, but it is the common man who is at the receiving end.

**III. Stock market**

- Due to currency being sucked out of the market coupled with Trump's vicyory, the mood at the stock market was completely bearish.
- Sensex lost 1600 points at open. This gave adversely a negative effect on Trade in general.

**IV. Problems for housewife**

- Many Indian housewives store money secretly so that it could help them for them to overcome future financial crisis.
- The money which was accumulated by our respected women and Indian housewives is of no use until they exchange in the banks and post-offices.

**V. Marriage season**

- Most of the families got affected the one who got fixed with their marriages; they have postponed their marriage date.

**VI. Short Term Inflation**

- Short term cost push inflation will occur, due to shortage of money in the market.
- The price of Gold has already become sky high.
- Prices of vegetables and fruits have also soared burdening the common man.

**VII. Effects on Parallel Economy**

- After removal of Rs 500 and 1000 most of the people may not be in a position to deposit the same in the banks which may effect the parallel economy.
- Temporarily stall the circulation of large volume of counterfeit currency.
- It would curb the funding for anti-social elements like smuggling, terrorism, etc.

**VIII Effect on GDP**

- Moreover, this expected impact on GDP may not be significant as some of this demand will only be deffered and re-enter the stream once the cash situation becomes normal.
- The GDP formation could be impacted by the measure, with reduction in the consumption demand.

**Impact of Demonetization on Indian Economy:**

- Effect on online transactions and alternative modes of payment. Digital transaction system , E-wallets and apps , online transaction using E banking, usage of plastic money (Debit and Credit cards) etc. will definitely see substantial increase in demand.
- Their seems to be a digital transactions facing a reduction, alternative forms of payments will see a surge in demand.

**Will demonetization slow down India's growth?**

- Yes, Demonetization will slow down growth rate in short term and medium term because people have less money in hands. So demand is low, that is why it is hampering our growth rate. But as soon as people get money, markets will be back on track.
- But its long term gain is "fictional" or say "disputed". Some people theoretically says it will benefit the economy as government will have more revenue but others say giving a electric shock to the economy when its already under distress business sentiment can send it into coma.

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- India is a cash based economy and demonetization will temporarily decrease liquidity in this economy. Decreased liquidity will lead to decreased demand which will result in decreased productivity causing a slowdown in consumer market.
  - People have panicked due to sudden demonetization. This will force them to save and store more money. Thus, a decrease in demand leading to slowdown in consumer market.

**CONCLUSION**

- The advantages are much dominating and it will be in the long term interest of our country comfortably outweighing the disadvantages.
- Government need to take all the necessary steps so as to ensure that there will be a smooth flow of currency exchanges.
- It will make a massive change in our economy.
- We congratulate the entire government and those hidden brains of our democracy who brought this decision.

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**IDENTIFYING HRM PRACTICES IN INDIAN BANKING INDUSTRY**

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**ABSTRACT**

*The modern competitive world which offers various opportunities requires efficient and skilled personnel in order to survive various challenges. Banking is one such industry which is fast growing and needs a proper framework to manage people effectively and efficiently. For banking, the importance of human resource management has grown manifold because the nature of banking industry, which is mainly service based. The management of people in the organization along with handling the financial and economic risks at the wider level is the most potent challenges in front of the banking industry in any given time frame. Efficient and skilled manpower in the sector can only manage the financial risks which the banks need to take on regular basis. The Human Resource department is responsible for finding such talented manpower and placing them in right jobs in the banks. There is a need for an approach to achieve better performance, to originate and implement HRM practices. This realization reinforces the critical role HRM practices play in this globally modern and increasingly competitive business landscape. This paper aims to provide an insight to such practices in Human Resource Management. The HRM practices have been listed under seven different heads of HRM namely recruitment & selection, training and development, performance management, compensation management, career development, employee motivation and employee security.*

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**INTRODUCTION**

Efficient human resource management is one of the most essential requirements for survival in this competitive world. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Tiwari and Saxena, 2012). Basically, HRM deals with planning, acquiring the right people, retaining/developing the people, and managing people separation/exit (Chakrabarty, 2012). Therefore, the major challenge for any organization is to manage its human resources in such a manner that it can justify their need for the right jobs. Therefore, Human Resource Practices, here, refer to all such new and improved practices and activities which have been adopted by the organizations keeping in mind the competitive era. Recent trends in the banking industry of India show that the banking sector is growing in size and sophistication to meet the needs of a modern economy and global environment. Therefore, HRM practices are the need of the hour for banks. The present paper has been mainly focused on providing insight to such practices related to Human Resource Management in the detail.

**STATEMENT OF THE PROBLEM**

There are many challenges for Banking industry ,they need to understand ,such as Employees being dissatisfied, giving low performance, looking for job change, salary related issues, not being competitive for tasks, lack of proper skill set, knowledge, wherein these issues need solution.

**OBJECTIVES**

1. The study has been aimed at exploring the practices related to HRM adopted by Indian banks.
2. It emphasizes on introducing more HRM Practices for the employees growth and development with a more focused approach.
3. The study helps in retaining the employees with proper career guidance.

**NEED OF THE STUDY**

Banking sectors is one of the fast growing industries and had seen many challenges recently. It is very important for the management to be future ready. To enhance the knowledge of manpower, to build their team to face these challenges and to ensure that employee is satisfied and committed to the firm at the same time, this study gives an outlook of different HRM practices being practiced in many Indians banks.

**SCOPE OF THE STUDY**

Gives a modern outlook for management to enhance the skills and to prepare the employees for different challenges, risks, taking care of employee career growth , giving them good working environment which will in turn help banking sectors growth and development.



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**LITERATURE REVIEW**

Different names have been given to the HR practices in past studies. Pfeiffer (1998) proposed seven HRM practices that were: employment security; selective hiring; self- managed teams and decentralization of decision making; comparatively high compensation contingent on organizational performance; extensive training; reduced status distinctions and barriers and extensive sharing of financial and performance information throughout the organization.. In one of their studies Budhwar and Boyne (2004), in India, categorized HRM practices under four heads named recruitment and selection, employee compensation, training and development, and employee relations. Compton (2009) mentioned that human resource strategies must include recruitment and selection, education and development, performance management, succession planning, remuneration and finally retention of key players.

However, a study related to HRM issues in banking sector (Jyothi and Jyothi, 2008) concluded that Banks in near future will have to address compensation issues, flexible work schedules, outsourcing and retaining talent for which they require enhanced skills, new knowledge and behavioural adjustments of human resources. To address this gap, this paper is aimed to identify such HR related practices so that the same can be used to conduct further studies in the same context.

**METHODS AND STUDY**

This study is basically descriptive in nature because the researcher gives a new outlook for the HRM practices for both Public and private sectors .The information is gathered from various Banking news reports, articles, reports of RBI, journals, and various websites have been the source of secondary data. The main objective of this study was to identify the HRM practices adopted in public and private sector banks of India. The banks are employing these HRM practices related to recruitment & selection, training and development, performance management, compensation management, career development, employee motivation and employee security.

**1) Focus on Recruitment & Selection initially**

This factor includes all those HR practices which aim at attracting maximum number of highly talented applicants and selecting the best to achieve competitiveness (Khan, 2010). The HRM practices identified under this head have been explained below:

**Prepare a design for Recruitment and Selection**

A well-defined recruitment and selection policy saves a lot of time and resources for the banks . Earlier, only a few banks had a pattern of recruiting people through employee referrals. But now days, a pre-defined policy of hiring people is available in most of the banks.

**Short listing the right skilled candidate**

Banks have also started selecting professionally qualified personnel, e.g. MBAs, CAs, Agricultural officers etc. for different posts. Earlier, only private sector banks were employing such professionals for their various departments, but now, public sector banks have also started using this practice. Moreover, need for giving special training for such employees has also been reduced to a certain level.

**Looking for more committed employees**

Banks are giving importance to the service attitude, commitment and competence in the selection procedure these days. This policy is being adopted by the HR department of the banks keeping in mind the fact that employees with positive service attitude will work more efficiently and increase the business ultimately.

**Retaining the employees**

One of the major problems that the bank employees were facing in earlier times was that if they left the organization due to any work pressure or other reason, then they were not stopped or hold on by any employer. But now, even the regional or circle managers of the banks use a “Retention” policy for the employees so that they may not leave the bank quickly.

**Employee Productivity approach**

In the present scenario, the HR department of banks has also started formulating a result oriented recruitment and selection policy for their banks. This policy helps them to keep only those employees who are increasing the bank's profit and fire out or demote the other ones. Even the public sector banks also don't give promotions to those whose past records are poor.

**2) Focus on Training and Development**

It helps employees to know their strengths and weaknesses ,learning to overcome weaknesses ,which helps in generating positive outcomes for the banks. And also enhances the employee self-esteem, boosts high morale,

and builds a sense of satisfaction among employees due to acquisition of additional knowledge, skills, and abilities (Khan, 2010).

Following are the Training and Development practices:

#### **Written Examination**

Use of written examination for selecting employees for training is one of the major innovations mentioned by most of the Banks. This helps the employees to be free from any kind of biasness. ICICI Bank and SBI are organizing such tests for higher level employees with training too.

#### **Levels of Training**

Special and customized training programs have also been designed for different levels of employees in the banks. State bank of India is practicing this practice for more than one and a half decades. Other banks are also following this HR practice.

#### **Need for Continuous Training**

In some of the banks, continuous training need assessment of employees by the HR department is also practiced. With the help of continuous training need assessment, only those employees, who are actually in the need of the training, are sent for the training. Aggarwala (2003) has also explored this innovative practice in one of her studies.

#### **Applying Training Techniques**

Employees are also being encouraged to apply the techniques learnt in their training program. They are given a chance to apply the information acquired by them during the training practically so that they may not forget it ever.

#### **Project Related Training**

To make the learning effective, some banks have the practice of selecting the staff for special project teams meant for bank's effectiveness. Private sector banks like HDFC and Axis bank are sending their employees for special projects training so that they can acquire some specialized skills and knowledge.

### **3) Performance Management System**

Appraising is a general process of facilitating interpersonal relationship between employees and managers through performance related discussions (Wilson & Western, 2000). This category includes the new practices related to goal achievement in an efficient manner, their appraisals and job assessments. In the present study, HRM practices related to Performance Management were found which are:

#### **Performance Assessment and Appraisals**

The very common innovative HR practice of performance management has been that the performance matrix or some other competency mapping models being used for employee's performance reviews. This has enhanced the performance as well as the morale of their employees. The employees are being assessed for their fair objective data. These data may relate to their deposits, advances, NPAs, or profit per employee. These objectives and fair data helps the employers to appraise the employees without any biasness and good performers are benefitted from this.

#### **Review the Employee performance**

Another innovation is that they are reviewing the performance from multiple sources e.g. superiors, juniors, peers etc., i.e., 360 degree performance review system, which was not prevalent earlier, is being implemented in most of the banks. The same practice has also been discussed by Aggarwala (2003) in her study on innovative HRM practices.

#### **Notifying the issues to the Top management**

These days, the employees of few banks have the power to challenge their appraisal done by the HR department or by their superiors, if they disagree on some issue. But for this, they need to represent to the higher levels with solid proofs and evidences.

### **4) Structure for Compensation Management**

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999). An effective set of choices about compensation systems plays a major role in determining firm performance (Dreher and Dougherty 2005).

#### **Skilled Employee Plans**

Special incentives are given to talented employees to encourage better performance. Using incentive compensation to stimulate better performance and to provide promotion opportunities through an internal labour

market increases satisfaction and self-actualization (Harel & Tzafrir, 2001). Same has also been confirmed by Gerhart & Milkovich (1992) in one of their studies. Special Increments on Regular Basis is also essential for better performance of the employees.

### **5) Career Development Initiatives**

Setting career goals, formulating and implementing strategies and monitoring the results are categorized under this head (Greenhaus 1987). These help the employees to groom themselves and manage their careers. Verburg et al. (2007). This will result in career growth in the form of Promotions.

### **Encouraging learning along with Work**

Education related opportunities are being provided at the work place for the career enhancement of the bank employees. This has increased their dedication towards work in their present organizations. A few private banks just like AXIS bank are also providing opportunities to their employees to get enrolled to professional courses so as to enhance their skills as well as degrees. This boosts up their morale for work. A well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance (Milkovich and Boudreau, 1998).

### **6) Motivation for the Employees**

The effectiveness of talented employees will be limited if they are not motivated to perform their jobs (Delaney and Huselid, 1996). This factor of HR practices includes all those practices relating to motivation of the employees through new ways. In the present investigation, nine motivation practices have been identified. Accordingly, the employees can be motivated in the new ways:

#### **Creating Friendly Environment**

Use of music at workplace, to improve the performance, is one major innovation found in the study. SBI has introduced the concept of playing light music in its branches so that a calm and soothing environment can be provided to the employees as well as to the customers. Other banks too have started following this practice.

#### **Support with day care for young mothers**

There is an arrangement of day care centers in most of the surveyed banks for the children of employees, so that they have no difficulty in maintaining work life balance. In these day care centers, they can drop their children while they are at work. This won't even divert their minds towards their family while working.

#### **Encouraging Employees to work freely**

In the last few years, freedom is given to the employees to give their best. This helps them to work according to their best possible capability without any interference and they try to give their best. This is a kind of brainstorming exercise through which the employers can get best out of the minds of their employees.

#### **Ownership to Employees**

Availability of Employee Stock Option Plans is a practice which has been innovated in the banking sector for a last few years so that the employees feel that they are also the owners of the banks. This feeling makes the employees more loyal to their organization

#### **Reducing Interest Rates for Loans**

Availability of loans and advances at discounted rates to all the employees is also another common HRM practice leading to motivation of the employees. They can get loans on simple interest for getting vehicles, constructing house or even educating their wards. This helps the employees financially and motivates them to increase their efficiency.

#### **Ease with working hours**

Some of the banks are also providing flexible working hours to enhance the productivity of employees. Banking hours are generally common everywhere, but a few banks have started giving an option of flexible working hours in two different shifts so that the employees can work according to their comfort. HDFC bank is an example. This practice was also identified by Kundu & Malhan (2009) in one of their studies.

#### **Employee Rejuvenation**

Arrangement of sports activities, indoor games, swimming pools, gyms, art of living classes, yoga sessions etc. are distinct innovations which have not been there in the banking system earlier. These practices are the best boosters and relaxers for the bank employees who are mostly under work pressure.

#### **Awarding the Employees**

Announcement of best employee awards was a common practice in the private sector banks, but these days, the public sector banks have also started the same practice to motivate their employees. A

few banks have recently introduced the practice of writing the best employee's name on the display board in the regional centre or even in the branches of their banks. Better-motivated employees lead to higher individual achievement and improved organizational performance (Huselid, 1995; Pfeffer, 1994; Delaney et al., 1989).

### **7) Employee Retention through security plans**

The exercises which make the employee feel highly secured in his present job are the best suited for this category. These practices when implemented through new ways may help an employee to feel most satisfied in his job.

#### **Retirement Benefits**

providing proper retirement benefits is another important practice for the employees under the study. Unlike earlier days, now the employees get enough gratuities, pension and other retirement benefits which can secure their rest of the life after leaving the job.

#### **Plan for Voluntary Retirements**

VRS has also become common in banking sector. Now, the employees of the banks can also enjoy the benefits of this scheme if they need earlier retirements from their work. This doesn't interrupt their other retirement benefits.

#### **Providing Employee Insurances**

Banks also give the facility of dependent's insurance which gives a sense of security in the minds of employees for their family too. This motivates them by satisfying their social as well as security needs.

#### **Provision of Sabbatical Leaves**

One latest practice adopted by the HR department of the banks is that there is a provision of "sabbatical leaves" (part time leave from organization with 50% or less salary in case of crisis) for employees. This helps in reducing the employee turnover rate in the banks. Infosys started giving sabbatical leaves to its employees in India so that they may get job security. This was followed by HDFC bank and then the others also started using this HRM practice.

#### **System for addressing Grievances**

There is a provision of written as well as operational grievances procedures. The existence of the formal mechanism of dispute resolution reduces employees fear of being unfairly treated and increases their perception of equitable treatment resulting in a more dedicated workforce and better performance (Arthur, 1992). Like Infosys has "whistleblower complaint system" for addressing Grievances.

### **CONCLUSION**

The constant changes and trends in market definitely need a continuous revision of HRM strategies for the employee growth and also development of the business. It has now become a challenge for all the banking sectors to consider their employees as the main pillars for the development and also retaining the employees is an important concept today.

This study gives an insight into various HRM practices which can be adapted for the current global challenges in the banking industries. It helps banking sectors to devise HR practices to attract best talent and give them comfortable environment to work with, that enables the banks to retain talents. Chakrabarty (2012) has highlighted in one of his speeches on HRM in banks that it is the people, people and people that make an organization achieve competitive advantage in this tough and competitive world.

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## INNOVATIVE MARKETING STRATEGIES

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### Abstract

*Nowadays, innovations are necessary conditions for enterprise sustainable development. Moreover marketing strategy is the crucial element of ensures diffusion of innovation. The purpose of marketing strategy is to conduct market analyze, segment the market, develop marketing approach, right product portfolio and finally marketing plan. This article highlights the comprehensive role of marketing strategies for innovations. The results show, that marketing analyze for marketing strategy enables enterprises to go beyond the solely understanding of customer needs, thus enabling them to develop unexpected innovations. Marketing strategies also help companies to overcome barriers, associated with innovation commercialization. At the same time innovations can be a trigger for new marketing methods and instruments.*

*Keywords: innovations, marketing strategy, Innovative marketing*

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### Introduction:

**By Philip Kotler,** "Marketing Strategy is the marketing logic by which the business unit expects to achieve its marketing objectives.

**By Dibb and Simkin,** "Marketing strategy indicates the specific market towards which activities are to be targeted and the types of competitive advantage to be exploited."

The economic growth of most of the developed countries heavily relies on new technologies and innovations. According to McKinsey Global Survey

[1], 84% of executives, say that innovations are extremely or very important to their company's growth strategies. However as the result of vanishing market borders, market internationalization, shorter product life cycles and more sophisticated customer demands, innovation products and services must be commercialized in much shorter time frames, than before.

[2] The only possible solution to this dilemma is to develop effective marketing strategy, which is able at the shorter time frame to bring innovation to the market. The role of marketing for the development and successful implementation of innovation products and services is high. According to Aron and Liem

**According to Aron and Liem :** entrepreneurial orientation, market orientation, marketing capability and innovation capability are the prerequisites for higher competitive advantage and higher marketplace performance. Firms apply innovation capabilities to create innovations and market capabilities to be able to sell innovations effectively. In fact the alignment of both capabilities enables firm to develop high competitive marketing strategy for innovations and thus is giving firm a higher competitive advantages.

### Literature Review

The paper is structured as follows. First, discussed the innovative marketing strategies concept, importance and techniques. Next, we describe the innovative marketing strategies to watch in 2019 procedure adopted. Then present and discuss the statistical analysis of trends and innovative marketing strategies adopted and its influence in future growth of the market, and briefly synthesize existing knowledge in statistical analysis & interpretation reviewed AR/VR analysis Growth expectations of AR/VR from 2016 to the year 2021. Influencers are going to play a role pie diagram Picturaised the facts on the number of Twitter and Instagram users relying on influencer recommendations stands at 49%. Of marketing channels growing the fastest, influencer marketing takes the lead. It stands at 22% compared to organic search (at 17%), email (at 15%), paid search (at 14%), display advertising (at 9%), affiliate marketing (at 5%) and others (at 18%).

We then discuss the implications of the review findings for marketing theory and practice. Finally, discussed different barriers in innovation of marketing strategies and discussed resolutions for it in tabular format.

### Research Methodology

This paper adopted innovative marketing strategies and trends in 2019, major challenges for upcoming years towards success of business organisations and how to overcome it strategically, Statistical data for future years to carry out the research, because interventions are constantly required during the course of study.

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**Concept of Innovative Marketing**

Innovative marketing is a set of innovative processes and activities that market and communicate new products and services to a targeted group of consumers. Innovation and marketing are the two words that must understand. **Innovation** in marketing is an activity that involves new ideas that have a positive impact to a new product and service. **Marketing** is a process that involves marketers to communicate product and service information to consumers

**Example:**Grand shoes is a Sweden based shoes store that deals in size 12 to size 17 branded footwear. Here grand shoes not targeted the market with unique plus size that customer don't get everywhere.

**Importance of Innovative Marketing Strategies**

The need for Innovation is a product of such a school of thought. Innovation, is the profitable exploitation of new ideas. It's a tangible process and the need for an innovate work environment is widely recognised as being one of the key success factors in gaining competitive advantage in the global market place. Firms today realize that investing in innovation is crucial to business success. For years there has been a fierce debate on the key elements of the correct marketing strategy to Win in the Customer Age. The debates revolved around three solutions: Automate, Innovate, and Collaborate. In the years, innovation has taken the lead as the key solution. This holds particular significance today, the market place of the 21st century, which is more exciting and unpredictable than ever before.

**Innovative Marketing-Strategies&Techniques:****Techniques**

Marketing Managers are required endless marketing efforts to increase **brand awareness** and visibility in such a way that have a positive impact on consumer's mind while trying to squeeze the marketing budgets. If they are unable to deliver they can lose market share to a new entrant.

Following are the some of the innovative marketing technique that can help marketers to attract more customers within limited marketing budgets. **Word of Mouth Marketing**

The main objective of the company is to deliver a unique customer experience in such a way to exceed customers' expectations. A satisfied customer will always stay loyal to your brand. Don't forget to map your customers' journey and make them amazed every time they interact with your brand.

**Social Media Marketing**

Based upon the company's target market and demographics, social media platforms are the resources which can bridge the gaps between product and customer

**Retain Your Existing Customers**

Keep in mind, if you acquire new customer it is seven times more expensive than retaining the existing customers. You must ensure that your existing customers are retained forever.

**Explore New Geographies**

According to Milton Berle, **"If opportunity doesn't knock, build a door,"** Whenever products find it difficult to attract customers, it is always better to look for **new geographies**. New markets with low competition and high demand always have low setup cost of a product and service.

**Brand Repositioning**

Once Hunter Hayes says **"It's time to reset, rethink, and reposition"**. When your business is not doing well, it is the right time for the business to take it as challenge and rethink about your strategy. Conduct a **swot analysis** to find out your business **strengths** and **weaknesses**..

**Show Your Expertise**

As a company you can use different platforms and address customer issues and problems. Start writing blogs, use social media, speak at conferences and position the organization as an expert in the industry. For example, Neil Patel, who uses digital and **social media** platforms and proved himself as an expert in the industry.

**Examples of Innovative Marketing Strategies**

One of the key factors of marketing strategy of all the well-known brands is innovation. In the era of digital marketing brands need to adopt change and avail opportunity.

**Instagram**

Instagram has an outstanding affinity with reputed industries for example fashion and fitness, which have already built a strong relationship with target audience. Instagram has already implemented several innovative marketing practices that enhanced UX user experiences. The social media platform have given its industry the ability to increase the depth of storytelling and sharing success stories. Presently, 86 percent of top international brands are active over this platform which endorses the validity and posers of the same as an advertising and marketing channel.

**Netflix**

Today Netflix has become an important part of household. The **Netflix brand** has achieved great success through producing best quality content. Netflix is not only a streaming and delivery service platform but also produced some amazing TV series over the years. Netflix has greatly implemented the user data to **target consumer based** on their demand, behavior and trends which is one of the key success factors.

**L'Oreal**

The designing and launching of their app is the proof of their understanding about digital era consumers. Through the L'Oreal's Makeup Genius app, the customer can use their smartphones for a complete digital makeover. Consumers responded rather positively and the app is downloaded millions of times. In addition to this, the brand has bought in boldness in other digital channels by creating another unique line 'Em-cosmetics' for hugely influential make-up blogger Michelle Phan.

**10. Innovative Marketing Strategies to Watch in 2019****1. Virtual Reality (VR)**

In a society where you can virtually transport yourself anywhere in the world, it is only natural that savvy marketers are starting to take advantage of this technology.

Example: Toms Shoes created an innovative VR experience that took customers on a journey through Peru to give a pair of shoes to someone in need. Toms transformed their tagline, "fashion for a good cause," into a realistic experience that customers could explore.

**2. Augray Reality (AR):**

Marketers everywhere have been anxiously waiting to get their hands on AR, and now that the technology is here—you can expect to see it everywhere.

Example: Ikea recently rolled out Place, which is an AR app for iOS users that allows them to preview furniture in their homes. This type of AR integration combines AR with e-commerce by allowing customers to visualize their products in their actual surroundings and then place an order right away if they are satisfied with the result. Using an AR app as a marketing tool allows a brand to create interactive and highly persuasive experiences to convert casual shoppers into buyers. Augray has developed an interactive app TaDa time: The new era of Social messenger app which redefines how we communicate.

**3. "Phigital" Marketing**

Phigital marketing is a recently coined term for the integration between more traditional display marketing methods and newer digital marketing experiences.

(aka Physical + Digital = Phigital)

This Audi Display in London is a perfect example of phigital marketing in action. The showroom encourages users to engage by integrating interactive touchscreens in combination with the display of the physical vehicles to create the ultimate innovative marketing experience.

**4. Cultural Relevance**

Going viral in today's internet driven society is hugely beneficial to driving high brand engagement. Developing culturally relevant marketing strategies is one of the best ways for a brand to go viral and in-turn garner significant media buzz.

Brands can stay culturally relevant by keeping up and playing into what's happening in the moment. P&G recently launched a Gillette campaign addressing toxic masculinity just days after the American Psychological Association (APA) announced that "traditional masculinity" is harmful to society. P&G kept up with the now, and when they found a place to jump in and make a stand, they did.



### 5. Social Media Artificial Intelligence (AI)

There are numerous applications of AI in marketing but perhaps the one with the largest scope is social media. AI is capable of doing everything from categorizing Tweets, to gathering consumer insights, and even to analyzing social media patterns to help you to capitalize on trending topics at the right time.

Social media makes it easier than ever for brands to access their customers' personas and buying behaviors. Social media AI can easily and efficiently aggregate this consumer data so that marketers can make more targeted and strategic decisions.

### 6. 3D Photos for Innovative Marketing

Facebook launched a 3D photo feature in October of 2018. These photos are taken with a dual-camera phone and combined with a depth map to create an image that appears to be in 3D. These immersive images are also designed to appear beautifully in a VR headset.

Marketers have gotten ahold of this technology to make innovative banner advertisements that quite literally jump off of the page. These images have the potential to revolutionize the display ad industry in 2019

### 9. User-Generated Content

It's hard to beat marketing content that is both FREE and engaging.

Utilizing user-generated content has many effective marketing perks. Not only is it completely free to use, but this type of content also heavily influences the buying decisions of most millennials.

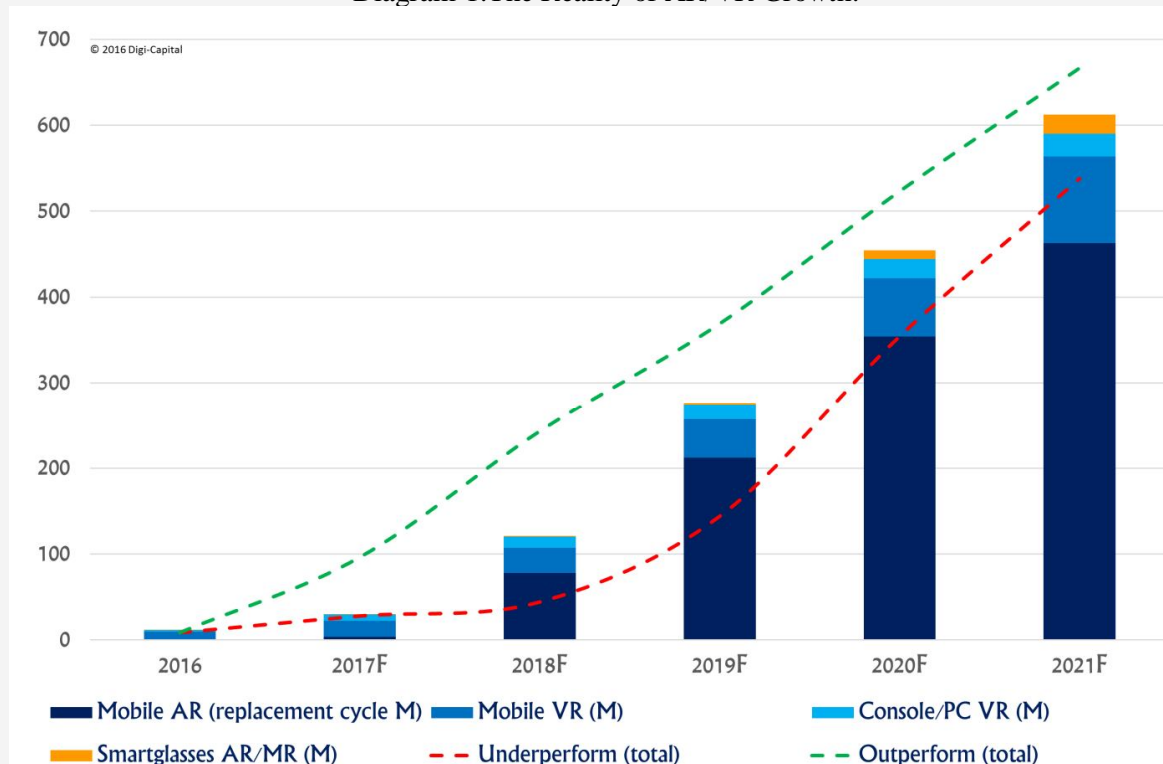
People want to hear success stories from other people that understand them—not just empty claims from your PR department.

### 10. Chatbots

We are constantly being bombarded with different AI technology and it can be incredibly frustrating when companies don't keep up. If you're shopping online and you have a question about a sale going on, or a glitch in the website and you have no way to get a quick answer—there is a good chance that you will give up and abandon your cart altogether.

Chatbots are humanized, 24/7 customer support that can typically predict customers' questions before they even have to ask. In 2019, it's crucial to keep up with AI technology and provide your customers with the best possible user experience and integrating chatbots are an effective way to do so.

Diagram-1: The Reality of AR/VR Growth:

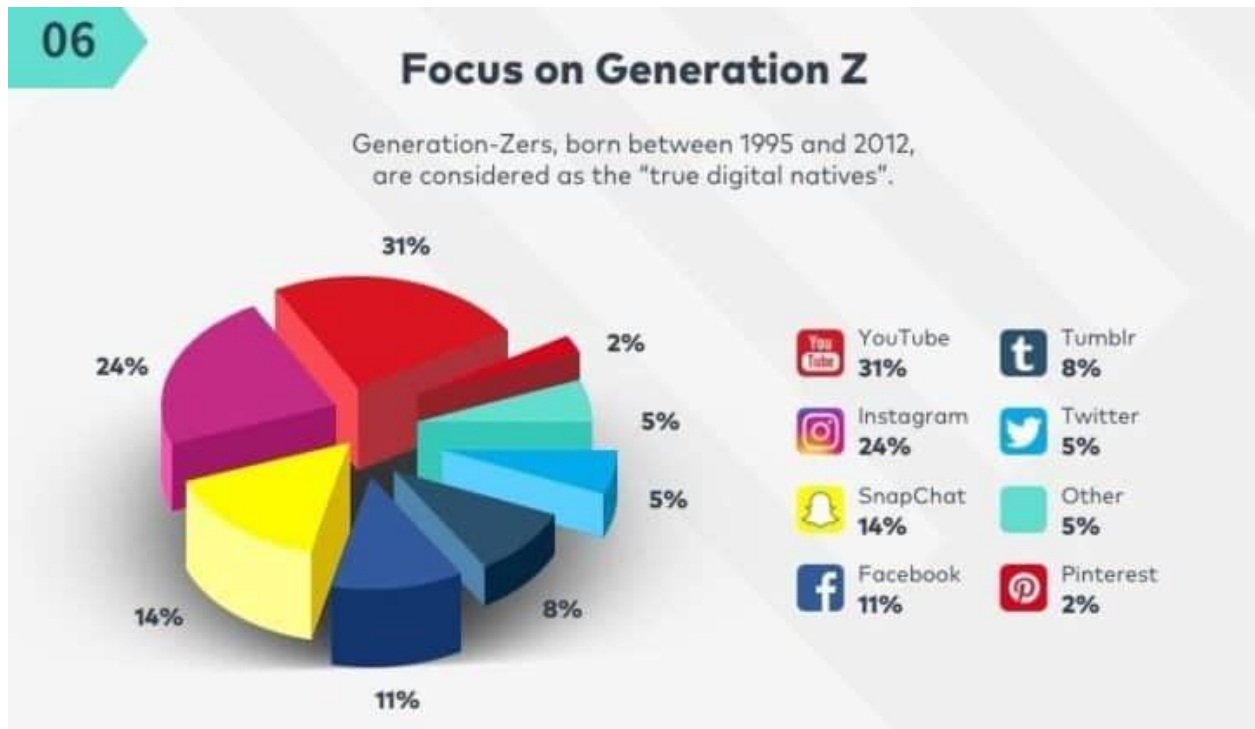


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The above bar diagram represents the Growth expectations of AR/VR from 2016 to

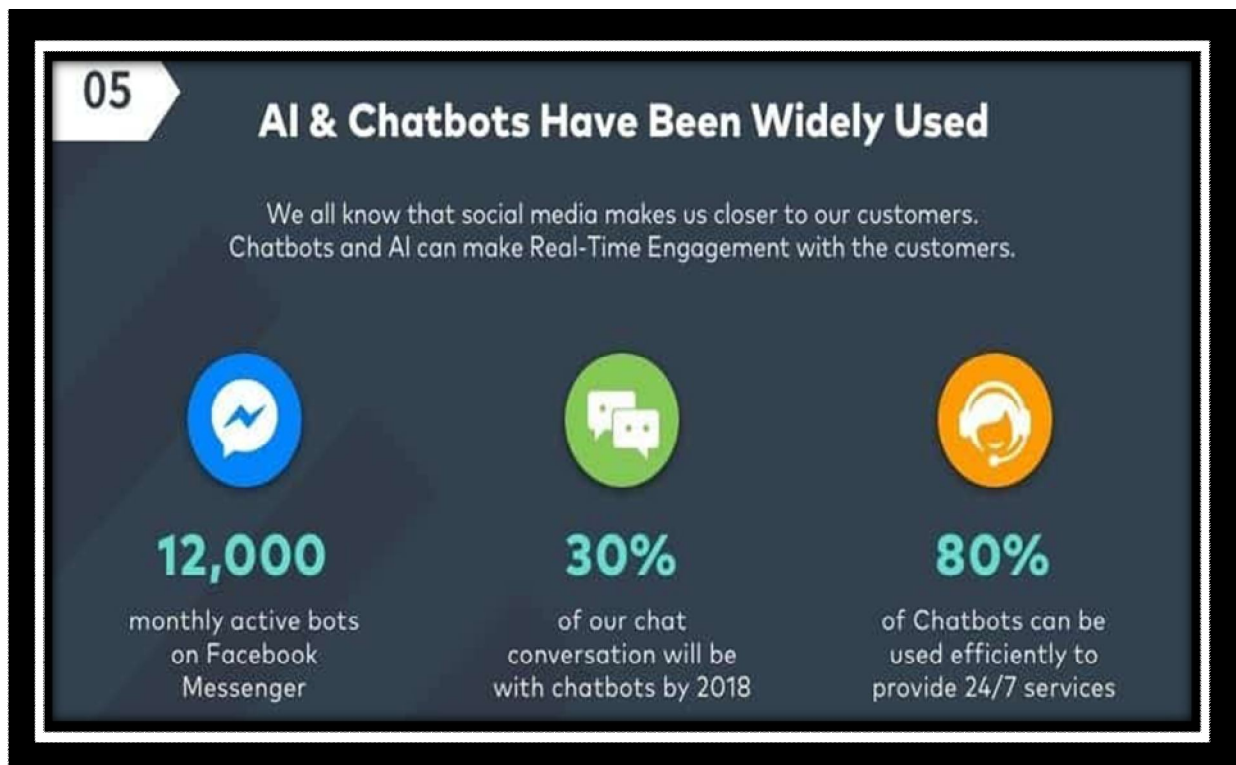
### Diagram-2: Focus on Generations

From a young age, Gen Zers have used, and are comfortable with the internet, technology, and social media..



Above diagram represents Apart from their smartphones and other mobile devices, young generation are also interested in social media's latest tech updates and augmented reality.

### Diagram-3: Increased Usage of AI and Chatbots:



The above diagram showcasing the year 2019 will see increased use of artificial intelligence and chatbots in various business processes.

Platforms like Facebook Messenger work for customer service automation as well as a marketing tool.

**Diagram:4-**Influencers are going to play a big role in connecting brands and consumers in 2019.



The above diagram picturaising the facts on the number of Twitter and Instagram users relying on influencer recommendations .

**With all these above diagrams we can conclude that,**In 2019 we'll see more creative use of technology provided by various platforms by marketers leveraging them for brand exposure, engagement and sales conversions.

There will also be an increase in social commerce, with increased integration of e-commerce features on various social platforms, for example, Facebook business pages, and niche groups.

### The Analysis of Marketing Strategies:

#### INNOVATION COMMERCIALIZATION. BARRIERS AND SOLUTION:

While introducing new products and services, com- panies usually face with a need to develop innovative marketing methods. The challenges of nowadays marketing, such as: globalization, oversaturated markets, interchangeable and diverse services force business to make a choice, either to put more efforts and use already existing marketing instruments, which will result in lower output or to use innovation marketing strategies.In most of the cases innovative enterprises try to connect innovative marketing strategies together with their innovative products and services.Marketing strategies for innovations should foresee all risk and challenges, which innovation bear, in order to successfully introduce innovation onmarkets.

**Table – 1:** Classification of environmental forces, functional and psychological barriers of innovation adoption \*

Type of Barrier	Explanation	Example
<b>Environmental forces barriers:</b>		
<b>Political barrier</b>	Emerges as the result of government regulations, international agreements, political situation	Decision of Ukrainian government about the direction of political development in 2013 (EU versus custom union)

<b>Economic barrier</b>	Macroeconomic factors (inflation, unemployment, exchange rate, business activity), specific factors of country innovativeness	General decrease of world business activity in 2008-2009
<b>Behavioral barrier</b>	Administrative and managerial styles, personal attitude to changes	Company inclination to pay dividends or to invest into commercialization of innovations
<b>Social barrier</b>	Cultural features, social inequality	Inclination of some/specific social groups to accept innovations
<b>Technological barrier</b>	Technological ability to provide mass production of inventions	Most of scientific results Ukrainian scientist technically cannot be implemented by Ukrainian companies
<b>Functional barriers:</b>		
<b>Usage barrier</b>	Appears because of the incompatibility of innovation with the already existing customer's workflows, practices or habits.	Steam engine, automotive industry, airspace technologies, web shopping
<b>Value barrier</b>	Associated with the lower value of innovation in comparison to other existing products or services	Automatic teller machine (ATM), first PC, almost all "green technologies"
<b>Risk barrier</b>	Associated with a certain financial, physical or psychological risk of innovation	First innovations in automotive industries, video cameras, genetic food
<b>Psychological barriers:</b>		
<b>Traditional barrier</b>	Associated with the cultural change, which can be created by innovation	Social networks, certain popular food and drinks
<b>Image barrier</b>	Associated with unwillingness to adopt innovation, because of the negative image, which is linked to it	Medicines or machine equipment from not developed countries
<b>Loyalty barrier</b>	Associated with customer unacceptance of product changes	Customer habit to use things for certain purposes

\* developed by [15,16]

**Table 2 :** Classification of marketing strategies for innovations \*

Marketing Strategy	Product strategy	Communication Strategy	Pricing Strategy	Market Strategy	Coping Strategy
Source of Barrier					
<b>Environmental forces barriers</b>		Company transparency about its manufacturing facilities			Respect country ecological norms
<b>Usage Barrier</b>	Develop a system perspective (packaging). Integrate innovation with preceding activity			Mandate usage	
<b>Value Barrier</b>	Improve product performance and positioning		Reduce price by lowering costs		
<b>Risk Barrier</b>	Use a well known brand name	Elicit endorsements and		Increase market exposure.	

		testimonials		Facilitate trial	
<b>Tradition Barrier</b>		Educate customers. Use change agents			Understand and respect traditions
<b>Image Barrier</b>	Borrow a good brand (image)	Create a positive image of innovation			

**Conclusion:**

In the light of tremendous social and economic changes innovations play the important role for acquiring stability and higher competitive advantages for companies

nowadays. Innovations are the main elements of firm's portfolio and very often determine long term strategies for companies. On the other hand innovations are associated with high consumer barriers and long time of market penetration. The successful commercialization of innovations depends on formalized decision processes and effective marketing strategies. In this article we analyzed the important role of strategic marketing towards the development and commercialization of innovations. Marketing strategies enables companies to gain a certain kind of market intelligence, and thus look behind the primary customer needs and finally develop innovations. Marketing strategies also enables companies to foresee the time of innovation adoption by mass market and to identify customer groups which are willing to buy innovation first. And finally marketing strategies enable companies to overcome customers barriers, associated with innovations.

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**MODES OF COMMUNICATION IN MARKETING**

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**ABSTRACT**

*Communication is the process of conveying information. Almost all species have some sort of communication system. Communication also plays a very important role in Marketing. After determining the product mix, manufacturing, etc, the most important aspect comes into place, which is the delivery and promotion of the products to the consumers effectively and efficiently. Now, this is where marketing communication plays a prominent role. There are 6 main modes of communication, each playing an important role in the identification and delivery of the products to the customers and trade. In this article the requirement of best modes of communication has been highlighted. In the present scenario the promotion and communications play a vital role in reaching the target customers through digital media as today's customers are tech savvy.*

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**INTRODUCTION**

Communication is considered to have the most important role in marketing as it involves having direct contact with the customers, so marketers have to take extra time into developing their communication techniques. This also has a direct impact on the competitors, Government and etc. Effective communication can also improve the overall sale turnover.

Marketing communications is a very sophisticated industry and over the past 40 years we have seen an enormous rise and declining fall in the mass media. In a very period of time societies have moved from local media to global communications and social media. Well, as of this time social media holds the higher ground when it comes to influence the public about a new or upcoming product.

There was a time when any communication over net was considered unsafe but now, we can make online transactions at ease, validate a contract and even shop online.

In the same way many changes have taken place in the Marketing Communication sector.

During the 1950s to the 1990s, we created a huge homogeneous mass media and mass marketing cultures because of a high demand of Network radio and television, national magazines, and large metropolitan daily newspapers. So, marketers developed products and services that would match these mass markets. Soon Marketing communication professionals started developing plans, programmes, and strategies, etc to reach or communicate with their customers.

Later when economies started developing, technology came in between consumer needs and available goods. Due to social media and access to the net, consumers started demanding specialized products for their individual interests and later on this economy became friable and divided these mass markets into smaller, heterogeneous markets separated on the basis of lifestyle, ethnic background, income, geography, education, gender and etc.

Some of the major unnoticeable changes are

-Verbal to visual

A generation that was raised in the verbal era is very different from the generation that was raised in the visual era.

People who were born and lived during the era of mass media will always prefer verbal communication over visual pictures.

And the same way a person who was born and lived in front of a screen will obviously prefer visual communication over verbal media.

Since the visual communication is the era, most target markets prefer visual merchandising and visual communication over verbal media.

Also because of the evolution of technology there was a slight depletion in the mass media. For example, now have news channels and news apps that replace the traditional mode of communication which was through newspapers.

The difference between these two generations is enormous, so even though advertisements are still printed on newspapers; social media and TV however, are given a better preference.

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Verbal to visual communication still has a higher scope in the upcoming economy.

**-Functional illiteracy**

Illiteracy has been a major problem in our economy for centuries; and now more than ever because of the evolution of verbal to visual society. An inability to read or understand written material is defined as the traditional definition of illiteracy.

But in today's economy functional illiteracy is a major problem. Due to an increasing rise in the population, illiteracy is always increasing. However, most of them are able to read basic words but are unable to comprehend simple sentences, instructions or phases.

In today's increasingly complex world, marketers are finding more ways to communicate with these functionally illiterate people by using pictures, icons, figures, logos, sounds and other modes of communications to deliver messages to the customers. And because of this the need to integrate these various forms of communication increases, Marketers are forced to rely on integrating these different types of communications which are applicable to literate, illiterate and functionally illiterate. Thus, increasing the demand for integrated marketing communication techniques.

**-Media fragmentation**

As we all know, technology has always played a huge role in marketing communication. Before, if a marketer would purchase three or more channels to advertise his product there was a 90% chance that it would reach the target audience. But this rate has decreased to up to 50% because of the mass segmentation of channels based on consumers needs, preferences, tastes, income and etc. This rate is likely to decline because mass media no longer delivers huge masses for the companies.

Advertising is a big term, but a rational customer would lump all the promotional activities and efforts put up by a company into it. Consumers can't even differentiate between all the various approaches used by marketers, such as advertising, sales promotion, public selling, public relations, etc.

Even though studies have proven that a literate, illiterate or even a functionally illiterate customer only feeds the information given by the marketers in one lump, marketers still put in effort and try more innovative methods to reach their customers.

Under integrated marketing communication all the customers are viewed as one. This saves a lot of time but the message conveyed won't be stored more than advertising or promotion in every consumer's mind.

The system of storage used by consumers makes integrated marketing ineffective day-by-day.

## **EVOLUTION IN INTEGRATED MARKETING COMMUNICATION**

In the past, most of the companies relied on mass media to spread word about their products. This was then considered as the only way to communicate with the customers, but due to lack of technology the message wasn't never fully delivered to most of the customers.

Companies were mostly dependant on sales promotion agencies and this was on per-project basis. Public relations agencies then only focused on the publicity and maintenance of the companies image. It was never considered for product based promotion.

These companies failed to recognize the need of combining all these promotional tools for an effective marketing mix to present a consistent image to their target markets.

During the 1980s, many companies started recognizing the need to combine the promotional activities and slowly introduced, Integrated Marketing Communication.

### **Research questions**

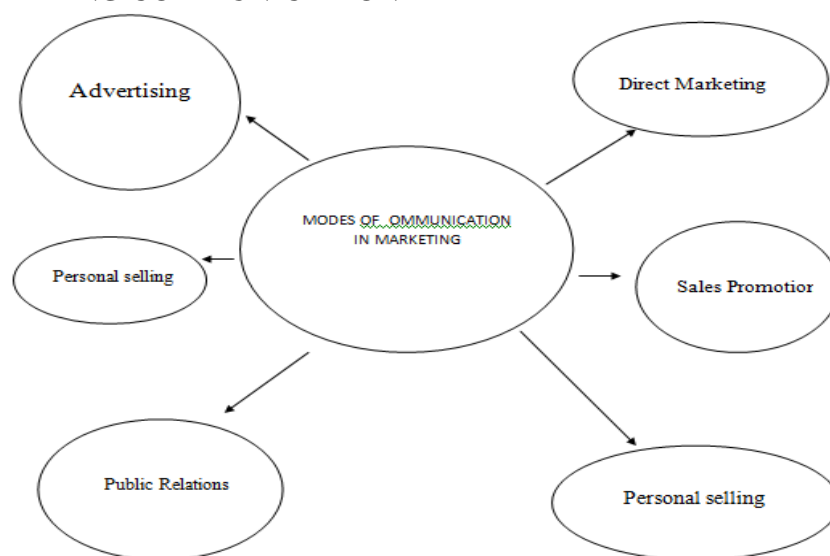
1. What is communication?
2. What are the important modes of communication in marketing?
3. What are the various modes of communication in marketing?

### **Research objectives**

1. To know the importance of communication in marketing
2. To know the various modes of communication
3. To know the various means of communication to reach the target audience.



## MODEL OF MARKETING COMMUNICATION



The 6 modes of communication are:

- 1) Sales Promotion
- 2) Public Relations
- 3) Advertising
- 4) Direct Marketing
- 5) Personal selling
- 6) Digital Marketing

### ADVERTISING

It's any form of a non-personal method of implementation, presentation and promotion of ideas, products and services by a known sponsor through newspapers, social media, television and radio for an introduction or education of new products to the customers. The scope of advertising is very big. It reaches a huge of audiences in a very short amount of time. Social media has taken a front seat in the world of communication. When it comes to marketing social media could be the most sophisticated mode of communication. There is no doubt that this kind of advertisement reaches the common man in the best possible way. Today's consumers are tech savvy, hence advertising through social media is going to be the most innovative mode of marketing. It is both steady and considerable.

### SALES PROMOTION

It's a collection of short-term incentive tools which are designed to stimulate a faster and effective purchase of a product or service by their trade or customers.

The sales promotion consists of two types of incentive promotion tools.

- a) Consumer Promotion: It includes tools that increase the value of the sale by providing incentives like samples, coupons, prices, free-trials and etc.
- b) Trade Promotion: Consists of Contests for Sales representatives, etc.

Sales promotion is basically implemented to promote the marketing by attracting the new customers. This includes the various events like window display, publicity etc. Discount offers play a major role here. Different companies offer different discount to attract the customers.

### DIRECT MARKETING

It's a process of using consumer-direct channels for the delivery of goods and services without the involvement of marketing middle-men. There are different number of channels that marketers use to reach their customers like mail, mobile devices, websites and TV. It's also a very effective way to improve and build a strong relationship with their customers and also the sales produced through this technique have shown profitable results. The phrase "Direct Marketing" was coined by Lester Wunderman in the year 1958. Later many people worked on it to make it more convenient to the customers. Direct marketing is one of the most beneficial ways



of marketing as it reaches the customers in the fastest manner .It enables promoting products and services with attractive offers.

### **PUBLIC RELATIONS**

It consists of a different variety of programs that are conducted internally and externally for the consumers, firms, competitors, media and the government to protect the company's image in the public relations help to create positive response and generate awareness about the products.

### **PERSONAL SELLING**

It's a face-to-face interaction with the buyers during later stages of the buying process by making presentations and procuring orders.

### **DIGITAL MARKETING**

It's the marketing of products and services using digital technologies such as mobile phones, online websites, or other digital mediums. Through time technology has played an important role in marketing and it has become a very easy and effective mode of communication. Here, customers can contact, place orders and give reviews from anywhere around the world. The same way marketers can promote, introduce and redress grievances in a short amount of time.

### **Changes in Marketing Communication:**

Marketing communications is a very sophisticated industry and over the past 40 years we have seen an enormous rise and declining fall in the mass media. In a very period of time societies have moved from local media to global communications and social media. Well, as of this time social media holds the higher ground when it comes to influence the public about a new or upcoming product.

There was a time when any communication over net was considered unsafe but now, we can make online transactions at ease, validate a contract and even shop online.

### **Literature review of Integrated Marketing Communication:**

Integrated marketing communication (IMC) was first defined by the American Association of Advertising Agencies.

After that, in 1996 Grein, A. F. and Gould, S. J. developed a concept of globally integrated marketing communications. One of the major extensions provided by this is the horizontal dimension of integrated communication also known as across countries dimension.

Later in 2002, Grove, S. J., Carlson, L., and Dorsch, M. J. examined the degree to which IMC can be manifested into Services Advertising. While examining they found that advertisements that reflected tangible acts such as lawn care, hairstyling, were more highly integrated than services ads for intangible acts like education, banking, etc. These results were analyzed to develop better service advertisements.

During the same time period Reid, M. conducted a study to evaluate the scope of IMC in dynamic market conditions and found that higher degree of market integration results in better brand performance.

In 2004, Flint, D. J. studied the effect on supply chain management with respect to cost reduction opportunities. Supply chain management can facilitate marketing strategy. This article draws attention to the problems faced by marketing strategies in the global supply chains and how these challenges will move marketing strategies further in the 21st century.

Holm, O. analyzed the importance of IMC as a significant example in the development of marketing discipline in the year 2006. He theorized saying that about how it has and will influence the the thinking of all the companies in an open market.

In the same year Pitta, D. A., Weisgal, M., and Lynagh, P. explored the developments in IMC and about how it was changing the implications on marketing managers.

In 2008, Elliott, R., and Boshoff, C. wrote about the changes in small town tourism businesses by the successful implementation of IMC.

Mangold, W. G., and Faulds, D. J. IN 2009, state that social media has a traditional and non-traditional sence in the market. Its known as a hybrid element of the promotion mix. They later talk about how the use of blogs, media tools, etc can result in effective communication with the customers.

Later in 2012 Castronovoand Cristina et al. talks about new literatures which have evolved with technology like, Word-of-Mouth marketing, social media and etc. She states that all these have developed into viable

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components in the integrated marketing communication. Where as Mihart&Camelia have stated that IMC is one of the most controversial areas of research

### **CONCLUSION**

Marketing communication has taken a huge leap since the 1950s, although technology and other factors helped reach marketers to the wide audience, it is still hard to predict what lies in the future for marketing communication. Since the discovery of integrated marketing, most marketers tried to spread the same message to all the consumers. Now, how the consumers receive it and store it is another dilemma. So, marketers need to focus more on selecting a target audience and put in efforts which only reach that customers. An expensive however put as will always not be utilized or purchased by the downward classes, so the companies need to identify their target customers and use those tools which will only reach and educate them about their products.

Now-a-days, instagram has become a popular source of marketing. Models, actors and celebrities are paid by their posts and the no. of likes they get. It also included a feature were a certain company can showcase their products and reveal the prices of the products making it very easy to reach those customers who are actually interested.

Our economy changes every day, and we as humans try to adapt to those changes to keep ourselves up-to-date. What lies in the future for integrated marketing is still a question. But marketers can still realize and change and adapt to the technology and make sure that an potential customer is well aware about their products.

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**DIVERSITY IN MANAGEMENT- “WELCOMING THE POOL OF TALENTS, INNOVATIVE IDEAS AND CREATIVITY IN FACING THE NEW CHALLENGING WORLD”**

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**ABSTRACT**

*“Diversity management provides an opportunity to improve innovation in your business and strengthen your team”.*

- Anonymous.

*The world is experiencing the globalized era, where it is the biggest challenge to accept diversity in management. And of course, the taste of real world can be experienced by learning different cultures, religion, heritage, languages, geographic region and customs. We are well aware that the diversity is one of our greatest assets in the 21<sup>st</sup> century. Thus, valuing diversity becomes the most important task the organizations should follow. Organizations should pay more attention to the study of diversity as it enables them to prepare in achieving its desired goals and it allows all employees to view the world in many different ways. This article mainly focusses on the acceptance of diversity in management and allowing the flow of talents, innovative ideas and creativity in facing the new challenging world.*

**Keywords:** Diversity in Management, problem solving, talent, creativity, innovative ideas, new challenging world.

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**INTRODUCTION**

“Diversity is the one thing we all have in common, celebrate it every day”.

-Anonymous.

Diversity refers to the group of individuals that possess various qualities, behavior, nationality, age, family status etc., and managing diversity at the workplace means valuing or giving importance to all employees with their diversified nature and feelings. Many times employees may feel discriminated or misunderstood because of their diverse features. Thus, it becomes vital for the organizations to manage the diversity as it enables them in achieving better results. Hence, companies must manage diverse workforce for valuing best performance.

**OBJECTIVES**

- To identify the need of diversity in management.
- To analyze how diversity in management can really help in facing the new challenging world.

**REVIEW OF LITERATURE**

- **Michael Goold and Andrew Campbell (oct., 1987)**, in his work, “**Managing diversity: Strategy and control in diversified British companies**” discusses that the management styles should go in tune with the change in the specific requirements of businesses. He also focuses on three different philosophies and each approach advantages for managing diverse workforce.
- **Vidhi Agrawal, (2012)**, in her work, “**Managing the diversified team: challenges and strategies for improving performance**”, focused on the vital factors which has to be considered for managing diversified workforce and depending upon their diversified skills, building the teams which enables in achieving the best result for the organizational growth and success.
- **Andrew & Vincet, (2012)**, in their work, “**Managing Workplace Diversity: Issues and Challenges**”, described on the barriers overcoming in implementing diversified work team at the organizations and also focuses on the strategies for overcoming these barriers. They concluded in their study that the diversified workforce can enhance productivity and enables in achieving the better results.

**NEED OF DIVERSITY IN MANAGEMENT:**

Diversity- “the art of thinking independently together”.

-Malcolm Forbes.

D-Different

I-Individuals

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V-Valuing

E-Each other

R-Regardless of

S-Skills

I-Intellect

T-Talents

Y-Years.

Companies are becoming more concerned about the diverse workforce in the organizations to grow and survive continuously. Diversity in management practices enables the organizations to engage themselves in providing an exclusive platform for welcoming differential values, beliefs, male and female all ages, skin textures. Cultural backgrounds, physical abilities and promotes opportunities for all employees. Organizations focusing on all such listed features will definitely sounds to be the most lovable or appealing place to work in and will help in enhancing the better productivity with more problem solving skills and innovative ideas for decision making.

### NEW CHALLENGING WORLD

The world is growingly rapidly with the fast changing technology. No organization is left behind without these buzz words i.e., 'Automation' and 'Innovation'. Automation is something where the process increases the efficiency in production, reduces cost, offers better quality etc., and to speak on Innovation, it is inherited since ages. The new challenging world is surrounded by many factors where the change in management is inevitable. The diversified management in the organizations can beat the challenging world and can lead to the perpetual existence of the organizations successfully.

The organizations can meet this challenging world if they are accepting the following 5 factors:

- I- Building the culture of why? (in a positive manner)
- II- Building the trusted work environment.
- III- Encouraging faster failures.
- IV- Accept all, respect all.
- V- Building intrapreneurship.

### CHALLENGES AND STEPS IN IMPLEMENTING THE DIVERSIFIED MANAGEMENT

"Accept your differences and be proud of them".

#### - Macoi Asgedom

- **Generation Gap:** Employees with different ages (old, middle age and young age) can be a challenge in managing diversity. Elimination of generation gap is the biggest challenge for the organizations in this era.

'Team work' can really workout for solving out this issue. Welcome diversity and let employees work together. As the time passes, they will learn to manage, understand each other and respect work culture.

- **Negative Cultural Stereotypes:** This is a major cause of concern where the negative stereotypes among people limit themselves to work in isolation, share their knowledge, ideas, values, skills, etc., this differences makes employees less inclined to work together.

This can be overcome if the humors which create negative stereotypes is ignored by employees at work place.

- **Language Barriers:** it can also be treated as the greatest challenge. Both verbal and non-verbal communication varies in various states. This has to be sorted out by the organizations by holding meetings to show how the professional greetings has to be carried out at the work place with the help of infographics showing differences of greetings of all states clearly.
- **Inclusive work place environment:** this is a major problem in all companies where some employees because of their differential languages and cultures may not feel like presenting their ideas openly and thus, this can stop generating new ideas and perspectives for solving problems and making decisions.

To overcome this challenge, 'Motivating' employees to work together and making them feel comfortable in their same accepted style can help in solving out this area of concern.

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**CONCLUSION**

“It is the time for parents to teach young people early on that in diversity there is beauty and strength.”

-Maya Angelou

Diversified management can bring the loads of success to organizations in terms of increased productivity and sales. By embracing diversity in the work place, the door to a bright future will be open for all. The companies should bring aa available talents to the table regardless of age, race or lifestyles. By recognizing differences and encouraging the participation of all employees, the organizations can build stronger relationships and can make better decisions.

The beauty and taste of diversity should be taught by parents to young people right from their home. This will surely enable them to accept quickly diversified work force. And the real gap which exists in practical in accepting diversity can be eliminated from there young ages.

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**ELECTRONIC BANKING PRODUCTS: EVOLUTION, PRESENT STATUS AND FUTURE TRENDS**

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**ABSTRACT**

*Due to the rapid growth of technology in the banking industry led to heavy competition among various banks for providing innovative products and better services. With the use of technology in the banking sector, helps in customer retention and attracting more and more customers. Electronic banking has brought a new revolution for the delivery of various banking facilities. It plays a very important role in providing a wide range of products and services to the customer at their doorstep. Electronic banking means virtual banking which allows the customer to undertake all the financial transactions through electronic mode such as Automated teller machine [ATM], magnetic ink character recognition [MICR], electronic fund transfer [EFT], internet banking, debit card, credit card, etc. E-banking products deliver more non-cash transactions thereby reducing fixed and operating cost. The main advantage of electronic banking products is "anywhere, anyplace and anytime banking" which enables the customers for timeless and convenience banking. In this paper, an attempt has been made to give an overview of e-banking products evolution and their penetration in the banking sector. This paper also throws light on the emergence and growth of various electronic banking products in the current and future scenario.*

*Keywords: Electronic banking, E-banking products, ATM, MICR, EFT.*

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**INTRODUCTION**

Electronic banking has many names like e-banking, virtual banking, online banking, or internet banking. It is simply the use of electronic and telecommunications networks for delivering various banking products and services. Through e-banking, a customer can access his account and conduct many transactions using his computer or mobile phone. Electronic banking is an extension of traditional banking which uses the internet both as a medium for receiving instructions from the customers and also delivering banking services. The e-banking has provided a new and inexpensive channel for banks to reach out to their customers to access these facilities round the clock and 7 days a week. It also allows customers to access these facilities from remote sites/homes.

**EVOLUTION OF ELECTRONIC BANKING**

E-Banking was first introduced in the early 1980s in New York, United States. Four major banks- Citi bank, Chase bank, Chemical bank, and Manufacturers Hanover offered home banking services. Home banking uses fax machines and telephones to facilitate its customers. The widespread internet and programming facilities created further opportunities for the development of home banking. In 1983, the Nottingham building society (NBS) launched the first internet banking services in the United Kingdom. Due to the restricted number of transactions, this facility was not very well developed. The first online banking service in the US was introduced in October 1994, by Stanford federal credit union, which is a financial institution. The net bank was founded in 1996 and closed in 2007. In 1999, the bank of internet USA was officially founded making it America's oldest internet banking. By 2006 online banking had become mainstream an overall 80% of banks in the US were offering internet banking services.

**EVOLUTION OF ELECTRONIC BANKING IN INDIA**

Post nationalization of banks more control of government led to social banking and limited computerization. The process of computerization gained a pace with the opening of the economy in 1991-92. A major driver for this change was raising competition from private and foreign banks. Several commercial banks started moving towards digital customer services to remain competitive and relevant in the race. In 1991 India joined SWIFT and in 1997 shared payment network system has been set up. In 1999, a pilot project for smart cards conducted. In 2003, a special EFT system was introduced and the RTGS system in 2004. The payment and settlement system act, 2007 was enacted. In 2008 the operative guidelines on mobile banking transactions were issued. CTS was implemented in the national capital region. By 2009 cash withdrawal from ATMs of the bank was made free of cost.

**RESEARCH OBJECTIVES**

- 1) To understand the concept of electronic banking and various trends in e-banking.
- 2) To study the various e-banking products.

- 3) To study the present scenario of e-banking system and emergence of different electronic banking products.
- 4) To study and analyze the importance of e-banking products.

### RESEARCH METHODOLOGY

The present study is descriptive in nature. The study is based on secondary data and has been collected from RBI (Reserve Bank of India) bulletin, annual reports of RBI and other banking websites like SBI, ICICI, HDFC, etc, various reputed journals, Articles, and websites of RBI.

### REVIEW OF LITERATURE

N.Mari Anand in article “e-banking trends in India: evolution, challenges and opportunities” published in shanlax international journal of management stated that the development of the E-banking phenomena useful for existing and potential banks to better understand the Indian E-banking trends and thus aid in the effective formulation of channel management strategies and reap.

Karamjit Kaur<sup>1</sup>, Rajneesh<sup>2</sup> in article “Electronic Banking in India: Innovations, Challenges and Opportunities” published in International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online) Vol. 2, Issue 1, pp: (86-93), Month: April 2014 - September 2014

Focused on the need and benefits of E-banking. It has also revealed the current status of financial innovations in Indian Banking sector. It also highlighted the challenges faced in E-banking and the opportunities available with the banks in E-banking.

Dr. Neha Yajurvedi in article “Emerging trends in banking – increasing role of Information technology.” published in Indian Journal of Applied Research volume : 5 | issue : 10 | October 2015 | Issn - 2249-555x discussed on the benefits and challenges of changing Banking trends and to study the performance of existing technology based products and services being offered by Banks in India and their future prospects as well as the advancement of banking sector by information technology.

Ms. Jasdeep Kaur “Growth Of E-banking in India” International Journal of Research in Finance and Marketing (IJRFM) Vol. 7 Issue 5, May – 2017, pp. 88~94 ISSN(o): 2231-5985 | gave an overview of e-banking, how it has evolved over a period of time in India and growth of different e-banking products in last five years which are significantly being used in Indian banking industry.

### The following are various popular Electronic banking products

**1. ATMs:** An automated teller machine (ATM) is an electronic telecommunications device that enables customers of financial institutions to perform financial transactions, such as cash withdrawals, deposits, transfer funds, or obtaining account information, at any time and without the need for direct interaction with bank staff.

**2. Electronic Clearing system:** ECS is an electronic mode of payment/receipt for transactions that are repetitive and periodic. ECS is used by institutions for making bulk payment of amounts towards distribution of dividend, interest, salary, pension, etc., or for bulk collection of amounts towards telephone/electricity/ water dues, cess/tax collections, loan installment repayments, periodic investments in mutual funds, insurance premium, etc. ECS includes transactions processed under the National Automated Clearing House (NACH) operated by the National Payments Corporation of India (NPCI).

**3. Debit Cards:** A debit card is a payment card that deducts money directly from a consumer's checking account to pay for a purchase. Debit cards eliminate the need to carry cash or physical checks to make purchases. Besides, debit cards, also called check cards, offer the convenience of credit cards and many of the same consumer protections when issued by major payment processors like Visa or MasterCard.

**4. Smart Cards:** smart card, chip card, or integrated circuit card (ICC) is typically a plastic credit card sized card with an embedded integrated circuit. Smart cards can provide personal identification, authentication, data storage, and application processing. Applications include identification, financial, mobile phones (SIM), public transit, computer security, schools, and healthcare. Smart cards may provide strong security authentication for single sign-on (SSO) within organizations.

**5. Credit card:** A credit card is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services based on the cardholder's promise to the card issuer to pay them for the amounts plus the other agreed charges. The card issuer (usually a bank) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

**6. Electronic Funds Transfer System (EFT):** Electronic funds transfer (EFT) is an electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank such as Real-time gross settlement (RTGS), National Electronic Funds Transfer (NEFT).

**6. Cheque truncation payment system:** Cheque Truncation System (CTS) or Image-based Clearing System (ICS), in India, is a project of the Reserve Bank of India (RBI), commenced in 2010, for faster clearing of cheques. CTS is based on a cheque truncation or online image-based cheque clearing system where cheque images and magnetic ink character recognition (MICR) data are captured at the collecting bank branch and transmitted electronically.

**8. Mobile Banking:** Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a Smartphone or tablet. It uses the software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. This also provides SMS banking, missed call banking, etc.

**9. Internet Banking:** Internet Banking or otherwise known as online banking is among the convenient e-banking modes, which caused the change in banking operations and provides virtual banking facilities to its customers continuously. In this method, the clients can access their bank account details, no matter where they are located, with the help of the bank's website. Bill payment and e-shopping by using UPI (Unified Payment Interface) and BHIM(Bharat Interface for Money).

**10. Telephone Banking:** Telephone banking is a service provided by a bank or other financial institution, that enables customers to perform over the telephone a range of financial transactions which do not involve cash or Financial instruments (such as cheques), without the need to visit a bank branch or ATM.

**11. Door-step Banking:** Doorstep banking lets the customer call a Phone Banking Officer and request a service. Doorstep banking offers services like cash pickup, instrument pickup and delivery of cash and demand drafts. The best part is that the service requirement is only a call away. Doorstep banking is a convenient way to do basic banking tasks easily.

**12. Interactive -TV banking:** Interactive TV is a service that allows users to interact with TV content as they view it. If the customer subscribes to a cable television service some banking facilities like balance enquiry, funds transfer between accounts ,bills payment are made available all the way through TV.

### ADVANTAGES OF E-BANKING

The main advantages of electronic banking are: –

- Convenience – a customer can access his account and transact from anywhere 24x7x365 without any geographical barriers.
- Lower cost per transaction – electronic transactions are the cheapest modes of transaction. Since the customer does not have to visit the branch for every transaction, it saves him both time and money.
- A reduced margin for human error – Electronic banking helps reduce errors in regular banking transactions. Since the information is relayed electronically, there is no room for human error lesser errors.
- Lesser paperwork – digital records reduce paperwork and make the process easier to handle.
- More loyal customers – since e-banking services are customer-friendly, banks experience higher loyalty from its customers

### DISADVANTAGES OF E-BANKING

The main disadvantages of electronic banking are

- Internet connection- Not everyone enjoys the luxury of having a stable and fast Internet connection at home. Having stable Internet access at home is a basic prerequisite to performing electronic banking.
- Computer Know-How- Conducting a successful electronic banking transaction, like paying bills online, requires basic computer skills and knowing your way around the Internet. This is a major disadvantage to electronic banking.
- Delayed Statements- When performing online banking there is not a standard at which payments made will show up on online bank statements; they might show up two to three days later, depending upon the bank.
- Security Concerns- One of the biggest disadvantages of doing electronic banking is the question of security. Using antivirus and similar programs is not full-proof.



- **Loss of Human Touch**-Some people still value talking and interacting with bank tellers, managers, and other bank clients. Electronic banking takes the majority of these "human interactions" away, leaving the banking experience as a very hands-off, impersonal process.

## FUTURE TRENDS

**1. Voice technologies:** One of the biggest opportunities in the banking sector is voice technology. Some reports estimate that 50% of all searches will be conducted via voice by 2020, only a year from now. Meanwhile, the mass adoption of devices like Amazon Echo, Google Home, and Apple Home Pod is at an all-time high. Developing Alexa Skills, for example, could help provide users with information about their finances and upcoming bills, or alert them to issues about their minimum payments. Offering easy, voice-controlled access to their accounts will empower users to stay on top of their finances.

**2. Artificial intelligence for fraud detection:** One technology that should consider is artificial intelligence for fraud prevention, allowing detecting false positives and keeping customers. One of the predictions is that there will be a rapid uptake of AI capabilities adoption across the banking sector to alleviate compliance-related manual efforts.

**3. Finance chatbots:** Chatbots in the financial industry designed to offer financial advice, open new accounts, provide support and improve the user journey, but not all were created equally. The Bank of America, for example, launched its Erica chatbot last year that can send users notifications, offer credit report updates and provide suggestions on how to save money. The artificial intelligence money-managing assistant works on Facebook Messenger and Amazon Alexa and offers a friendly and humorous way to manage money, using emoji, GIFs, and funny responses to engage and delight customers.

**4. Passive penny savings:** One banking technology that is helping them to save money for their future is the 'passive' penny' business model, designed to help millennials save a little every day, without having to commit to putting away hundreds or even thousands of dollars in a single transaction

## FINDINGS

1. Electronic banking is now observing a new wave of evolution with innovation. Banks like axis bank and HDFC bank attracting the customers with more innovative and customized products like millennia cards, value plus debit cards, wealth cards, etc by giving exclusive benefits like free movie tickets and restaurant discounts and coupons.

2. The banking scenario has been changed rapidly and becomes very popular nowadays throughout the globe. The progress of electronic banking products started with the use of ATM' and consistently developing towards smart banking, Insta banking and TV banking.

3. Emerging technologies making easier, safer, personalized, accessible and more intuitive for customers and also enable banks to become more agile and efficient.

4. E-banking products like Samsung pay, Google pay, Bharat QR code has made digital payments like recharge online, bill payments, etc simple and easy through smartphones

## CONCLUSION

The study concludes that there is a huge scope of implementation and development of new e-banking products which creates and meets the customer requirements. The younger generation tends to go for more convenient banking through electronic mode. Banks should embrace user engagement opportunities that voice search are bringing to the table. And they should find creative ways to deliver their financial services directly to their consumers, hands-free.

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**MERGER OF BANKS – AN INSIGHT INTO PUBLIC SECTOR BANKS IN INDIA****Dr. Humaira Begum**

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**ABSTRACT**

Recently, Government of India announced merger of 10 state-owned banks into 4 larger banks and the reasons cited were like large banks will be able to lend more money and help revive the slowing economy, as increased credit growth is essential in order to achieve its target of growing India into a \$ 5- trillion economy in the next 5 years. It is also viewed that merger will lead to increase operational efficiency that may results in cutting the cost and enables them to lower lending rates. According to Govt. the size of GNPA of state owned banks stood at Rs. 7.9 lakh crores as of March31, 2019 but the merger is not projected as a measure to bail out struggling banks. An attempt is made in the study to assess the impact of merger on strong banks with weak banks and their Non-performing Assets.

**Keywords:** Merger of Strong banks, weak banks, Non-performing assets, Business size, Public sector banks.

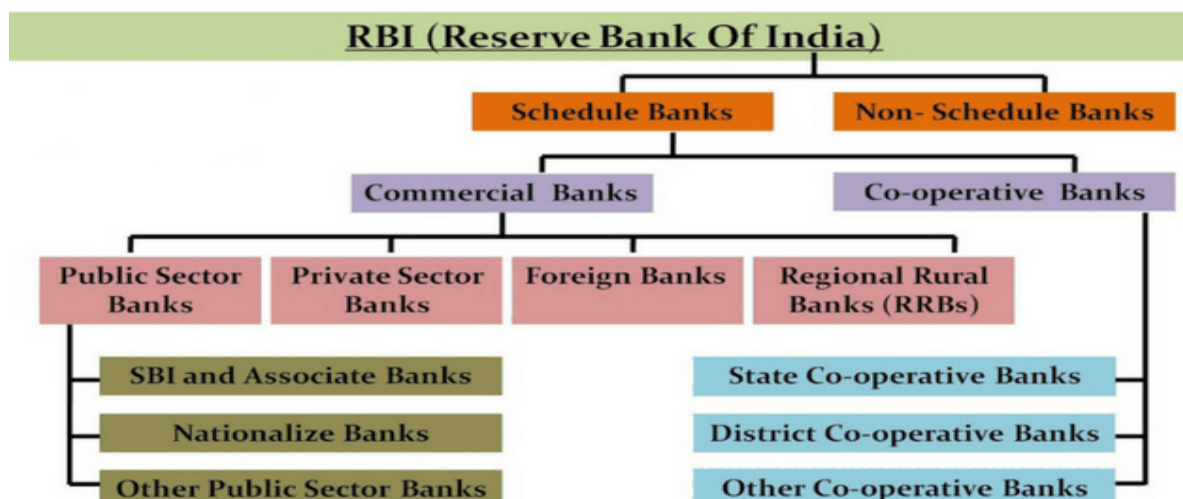
**INTRODUCTION**

The structure of banking system in India consists of Reserve Bank of India, Commercial and cooperative banks, of which the former accounts for more than 90 per cent of banking system's assets. Besides a few foreign and Indian private banks, the commercial banks comprise nationalized banks (majority equity holding is with the Government), the State Bank of India (SBI) (majority equity holding being with the Reserve Bank of India) and the associate banks of SBI (majority holding being with State Bank of India). These banks, along with regional rural banks, constitute the public sector (state owned) banking system in India. The banking industry has undergone a sea change after the first phase of economic liberalization in 1991 and was changing over the period of time. As on 31 August 2019 the structure of Indian Banking System is presented in the chart 1.

Bank Merger is a situation in which two banks pool their assets and liabilities to become one bank, and it may have a significant impact on the financial system of a country. The benefits of mergers may be a quick increase in a large number of customers, large geographical area to operate, growth, efficiency, more infrastructure, helps in filling the product and technology gaps, talent and team upgrading etc. In spite of the benefits, it has got the dangers like loss of commitment and dedication among staff, customer's negativity, mismatch of risk culture etc.

SBI first merged State Bank of Saurashtra with itself in 2008. Two years later, State Bank of Indore was merged with it. The government has already given approval for merger of State Bank of Bikaner & Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Patiala (SBP), State Bank of Hyderabad (SBH) and BMB.

On 30 August 2019, Finance Minister of India Ms. Nirmala Sitharaman declared to merge 10 public sector banks into 4 big banks. After the merger the number of public sector banks will reduced to 12 from 27 of 2017. The logic behind the merger is being described as to increase the global competitiveness of the Indian banks.

**CHART 1**

Source: images.google.com

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**REVIEW OF LITERATURE**

A large number of articles, books, research papers are available in the area of banking and NPAs. Some of the important and relevant work is being mentioned.

- Humairabegum (2014) discussed NPAs and its classification in details and its impact on profitability and productivity of nationalized banks have been analyzed.
- Kumar (2013) in his study on A Comparative study of NPA of Old Private Sector Banks and Foreign Banks has said that Non-performing Assets (NPAs) have become a nuisance and headache for the Indian banking sector for the past several years. One of the major issues challenging the performance of commercial banks in the late 90s adversely affecting was the accumulation of huge NPAs.
- Singh (2013) in his paper entitled Recovery of NPAs in Indian commercial banks says that the origin of the problem of burgeoning NPA's lies in the system of credit risk management by the banks. Banks are required to have adequate preventive measures in fixing pre- sanctioning appraisal responsibility and an effective post-disbursement supervision. Banks should continuously monitor loans to identify accounts that have potential to become NPAs.
- Gupta (2012) in her study A Comparative Study of Non-Performing Assets of SBI & Associates & Other Public Sector Banks had concluded that each bank should have its own independence credit rating agency which should evaluate the financial capacity of the borrower before credit facility and credit rating agencies should regularly evaluate the financial condition of the clients
- Chatterjee C., Mukherjee J. and Das (2012) in their study on Management of non-performing assets - a current scenario has concluded that banks should find out the original reasons/purposes of the loan required by the borrower. Proper identification of the guarantor should be checked by the bank including scrutiny of his/her wealth.
- Kaur K. and Singh B. (2011) in their study on Non-performing assets of public and private sector banks (a comparative study) studied that NPAs are considered as an important parameter to judge the performance and financial health of banks. The level of NPAs is one of the drivers of financial stability and growth of the banking sector.
- Chaudhary K. and Sharma M. (2011) in their research stated that An efficient management information system should be developed. The bank staff involved in sanctioning the advances should be trained about the proper documentation and charge of securities and motivated to take measures in preventing advances turning into NPA.
- Karunakar (2008), in his study Are non - Performing Assets Gloomy or Greedy from Indian Perspective, has highlighted problem of losses and lower profitability of Non- Performing Assets (NPA) and liability mismatch in Banks and financial sector depend on how various risks are managed in their business. The lasting solution to the problem of NPAs can be achieved only with proper credit assessment and risk management mechanism.

Most of the research work are being done on reasons, impact and management aspects of NPAs but none of the work is touched upon mergers of banks and its impact on NPAs. Hence it is befitting to study the impact of mergers of weak banks with strong banks and its impact on NPAs .

**OBJECTIVES OF THE STUDY**

- ✓ To study the banks performance with important parameters
- ✓ To study the NPAs of public sector banks
- ✓ To study the impact of NPAs of merged banks on public sector banks

**SCOPE OF THE STUDY**

The study covers all the public sector banks and focus will be on nationalized banks, their profitability, efficiency and NPAs and their performance after merger i.e.30 August 2019.

**SOURCES OF DATA**

The data collected is mainly secondary in nature and consists of literature published by Reserve Bank of India publications, various magazines, Journals, books related to current banking sector.

**METHODOLOGY**

The study is based on secondary data and it discusses the NPAs, trends and impact of merger in future banking business. Statistical tools like percentages, averages, ratio analysis is being used to make the study more easy and simple to understand.

For the first time, under the Narendra Modi government's tenure, two set of PSB mergers took place — One, five associate banks and Bharatiya Mahila Bank merged with State Bank of India (April 2017), and two, Dena Bank, Vijaya Bank merged with Bank of Baroda which came into effect from April 1 this year.” Despite certain teething problems, the Insolvency and Bankruptcy Code (IBC) is proving to be a game changer. New norms for resolution of stressed assets framed in June 2019 by the Reserve Bank provide incentives for early resolution, with discretion to lenders on resolution processes. The objective is to ring-fence future build-ups of Non-performing Asset (NPA) stress and protect the banking sector. The recent amendments to the IBC should also be able to facilitate faster resolution of stressed assets”.

Mega Mergers announced on 30 August 2019 were in four sets with the rationale is evident—banks saddled with bad loans or weak operating metrics are to be integrated with stronger, more efficient banks. Besides, banks working on a similar technology platform (core banking solutions) are being merged to ensure smooth integration. To support this consolidation, the government will be infusing capital into the anchor banks so that transition does not translate to sacrificing growth.

The merger announced on 30-9-2019 is given in table1

**Table-1: Anchor Banks, Amalgamating Banks and business size**

Anchor Bank	Amalgamating Bank	Business size
Punjab National Bank (PNB)	Oriental Bank of Commerce(OBC)+ United Bank of India(UBI)	17.94 lakh crore
Canara Bank(CB)	Syndicate Bank(SB)	15.20 lakh crore
Union Bank (UB)	Andhra Bank(AB)+Corporation Bank(CorpB)	14.59 lakh crore
Indian Bank	Alahabad Bank	8.08 lakh crore

Source: Economictimes.com

**Set I**

**Table2**

Parameters	Punjab National Bank(PNB)	Oriental Bank of Commerce(OBC)	United Bank(UNB)	Amalgamated bank(AMB)	PSB	%of AMB/PSB
Total Business (Rs in Crore)	1182224	404194	208106	1794526	8481069	21.15
Gross Advances	506194	171549	73123	750867	5,926,286	12.67
Deposits	676030	232645	134983	1043659	2,554,783	40.85
Domestic branches	6992	2390	2055	11437	90,821	12.59
Gross NPAs	87516	21717	12053	121286	1039700	11.66
Net NPAs	45813	9439	5785	61037	520700	11.72
Employees	65116	21729	13804	100469	847398	11.86

Source: Report on trend and progress of commercial banks in India and IBA .ogr.in

The table 2 gives details of the business size in terms of advances and deposits as 21.15 percent of amalgamated banks to the public sector banks business size, which may be a great figure. The branches of amalgamated banks constitutes to 12.59 percent of the total PSB. The GNPA's and NNPA's are almost same in terms of percentage. The employees percentage is also 11.86 percent of the total employees of PSB.

**Set II**

**Table 3**

Analysis of Banks with important parameters

Parameters	UBI	AB	CorpB	Amalgamated bank(AMB)	PSB	%of AMB/PSB
Total Business (Rs in Crore)	7,41,307	3,98,511	3,19,818	14,59,434	8481069	17.21
Gross Advances	3,25,392	1,78,690	1,35,048	6,39,130	5,926,286	10.78
Deposits	4,15,915	2,19,821	1,84,568	8,20,304	2,554,783	32.10
Domestic branches	4,292	2,885	2,432	9,609	90,821	10.35

Gross NPAs	12053	28973	20,723	61760	1039700	5.94
Net NPAs	9742	5776	20,734	36252	520700	6.96
Employees	37,262	20,346	17,776	75,384	847398	8.90

Source: Report on trend and progress of commercial banks in India and IBA .ogr.in

For the purpose of analysis percentage of amalgamate banks to public sector banks is being calculated and it is found that the total business i.e. advances plus deposits of three banks UBI, AB and CorpB constitute 17.21 percent of total business of public sector banks. As far as advances are concerned, it is 10.78 percent. It is found that after merger of banks the deposits of the banks constitute 32.10 percent which is a point to be noted with extra care. As the branches forms 10.35 percent of PSB in future there will be closure of branches take place to utilize the infrastructure to optimum level. Hence, it can be viewed as a drastic fall will be noticed in future. The employees constitute 8.90 percent of the PBS and it may be a question mark on how voluntary retirement scheme may help as a cost cutting measure. There is a possibility of Bank Employees Unions protests and agitations against the move. It will be a challenge for the banks management to convince them satisfactorily. The GNPA's stand at 5.94 percent and NNPA's are increasing to 6.96 percent, it is a matter of concern for the amalgamated banks.

The table 4 shows that the CB and SB constitute 17.92 percent of total banking business of PSB and it is expected to make a remarkable market share in the banking business. The Advances constitute 11.12 percent, deposits stands at 10.12 percent and branches forms 11.39 percent. Although the NNPA's figure is half of the GNPA's in number but stands at 6 percent for both the NPAs which is interesting to note. The amalgamated banks employees' percentage is 10.60 percent of PSB, again the issue remains the same.

Set III

Table 4

Bank		BusinessSize			
Canara Bank(CB)		9.03 lakh crore			
Syndicate Bank(SB)		4.68 lakh crore			
Parameters	CB	SB	Amalgamated bank	PSB	%of AMB/PSB
Total Business (Rs in Crore)	1043249	477046	1520295	8481069	17.92
Gross Advances	444216	217149	661365	5,926,286	11.12
Deposits	599033	259897	858930	8,486,215	10.12
DomesticBranches	6310	4032	10342	90821	11.39
Gross NPAs	47468	24,680	72148	1039700	6.93
Net NPAs	20367	12,627	32994	520700	6.33
Employees	58350	31535	89885	847398	10.60

Source: Report on trend and progress of commercial banks in India and IBA .ogr.in

Set IV

Table 5

Bank		Business Size			
Indian Bank(IB)		4.29 lakh crore			
Allahabad Bank(ALB)		3.78 lakh crore			
Parameters	IB	ALB	Amalgamated Bank(AMB)	PSB	%of AMB/PSB
Total Business (Rs in Crore)	429972	377887	807859	8481069	9.52
Gross Advances	187896	163552	351448	5,926,286	5.93
Deposits	242076	214335	456411	2,554,783	17.86
DomesticBranches	2875	3229	6104	90,821	6.72
Gross NPAs	11990	26562	38552	1039700	3.70
Net NPAs	5960	6405	12365	520700	2.37
Employees	19604	23210	42814	847398	5.05

Source: Report on trend and progress of commercial banks in India and IBA .ogr.in

The table 5 shows the banking business of IB and ALB has combined to form business size of 9.52 percent of PSB and (IB), which is considered to be strongest financially among the 10 banks, for instance, has a NNPA's ratio of 3.8 percent, it is 5.2 percent for Allahabad Bank and constitutes 3.70 and 2.37 percent of PSB GNPA's and NNPA's respectively. So the merger is expected to adversely affect the health of Indian Bank.

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**FINDINGS AND CONCLUSIONS**

- ✓ PNB, OBC and UB will be second largest PSB in the country in terms of business size and second largest branch network in India.
- ✓ CB and SB will also be merged to become the fourth largest PSB with 15.2 lakh crore and third largest branch network in India.
- ✓ Merger of UBI, AB and CorpB will create India's fifth largest bank with 14.6 lakh crore business size and fourth largest branch network.
- ✓ IB and ALB will be the seventh largest bank with 8.08 lakh crore business.
- ✓ Govt.'s move aimed at improving operating efficiency, governance and accountability and facilitate effective monitoring.
- ✓ The decision to merge banks is a good remedial measure, but time will show how far it will be successfully implemented.

The six PSB that will remain independent are Indian Overseas Bank, Uco Bank, Bank of Maharashtra and Punjab and Sind Bank, which have strong regional focus, will continue as separate entities.

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**INNOVATIVE MARKETING STRATEGIES**

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**ABSTRACT**

*Being able to adapt to consumer behavior and new technologies while maintaining a strong customer focus is essential to great marketing. Creating an incredible customer experience means giving consumers what they may not even yet realize they want. One quality that unites the marketing strategies of all of these brands is innovation. Effective digital marketing requires that brands have the ability to adapt to change, and to grasp new opportunities. Being able to innovate allows brands to conceptualize new ideas and put them into practice. While innovation has been acknowledged as a fundamental quality for product and tech teams for some time now, innovative practices are also increasingly being applied to marketing. The persistent belief that innovation is primarily about building better products and technologies leads managers to an overreliance on upstream activities and tools. But downstream reasoning suggests that managers should focus on marketplace activities and tools. Competitive battles are won by offering innovations that reduce customers' costs and risks over the entire purchase, consumption, and disposal cycle."The role of innovation in marketing is to explore new markets to increase sales and profitability. Innovation marketing believes in the dynamics of business world that are changing on regular basis and so as the marketing strategies as well. Marketers know that conventional marketing techniques are not effective anymore and the businesses are surrounding by advanced technology. Innovative strategies in marketing allow marketers to trace the performance alter the strategies to better cater the customers' needs.*

**Keywords**

- Consumer Behavior,
- Innovation,
- Digital Marketing,
- Incredible Customer.

**Objectives**

- To study the role of innovation in marketing strategy.
  - To understand the concepts of innovation and marketing strategies.
  - To know various innovative marketing techniques.
  - To Understand various innovative strategies that inspire strategic thinkers
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**INTRODUCTION****What Is Marketing Strategy?**

A marketing strategy refers to a business' overall game plan for reaching prospective consumers and turning them into customers of the products or services the business provides. A marketing strategy contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements.

Marketing strategy informs the marketing plan, which is a document that details the specific types of marketing activities a company conducts and contains timetables for rolling out various marketing initiatives

Marketing strategies should ideally have longer life spans than individual marketing plans because they contain value propositions and other key elements of a company's brand, which generally hold consistent over the long haul. In other words, marketing strategies cover big-picture messaging, while marketing plans delineate the logistical details of specific campaigns.

Academics continue to debate the precise meaning of marketing strategy, therefore multiple definitions exist. The following quotes from marketing trade literature, help crystallize the nuances of marketing strategy:

"The marketing strategy lays out target markets and the value proposition that will be offered based on an analysis of the best market opportunities." (Philip Kotler & Kevin Keller, Marketing Management, Pearson, 14th Edition)



"An over-riding directional concept that sets out the planned path." (David Aaker and Michael K. Mills, Strategic Market Management, 2001, p. 11)

"Essentially, a formula for how a business is going to compete, what its goals should be and what policies will be needed to carry out these goals." (Michael Porter, Competitive Strategy: Techniques for Analyzing Industries and Competitors, NY, Free Press, 1980)

"The pattern of major objectives, purposes and goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in." (S. Jain, Marketing Planning and Strategy, 1993)

"An explicit guide to future behavior." (Henry Mintzberg, "Crafting Strategy," Harvard Business Review, July–August, 1987 pp. 66–74)

Strategy is "reserved for actions aimed directly at altering the strengths of the enterprise relative to that of its competitors... Perfect strategies are not called for. What counts is... performance relative to competitors." (Kenichi Ohmae, The Mind of the Strategist, 1982, p. 37)

Strategy formulation is built on "the match between organizational resources and skills and environmental opportunities and risks it faces and the purposes it wishes to accomplish." (Dan Schendel and Charles W. Hofer, Strategy Formulation: Analytical Concepts, South-Western, 1978, p. 11)

### **Innovative Marketing**

Innovative marketing is a set of innovative processes and activities that market and communicate new products and services to a targeted group of consumers. Innovation and marketing are the two words that must understand. Innovation in marketing is an activity that involves new ideas that have a positive impact to a new product and service. Marketing is a process that involves marketers to communicate product and service information to consumers.

Innovative marketing concept is all about conducting market research into customer needs, behaviors and trends develop a prototype or changes within product designing, launching a new product in a unique place, pricing the product in a unique way, promoting products in an unconventional way.

### **Innovation strategy**

Innovation strategy is a plan used by a company to encourage advancements in technology or services, usually by investing money in research and development activities.

An innovation strategy is essential for companies that want to gain competitive advantage. An effective innovation strategy should be inspiring and add something unique to the product or service being developed. As a company, you want to increase the value of a current product or create something brand new that will draw the consumer in.

Innovation should push boundaries and be out of the ordinary. When thinking about innovation, it is impossible not to think about Apple. Apple has created and continues to create unique products with tremendous success. The iPhone, iPad, and iWatch have all been innovative products. Although smaller companies may not have Apple's global success, the beauty of innovation is that you never know what might happen with a product and the success it can bring your company.

### **Role of Innovative marketing**

The role of innovation in marketing is to explore new markets to increase sales and profitability. Innovation marketing believes in the dynamics of business world that are changing on regular basis and so as the marketing strategies as well. Marketers know that conventional marketing techniques are not effective anymore and the businesses are surrounding by advanced technology. Innovative strategies in marketing allow marketers to trace the performance alter the strategies to better cater the customers' needs. Innovation plays a huge role in how products are created. An innovation strategy is a plan used by a company to encourage advancements in technology or services, usually by investing money in research and development activities. An innovation strategy is essential for companies that want to gain competitive advantage.

### **Innovative Marketing Techniques**

Marketing Managers are required endless marketing efforts to increase brand awareness and visibility in such a way that have a positive impact on consumer's mind while trying to squeeze the marketing budgets. If they are unable to deliver they can lose market share to a new entrant.

Following are the some of the innovative marketing technique that can help marketers to attract more customers within limited marketing budgets.

### **Word of Mouth Marketing**

This is perhaps the most powerful type of marketing as it is done by happy and satisfied customers. The main objective of the company is to deliver a unique customer experience in such a way to exceed customers' expectations. A satisfied customer will always stay loyal to your brand. Don't forget to map your customers' journey and make them amazed every time they interact with your brand.

### **Social media Marketing**

In the present world, social platforms have democratized both marketing and customer engagements. This probably means that the person who has the best ideas and techniques that leads to client engagements will win a big market share rather than the one who spend a huge budget over advertising. Based upon the company's target market and demographics, social media platforms are the resources which can bridge the gaps between product and customer. However, customers are kings and they have the luxury to switch to a new entrant or existing quality brand. Here marketers are required to come up with an authentic and innovative idea to resolve customer problems effectively and efficiently.

### **Retain Your Existing Customers**

Keep in mind, if you acquire new customer it is seven times more expensive then retaining the existing customers. You must ensure that your existing customers are retained forever. Calculate customer lifetime value to a company and then put more efforts to retain them. Your entire company should focus on customer service if you lose even one; keep digging until you find the reasons.

### **Explore new geographies**

According to Milton Berle, "If opportunity doesn't knock, build a door." Whenever products find it difficult to attract customers, it is always better to look for new geographies. New markets with low competition and high demand always have low setup cost of a product and service.

### **Brand Repositioning**

Once Hunter Hayes says "It's time to reset, rethink, and reposition". When your business is not doing well, it is the right time for the business to take it as challenge and rethink about your strategy. Conduct a SWOT analysis to find out your business strengths and weaknesses. What is your firm's USP or competitive edge over your competitors? Once you are able to answer these questions, do what you do better and dig deeper to fine tune how you can better serve your customers.

### **Show Your Expertise**

As a company you can use different platforms and address customer issues and problems. Start writing blogs, use social media, speak at conferences and position the organization as an expert in the industry. For example, Neil Patel, who uses digital and social media platforms and proved himself as an expert in the industry.

It takes a lot of time and effort to develop and maintain a marketing campaign that resonates with your intended audience. As a strategic thinker, however, the development of a marketing campaign takes even more consideration. After all, we're always searching for ways to gain the oh-so important competitive edge.

There are times, though, when we all hit the proverbial wall. If you find yourself in that situation, then you may want to check out these fifteen marketing strategies that will definitely spark your creative energy.

## **INNOVATIVE MARKETING STRATEGIES THAT INSPIRE STRATEGIC THINKERS**

### **1. Partner with allies**

Marketing partnerships have a number of benefits to push a marketing campaign. For starters, when you collaborate with someone else, you tend to deliver better content. On top of that, marketing partnerships are cheaper to create, see success more quickly, and expose your brand to a new audience.

For example, prior to being acquired by eBay, Half.com worked the town of Halfway, Oregon, to change its name to Half.com in exchange for stock, Internet access, and other giveaways. The tactic gained a lot of attention for the textbook rental company. Another example was when Converse teamed up with Guitar Center to record music entitled "Rubber Tracks." The content was then used to create a series of YouTube videos that focused on the musicians.

### **2. Embrace user generated content.**

According to a survey of 839 millennials, they spend "5.4 hours a day with content created by their peers. This represents 30 percent of their total media time and is rivaled only by all traditional media types combined (print,

radio, and television, at 33 percent)." In the same survey, "Millennials reported that UGC is 20 percent more influential on their purchase decisions than other media."

You can achieve this by having customers share personal stories (Estee Lauder's international breast cancer action campaign), exchange ideas (Salesforce's Idea Exchange), and by giving them the tools to make an ad for you (Nissan's VersaVid campaign that was shared on Instagram and Vine) or through humor (Doritos Roulette bags).

### **3. Collaborate with influencers**

Another way to gain a new audience and extend brand awareness is by collaborating with the top influencers in your industry. Home improvement store Lowe's allowed "top designers and mom bloggers to take over its Instagram account for a few days at a time." By allowing these influencers to share inspirational content, Lowe's was able to tap into a new audience.

### **4. Help customers solve a problem**

As perfectly stated on HubSpot, "You're in business because you provide solutions." Some of the ways you can help customers solve a problem is by: creating how-to-content; offering exclusives that make their lives easier; listening/responding to them; or creating apps/tools.

You could also create a campaign like Orca Chevrolet did in Brazil. The company partnered with a local tow company and rescued stranded drivers by arriving in the new Orca. Not only did Chevy save the day, it also gave drivers a chance to test drive the car.

### **5. Let customers interact**

No matter the product or service you're offering, your customers want to interact with your company, or at least other customers. AMC, for example, created an online tool that allowed you to Mad Man Yourself. American Express connects small-business owners to each other and helpful resources through its OPEN Forum.

### **6. Experiment with new channels and platforms**

Don't hesitate to try out new channels and platforms to promote your brand. As Clare McDermott, editor of *Chief Content Officer* magazine and owner of SoloPortfolio, points out on the Content Marketing Institute, the Four Seasons introduced the Pin.Pack.Go program on Pinterest. This was an industry-first campaign that allowed guests to co-curate a customer travel itinerary through a Pinterest board.

### **7. Take a bite out of Apple**

Apple deserves special mention mainly because it's a brand that has created an entire generation of lifelong advocates. How did they accomplish this? Remember when the iPod was introduced? Apple's now-iconic strategy involved empathy, focus, and impute when they used silhouettes of people enjoying the iPod. It may not have been the best MP3 player, but it created brand recognition that helped dominate the market.

### **8. Have some fun**

You probably never heard of Dollar Shave Club until the company released that humorous YouTube video. The company continues to have its way with the shaving industry. Taco Bell and Old Spice are other examples of companies who are having fun with their marketing campaigns. Even campaigns you wouldn't expect are getting in on the action.

Caterpillar launched its "Built for It" campaign by having five Cat construction machines playing a giant game of Jenga.

### **9. Get employees involved**

Let employees be your biggest champions and brand advocates. That's what happened with Caterpillar's Built for It campaign. The videos tapped into the allegiance of the brand, which motivated them to share the videos with friends and family.

### **10. Be a little weird**

You don't always have to play it safe. Sometimes you want to think out of the box and get a little weird. For example, to help launch the new radio station FM 96.3 in Glasgow, Scotland, the station placed empty guitar racks throughout the city. The hook? Each rack had a sign that read: "Free Air Guitar. Take One." It was unique and matched the brand perfectly -- who hasn't played a little air guitar when listening to the radio?

### **11. Don't forget about existing customers**

I know it is important to obtain new customers if you want your business to grow. But don't forget about the customers you already have. As Belle Beth Cooper notes on the Buffer Blog, you could use the "upside-down

funnel" approach. This could include making customers feel like they're part of an exclusive club, giving them something extra, and making them feel like VIPs.

#### **12. Use big data to target customers**

Big data is now helping retailers target specific customers. Red Roof Inn uses cancelled flight information to send messages to stranded travelers. A pizza chain uses data to send out coupons to customers who are experiencing bad weather or power outages. In short, big data can be used to predict purchasing trends. With this information, you can get in touch with consumers before they search for your products or services.

#### **13. Venture into the concrete jungle**

You can still do a little offline marketing to create a buzz surrounding your product or service. For example, you could hire an artist to paint a mural (with permission, of course). You could also go the route of Citi Bike. Having bicyclists riding around with your logo or name is a clever way to grab attention. Another great example was when the Copenhagen Zoo shrink-wrapped city buses so that it appeared that they were squeezed by a giant boa constrictor.

#### **14. Tap into nostalgia**

Entrepreneur shared an interesting discovery from the *Journal of Consumer Research*. The study found "that people who were asked to think about the past were willing to pay more for products than those who were asked to think about new or future memories; another experiment showed an increased willingness to give more money to others after recalling a nostalgic event. " Maybe that's why brands like Coca-Cola, Calvin Klein, and Internet Explorer have launched campaigns that take Millennials back to the 90s.

#### **15. Tell a cross-media story**

Storytelling is one of the most effective methods in marketing. But how do you modernize it? Axe's "Susan Glenn "is a perfect example of a modern story that was shared across various media platforms. If you don't recall, Axe tapped into the memories of the girl who got away. Instead of just repackaging the content, the story was told differently on different channels. There was also a 60-second film, interactive billboard at Times Square, and unbranded memes.

#### **Examples of innovative Marketing Strategies**

One of the key factors of marketing strategy of all the well-known brands is innovation. In the era of digital marketing brands need to adopt change and avail opportunity. Find out three great examples of innovative marketing strategies used by reputed brands of the world.

##### **Instagram**

Instagram has an outstanding affinity with reputed industries for example fashion and fitness, which have already built a strong relationship with target audience. Instagram has already implemented several innovative marketing practices that enhanced UX user experiences. The social media platform have given its industry the ability to increase the depth of storytelling and sharing success stories.

Through 'Explore' feature, personalized results of channels are displayed and the Hyperlapse – video recording feature – is great for creating time-lapse videos. Presently, 86 percent of top international brands are active over this platform which endorses the validity and power of the same as an advertising and marketing channel

##### **Netflix**

Netflix has become an important part of household. The Netflix brand has achieved great success through producing best quality content. Netflix is not only a streaming and delivery service platform but also produced some amazing TV series over the years. Netflix has greatly implemented the user data to target consumer based on their demand, behavior and trends which is one of the key success factors.

Netflix tends to take data very seriously as it informs their production and content endeavors and its marketing techniques. The best thing was that Netflix used this data and converted it into ideas which inform content at a detailed level which is unbelievably innovative technique.

##### **L'Oreal**

The designing and launching of their app is the proof of their understanding about digital era consumers. Through the L'Oreal's Makeup Genius app, the customer can use their smart phones for a complete digital makeover. Consumers responded rather positively and the app is downloaded millions of times. In addition to this, the brand has bought in boldness in other digital channels by creating another unique line 'Em-cosmetics' for hugely influential make-up blogger Michelle Phan.

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**FINDINGS AND CONCLUSION****Findings**

- It is found that innovation plays a key role in marketing strategy.
- It is found that using various techniques of marketing strategies will increase the sale in the competitive market.
- It is found out that carefully-cultivated marketing strategy should be fundamentally rooted in a company's value proposition, which summarizes the competitive advantage a company holds over rival businesses.
- It is found out that One of the key factors of marketing strategy of all the well-known brands is innovation.

**Conclusions**

- It is concluded that an innovation strategy is essential for companies that want to gain competitive advantage.
- It is concluded that techniques like word of mouth, digital marketing makes marketing easier and they enable the customers to buy the products
- it is concluded that Marketing Managers are required endless marketing efforts to increase brand awareness and visibility in such a way that have a positive impact on consumer's mind while trying to squeeze the marketing budgets.

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**NEED FOR GREEN AND ENVIRONMENTAL MARKETING**

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**ABSTRACT**

*The conception of Environmental, Green or Ecological marketing gained impetus during the 1990's to accentuate products and production methods that improve environmental performance, promote ecological causes, or solve environmental problems. Green marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. They include such processes that lessen waste in packaging, augment energy efficiency of the product in use, diminish use of chemicals in farming, or decrease release of toxic emissions and other pollutants in production and modifying advertising. There is an amplified consumer demand for environment friendly products and services which the marketers must respond to. It is imperative that business organizations conducted their operations in an environmentally sensitive fashion owing to their responsibility to preserve the integrity of the natural environment even as they satisfy consumer needs and desires.*

*In other words, Green marketing (also known as eco-marketing or sustainable marketing) is the practice of marketing the offering based on its environmental benefits. It is a practice of marketing the products that are environmentally friendly in themselves and have green benefits, or the eco-friendly business practices that are used for its production.*

*In addition to helping boost sales, green marketing can help companies reduce operating and production costs, specifically by lowering energy usage. Environmentally sensitive companies are more attractive to potential employees who seek to become part of a positive corporate culture.*

**Keywords**

- *Eco-friendly.*
- *Consumer.*
- *Sustainability.*
- *Green Products.*
- *Production cost.*

**Objectives**

1. *To understand the concept of green marketing.*
  2. *To study the Ecological- Green Marketing in reducing Environmental Problems & providing Remedies.*
  3. *To study the impact on Environmental-Green Marketing innovations through Clean Technology.*
- 

**INTRODUCTION****Eco Friendly**

Eco-friendly or environment-friendly, (also referred to as Environmentally -friendly, nature-friendly, and green) are sustainability and marketing terms referring to goods and services, laws, guidelines and policies that claim reduced, minimal, or no harm upon ecosystems or the environment

Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising

These initiatives often require a significant capital investment to change the way a company does business or to innovate its products and services so they have a more positive impact on the environment. Investments in sustainability are only worthwhile to a corporation if they result in increased profitability. While social goals are admirable, a corporation has a fiduciary duty to maximize profits for its stockholders. Sustainable marketing assumes this investment is viable by crafting messages that tap into this consumer concern with the expectation that it can be translated into purchasing decisions. Green marketing at the product level is designed to bring these new eco-friendly features to the consumer's attention. At the public relations level, the company can report to its shareholders and customers that it is a responsible corporate citizen that is concerned about sustainable product innovation for the sake of future generations.

**Sustainability**

Marketing that promotes a company's sustainable initiatives serves as a bridge between corporate and profitability. Sustainability is the ability to exist constantly. It is also defined as the process of people maintaining change in a balanced environment, in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations. For many in the field, sustainability is defined through the following interconnected domains or pillars: environment, economic and social.

Sustainability can also be defined as a socio-ecological process characterized by the pursuit of a common ideal. An ideal is by definition unattainable in a given time and space. However, by persistently and dynamically approaching it, the process results in a sustainable system.

The study of ecology believes that sustainability is achieved through the balance of species and the resources within their environment. In order to maintain this equilibrium, available resources must not be depleted faster than resources are naturally generated.

Modern use of the term sustainability is broad and difficult to define precisely. Originally, sustainability meant making only such use of natural, renewable resources that people can continue to rely on their yields in the long term.

Healthy ecosystems and environments are necessary to the survival of humans and other organisms. Ways of reducing negative human impact are environmentally-friendly chemical engineering, environmental resources management and environmental protection. Information is gained from green computing, green chemistry, earth science, environmental science and conservation biology. Ecological economics studies the fields of academic research that aim to address human economies and natural ecosystems.

**Green products**

We can define green products by following measures:

1. Products those are originally grown.
2. Products those are recyclable, reusable and biodegradable.
3. Products with natural ingredients.
4. Products containing recycled contents and nontoxic chemical.
5. Products contents under approved chemicals.
6. Products that do not harm or pollute the environment.
7. Products that will not be tested on animals.
8. Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

**Green Products Examples**

- Power from wind and solar energy
- Solar heater
- Solar kitchen appliances
- Gas fitted vehicles
- Philips CFL bulbs & LED Lights
- Green data centers
- Electricity powered vehicles
- Electric kitchen appliances
- McDonalds's napkins and bags
- Lewis jeans @ ECO
- Nike Green shoes(Air Jordan)
- Apple green technologies
- Motorola Green phone Moto W233

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**EVOLUTION OF GREEN AND ENVIRONMENTAL MARKETING**

The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting the needs of the present without compromising the ability of future generations to meet their own need, this became known as the Brundtland Report and was another step towards wide spread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing.

They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America. According to Jacquelyn Ottman, (author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding" (Greenleaf Publishing and Berrett-Koehler Publishers, February 2011)) from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing — new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs.

**SOME MAJOR GREEN MARKETING INITIATIVES**

- Global beverages major Coca Cola is planning to become water neutral by 2012.
- Japanese automakers Honda and Toyota have both recently introduced environmentally friendly models.
- BMW (Spartanburg, USA) meets 65% of its electricity needs by processing Garbage from a nearby Dump and manufacturing Electrical vehicle
- GE introduced Diesel locomotives in 2005 that reduced emissions by 40% as compared to the locomotives made in the previous year.
- HP computers have invested heavily in Recycling of Computers & related peripherals.
- Samsung has started a campaign to recycle mobile phones.
- Government of India encourages Green industries.

**ECOLOGICAL- GREEN MARKETING IN REDUCING ENVIRONMENTAL PROBLEMS & PROVIDING REMEDIES -IMPORTANCE OF GREEN MARKETING**

Firstly, there are new perceptions which are being formed or re-evaluated on issues like environmentally friendly products, recycle ability, waste-reduction, the cost associated with pollution and the price value relationship of environmentalism.

In addition, green marketing is important because it helps to promote environment friendly products. Thus, it also helps to reduce the causes of global warming and other environmental problems or issues.

Furthermore, there are new perceptions which are being formed or re-evaluated on issues like environmentally friendly products, recycle ability, waste-reduction, the cost associated with pollution and the price value relationship of environmentalism. As a result, organizations believe they have a moral obligation to be more socially responsible.

Moreover, governmental bodies are forcing firms to become more responsible. There are pressure from various stakeholders, government, environmentalists, NGOs, consumers which is placed on businesses, which in turn keeps them under constant and relentless watch in their daily operations. Thus, organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.

Finally, competitors' environmental activities put pressure on firms to change their environmental marketing activities. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior

**BENEFITS OF GREEN MARKETING**

Firstly, it encourages marketers to develop energy-efficient products and gives them competitive advantage and favorable image among consumers. As companies market their green-friendly efforts and products, they simultaneously encourage the green initiative. This perpetuates the efforts by other companies to operate with



more green responsibility and causes consumers to remain vigilant in holding companies accountable for their actions. The employees and consumers feel proud to be associated with an environmentally responsible company

In addition, companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

Furthermore, it makes firm to charge a premium price for the green products. Consumers may become more comfortable and accepting of paying higher premium prices to acquire earth-friendly products or to support companies that engage in green activities.

#### **MOREOVER, GREEN PRODUCTS**

- Does not present a health hazard to people or animals;
- Is relatively efficient in its use of resources during manufacture, use, and disposal;
- Does not incorporate materials derived from endangered species or threatened environments;
- Does not contribute to excessive waste in its use or packaging;
- Does not rely on unnecessary use of or cruelty to animals.
- Finally, it helps save money in the long run. As a result, firm can achieve higher profits and it can be used to make companies to develop innovative products.

#### **ENVIRONMENTAL-GREEN MARKETING INNOVATIONS THROUGH CLEAN TECHNOLOGY. STRATEGIES TO INCORPORATE GREEN PRACTICES**

- Adopt new technology/process or modify existing technology/process so as to reduce adverse environmental impact.
- Establish a management and control system to ensure adherence to stringent environmental safety norms.
- Using more environment-friendly raw materials at the production stage itself.
- Exploring possibilities of recycling of the used products.

#### **CHALLENGES FACED BY THE GREEN AND ENVIRONMENTAL MARKETING.**

It is found that only 5% of the marketing messages from “Green” campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort.

- ❖ Most customers choose to satisfy their personal needs before caring for the environment.
- ❖ Overemphasizing greenness rather than customer needs can prove devastating for a product.
- ❖ Many customers keep away from products labeled “green” because they see such labeling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green.
- ❖ Green products require renewable and recyclable material, which is costly. At first the profits will be very low.
- ❖ Majority of the people are not aware of green products and their uses. Majority of the consumers are not willing to pay a premium for green products.
- ❖ Requires technology which further requires huge investment in R&D. Green marketing support green products/services, green technology, green power/energy; a lot of money has to be used up on R&D programs. Water treatment technology which is too costly

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**FINDINGS AND CONCLUSION****Findings**

- It is found that using Ecological- Green marketing will reduce Environmental Problems.
- It is found that majority of the people are not aware of green products and their uses.
- It is found that Strategic greening in one area may or may not be leveraged effectively in others.

**Conclusions**

- It is concluded that A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader.
- It is concluded that it requires technology which further requires huge investment in Research and development.
- The study concludes that there is more impact on Environmental-Green Marketing innovations through Clean Technology.

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**ARTIFICIAL INTELLIGENCE IN MARKETING - WHEN A MACHINE MADE IT EASIER**

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**ABSTRACT**

*Artificial intelligence is a colloquial term used to describe the cognitive functions that machines mimic which humans associate with human minds, ie; learning and problem solving. The field of artificial intelligence research was founded as an academic discipline in 1956. American Jule Gregory Charney – who is considered the father of modern meteorology, teamed with his Norwegian and American counterparts in mathematics, meteorology and computer programming to develop the first computerized program derived for the prediction of weather. Their computerized approach was perhaps the first example of artificial intelligence (also known as machine learning) influencing consumer behaviour through weather reporting.*

*With this predictive analytics, shopkeepers and advertisers could effectively move merchandise associated with changes in weather, from simple umbrellas to pharmaceuticals, clothing, vacations, and air conditioners. This paper throws light on how AI uses the concept of clustering consumer behaviours to predict future behaviours.*

*Keywords: Artificial intelligence, cluster consumer behaviour, predict future behaviour.*

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**INTRODUCTION**

Modern age and technology have taken industry ahead by leaps and bounds. AI is the most prominent concept of this era and the time is not too far when machines will completely take over. In AI, machines work colloquially with a human brain and rather more efficiently. The current media examples of AI are Facebook, Netflix, Spotify etc. AI clusters consumer behaviour and predicts future behaviour.

**REVIEW OF LITERATURE**

- Muhammad Zafeer Shahid & Gang Li: Artificial Intelligence (AI) is a computer-assisted analytical course that attempts to form automated systems which can be referred to as intelligent. It can also be described as the human intelligence presented in the form of machines.
- Olson, Christi; Levy, Jennifer: Artificial intelligence (AI) is the technology where marketers expect the most growth over the next two years. The benefits of such growth will be twofold.
- Lindsay Tjepkema: *Artificial intelligence marketing (AI Marketing) is a method of leveraging customer data and AI concepts like machine learning to anticipate your customer's next move and improve the customer journey.*

**OBJECTIVES**

- To make a viewpoint, which could help understand this growing area.
- To study how machine learning has improved advertising sector.
- To see for future scope in this area as it is booming now in India.

**HISTORY OF AI**

The history of Artificial Intelligence (AI) began in antiquity, with myths, stories and rumours of artificial beings endowed with intelligence or consciousness by master craftsmen. The seeds of modern AI were planted by classical philosophers who attempted to describe the process of human thinking as the mechanical manipulation of symbols. This work culminated in the invention of the programmable digital computer in the 1940s, a machine based on the abstract essence of mathematical reasoning. This device and the ideas behind it inspired a handful of scientists to begin seriously discussing the possibility of building an electronic brain.

The field of AI research was founded at a workshop held on the campus of Dartmouth College during the summer of 1956.<sup>[1]</sup> Those who attended would become the leaders of AI research for decades. Many of them predicted that a machine as intelligent as a human being would exist in no more than a generation and they were given millions of dollars to make this vision come true.

Eventually, it became obvious that they had grossly underestimated the difficulty of the project. In 1973, in response to the criticism from James Light hill and ongoing pressure from congress, the U.S. and British Governments stopped funding undirected research into artificial intelligence, and the difficult years that followed would later be known as an "AI winter". Seven years later, a visionary initiative by the Japanese Government inspired governments and industry to provide AI with billions of dollars, but by the late 80s the

investors became disillusioned by the absence of the needed computer power (hardware) and withdrew funding again.

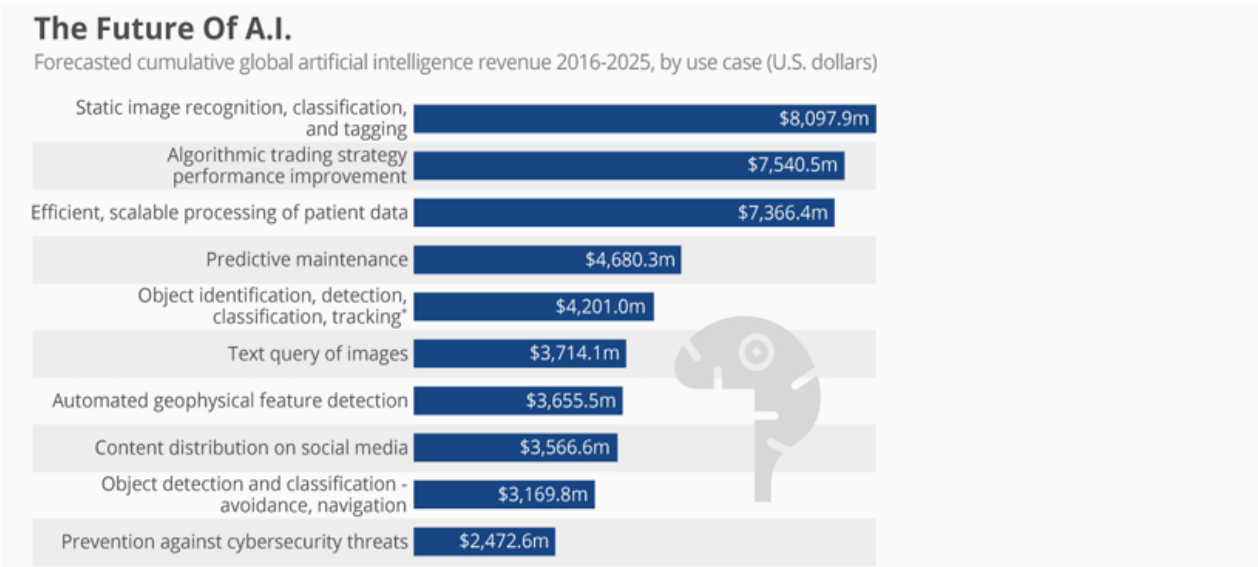
Investment and interest in AI boomed in the first decades of the 21st century, when machine learning was successfully applied to many problems in academia and industry due to the presence of powerful computer hardware.

AI & SOCIAL MEDIA

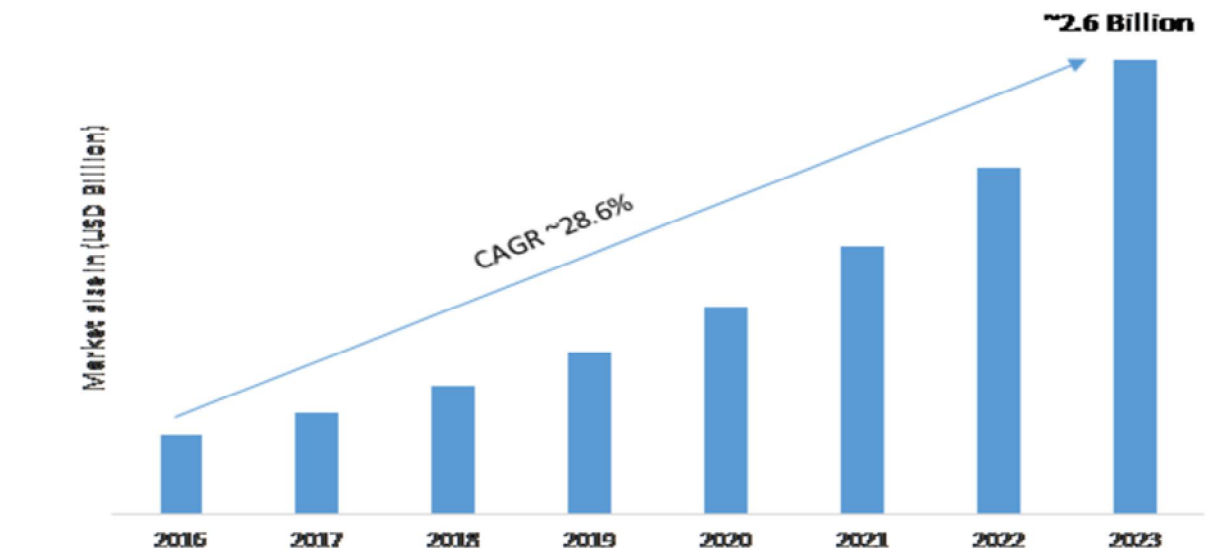
HOW MEDIA USES ARTIFICIAL INTELLIGENCE:

The presence of AI in today’s society is becoming more and more ubiquitous— particularly as large companies like Netflix, Amazon, Facebook, Spotify, and many more continually deploy AI-related solutions that directly interact (often behind the scenes) with consumers everyday.

When properly applied to business problems, these AI-related solutions can provide really unique solutions that scale and improve over time, creating significant impact for both business and user. But what does it mean to “properly apply” an AI solution? Does that mean there is a wrong way? From a product perspective, the short answer is yes, and we’ll get to why that is later in this article as we dig deeper.



EXPECTED GROWTH OF AI(2019-2023):



The global artificial intelligence in the social media market size will grow by USD 1.67 billion during 2019-2023. This industry research report provides a detailed analysis of the market based on application (predictive risk management, consumer experience management, and sales & marketing) and geography (the Americas, APAC, and EMEA). The report analyzes the market’s competitive landscape and offers information on several artificial intelligence in social media providers including Alphabet, Amazon.com, IBM, Microsoft, and SAS Institute.

Yet as we all know, there's no perfection without challenges, same was the case with AI. There were various challenges it faced to reach where it has today.

### **THE CHALLENGES**

- Limited computer power: There was not enough memory or processing speed to accomplish anything truly useful. For example, Ross Quillian's successful work on natural language was demonstrated with a vocabulary of only twenty words, because that was all that would fit in memory.<sup>[77]</sup> Hans Moravec argued in 1976 that computers were still millions of times too weak to exhibit intelligence. He suggested an analogy: artificial intelligence requires computer power in the same way that aircraft require horsepower. Below a certain threshold, it's impossible, but, as power increases, eventually it could become easy.<sup>[78]</sup> With regard to computer vision, Moravec estimated that simply matching the edge and motion detection capabilities of human retina in real time would require a general-purpose computer capable of  $10^9$  operations/second (1000 MIPS).<sup>[79]</sup> As of 2011, practical computer vision applications require 10,000 to 1,000,000 MIPS. By comparison, the fastest supercomputer in 1976, Cray-1 (retailing at \$5 million to \$8 million), was only capable of around 80 to 130 MIPS, and a typical desktop computer at the time achieved less than 1 MIPS.
- Intractability and the combinatorial explosion. In 1972 Richard Karp (building on Stephen Cook's 1971 theorem) showed there are many problems that can probably only be solved in exponential time (in the size of the inputs). Finding optimal solutions to these problems requires unimaginable amounts of computer time except when the problems are trivial. This almost certainly meant that many of the "toy" solutions used by AI would probably never scale up into useful systems.<sup>[80]</sup>
- Commonsense knowledge and reasoning. Many important artificial intelligence applications like vision or natural language require simply enormous amounts of information about the world: the program needs to have some idea of what it might be looking at or what it is talking about. This requires that the program know most of the same things about the world that a child does. Researchers soon discovered that this was a truly vast amount of information. No one in 1970 could build a database so large and no one knew how a program might learn so much information.<sup>[81]</sup>
- Moravec's paradox: Proving theorems and solving geometry problems is comparatively easy for computers, but a supposedly simple task like recognizing a face or crossing a room without bumping into anything is extremely difficult. This helps explain why research into vision and robotics had made so little progress by the middle 1970s.<sup>[82]</sup>
- The frame and qualification problems. AI researchers (like John McCarthy) who used logic discovered that they could not represent ordinary deductions that involved planning or default reasoning without making changes to the structure of logic itself. They developed new logics (like non-monotonic logics and modal logics) to try to solve the problems.

### **CONCLUSIONS**

#### **CURRENT SCENARIO**

The future of marketing vis-à-vis Artificial Intelligence is set to become more innovative and automated. International software development organization Pega highlighted some ways in which AI will bolster marketing in the future.

Artificial Intelligence will help companies, and moreover, CMOs build a corporate culture with utmost customer focus, and help optimize marketing goals such as personalization, understanding customer behaviour to customize the engagement and pitching process, making more accurate predictive analyses, and saving time on finding and converting leads.

In a nutshell, it will help companies save costs, optimize budgets, make tasks more streamlined for employees, reduce time by automating sales processes, and personalize the customer experience across the entire buying cycle.

### **SUGGESTIONS**

#### **Pega also stated some more future applications of AI:**

1. The Virtual Assistant (Siri, Alexa, Watson, Google Assistant for example) will become more intelligent and enhance the function of chatbots.
2. Customized user recommendations will become possible in real time with a Customer Decision hub and enrich user experiences.

3. Paid digital marketing campaigns can be better managed and automated to save time and expenses while increasing ROI using AI.
4. Natural Language Processing (NLP) will become more 'intuitive' in gauging a customer's mood and intent depending on their written conversation with the company.
5. AI can even go as far as offering suggestions to sales reps in brick-and-mortar establishments on how to cater to a customer for the best results.

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**STUDY ON EMERGING TRENDS IN BANKING**

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**ABSTRACT**

*The present study focuses on Studying the Emerging Trends in Banking. The study analysed the customer's satisfaction of Hyderabad city (India). Purposive sampling technique is applied in administering, structured questionnaire was sent and primary data is collected through the response. The objective of the study is to identify technological development in current banking sector and To find out frequency of net banking facilities used by people. Today banks are known for innovations such as NEFT, EFT, ATM, ECS, RTGS, Retail banking, Debit cards Credit cards and many more.*

*The majority of respondents Stated that they do not prefer going to bank branches for transactions. The study through the insights at the time of survey, respondents were of the opinion that online banking is effective but security has to be inculcated.*

*Keywords: online banking, e-banking, emerging trends, bank customers, financial institutions and innovative technology.*

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**INTRODUCTION**

The emersion of internet and e-commerce has radically changed the banks in rendering services. It has revolutionised our day-to-day lifestyle. Therefore, it predominantly tries to influence the way we save and the way we invest.

E-Banking provided facilities such as checking account balances(from home or across branches), view transaction history, instant transfer of funds between accounts, withdraw funds via Automated Teller Machines (ATM) machines, make third party payments, telebanking, use of ATM cards for payments, use credit cards for transactions, make payments, make payments anywhere across the globe and much more. Traditional banking was restricted by time, space and accessibility. But with e-banking these barriers were removed. Customers were able to access bank services twenty four hours a day, and seven days a week (**Rubino, 2000**).

The emergence of Innovation in Banking sector and financial institutions has completely changed the attitude of customers expending valuable time in accessing banking services.

**RESEARCH PROBLEM**

The study attempts to identify the reasons behind the :

- What is the level of usage of net banking facilities used by people?

**RESEARCH QUESTIONS**

In the order to better resolve the research problem, the problem area is broken down into smaller areas in the form of following questions.

- What is the current level of usage of e-banking services among people?
- What factors encourage the use of e-banking services among customers?

**RESEARCH OBJECTIVES**

The main objectives of the research are as follows:

- To identify technological development in current banking sector.
- To find out frequency of net banking facilities used by people.

**SIGNIFICANCE OF RESEARCH**

The findings of this research would help the banks as-well-as the customers alike. The banks and other regulatory bodies would be able to implement new policies accordingly. For banking customers, the research findings would help them acquire a better knowledge of the benefits of e-banking, what the limitations of e-banking are and what steps are being taken to improve the internet banking services in the future.

**REVIEW OF LITERATURE**

Banking environment has become highly competitive to-day. To be able to survive and grow in the changing market environment, banks are going for the latest technologies, which is being perceived as an enabling

resource that can help in developing more flexible structure that can respond quickly to the dynamics of a fast changing market scenario.( **Dr. Neha yajurvedi, 2015**).

An up gradation of technology banks are playing vital role in economic development. Banking sector in India is resulting with increased growth in customers. By providing innovative facilities of banks. The changes made by banks are mostly focused on financial inclusion for expansion into rural areas and bringing stability by boosting credit growth making banking services near to the customer directly and reducing customer valuable time.( **Sujatha, 2017**).

(**Frust, 2000**) defines internet banking as the use of the Internet as a remote delivery channel for banking services. Internet is the driving force behind online banking, the technology that has enabled to conduct and process transactions at the blink of an eye.

## **EMERGING TRENDS IN BANKING**

### **1. Mobile banking**

Using of a smartphone to perform various banking procedures like checking account balance, fund transfer, and bill payments, without the need of visiting the branch is the definition of mobile banking. It is one of most predominant trends in banking system. This trend has taken over the traditional banking system. With moving technology, Mobile banking is expected to become more efficient and effortless.

### **2. UPI ( Unified Payment Interface )**

Payment methods have changed due to UPI or Unified Payment Interface. It is a payment system that enables instant inter-bank transactions with the use of a mobile platform. It is one of the fastest and most secure payment gateways that is developed by National Payments Corporation of India and regulated by the Reserve Bank of India.

### **3. Digitization**

It is important for the banking and financial industries to take the leap on the digital bandwagon. New trends in banking system make it easier, with various features like IMPS (Immediate Payment Service), RTGS (Real Time Gross Settlement), NEFT (National Electronic Funds Transfer), Online Banking, and Telebanking. Digitization has created the comfort of “anywhere and anytime banking.”

### **4. Payment banks**

These were introduced in India, Payment banks are a new mode of banks conceptualised by the RBI. A restricted deposits are accepted by these banks, currently limited to ₹ 1 lakh per customer. These banks does not issue loans or credit cards, but may offer both current and savings accounts. Payments banks may issue ATM and debit cards, and offer net-banking and mobile-banking. The banks will be licensed as payments banks under Section 22 of the banking regulatory act 1949, will be registered as Public limited company under the companies act 2013.

There are six payments banks

- Airtel Payments Banks Ltd.
- Fino Payments Bank Ltd.
- India Post Payments Bank Ltd.
- Jio Payments Bank Ltd.
- NSDL Payments Bank Ltd.
- PayTm Payments Bank Ltd.

## **ADVANTAGES OF ONLINE BANKING**

Following are some of the unique advantages of engaging in online banking enjoyed by customers compared to traditional banking are explained.

1. Convenience – E-banking is perceived to be convenient in every way, and one of the main critical factors affecting the usage of Internet banking as per **Dassanayake(2003)**. They are open 24 hours a day, and all 7 days of the week (**Hettiarachchi, 2013**). So the customer’s banking requirements will never have to wait till the next business day.
2. Speed and Reliability – **Deutsche Bank AG Research (2006)** identifies ‘speed’ as one of the main driving forces behind the success of internet banking. Transactions, transaction processing, data transfer, information requests etc. happen almost instantly in online banking.

3. Security - **Georgia Institute of Technology Atlanta Report (2004)** considers security of online banking to be a major factors affecting the usage. A common misconception relating to online banking is that it is prone to security threats.
4. Low Cost – **Mols (1998)** has identified that for customers, internet banking can be of a low cost alternative to traditional banking. The term ‘cost’ refers to all types of costs from financial costs, time costs, energy costs etc. In all things considered, E-banking can provide a banking activity at the lowest cost possible.

#### BARRIERS OF INTERNET BANKING

1. System failures - Internet, computers hardware, software and other systems could fail at time making it impossible to access the bank accounts (**Joseph, n.d.**).
2. Security threats – Despite the numerous steps are taken to prevent security attacks, there still could be attempts at hacking and theft. Also there could be security flaws due to negligence of the user (**Jayasiri, 2008**).
3. Internet and E-banking knowhow - A certain level of technological and theoretical knowledge is required to engage in e-banking activities. This might prevent some people from being able to conduct online transactions ( **N.J.Kariwywasam, 2016**)
4. Remote locations – **Joseph (n.d.)** writing for Chron . Com emphasizes on the fact that not everybody in the world is accessible to the Internet.
5. Site changes – **Jayasiri (2008)** says that banks make changes to their websites and it could cause ‘confusion and delays’ in customers.

#### BENEFITS OBTAINED BY BANKS THROUGH ONLINE BANKING

1. Cost savings – **Booz-Allen and Hamilton (1997)** has determined that cost of running internet banking operations is between 15% to 20% of the revenues generated, whereas cost of running traditional banking operations would be 50% to 60% of the revenues.
2. Competitive advantage – Internet banking can be seen as a trend in to the future and banks adopting e-banking will have a leading advantage over traditional banks.
3. Improve revenues – **Marenzi, Hickman and Dehler(2000)** has studied extensively if internet banking is profitable, and arrived at the conclusions that it is in-fact a revenue generating and cost-reducing approach to banking.
4. Time saving – **As Duetsche Bank AG Research (2006)** identifies speed as one of the main benefits of internet banking, it can process data and transactions within a matter of seconds.
5. Identification – Identity theft has become a growing concern with the involvement of internet in commercial activities (**Financial Web Staff, n.d.**).
6. Cash and Cheque deposits – One main limitation of e-banking is that cash and cheque deposits cannot be made in an online platform. For this purpose, the users will have to visit a physical bank store(**Cornell, n.d.**)
7. Withdrawal limitations – A lot of banks have restrictions on ATM withdrawals. Some banks have imposed limit on the number of times withdrawals can be made and also on amount.
8. Lack of human touch - Banking is a service and services rely on human interactions for long term success. However, with internet banking the banks would not be able to form close customer relationships (**Retrieved from Bankbazar. com, 2012**).

#### METHODOLOGY

Questionnaire survey was applied in this study to collect information from the consumers .Information collected through consumer survey is utilized for further analysis and verification. 100 consumers were asked to fill the Questionnaire.

As per convenience HYDERABAD (INDIA) is selected for conducting survey.

Secondary data is also collected from various sources such as information from relevant articles, journals and different web sites.

The survey was Internet based, were random and convenient based sampling technique was used. A survey was created to capture people’s perception on different features. Demographic details were also collected. The

questionnaire was created and distributed among the internet users in India through e-mails and online portals. At the end of the survey, we obtained responses from 113 people.

## DATA AND ANALYSIS

### Demographic profile of Customers

Indicators	Category	No of Respondents	Percentage
Gender	Female	45	40.7
	Male	68	59.3
	Total	113	100%
Age	18 - 20 years	53	52.7
	20 - 30 years	31	30.3
	30 - 40 years	15	14.5
	40 - above	14	2.5
	Total	113	100%

The demographic profile of respondents' shows majority of the respondents was female comprising 59.3 percent. Further categorisation under age reveals 52.7 percent of the respondents are under the age group of upto 30 years.

Do you have bank account?

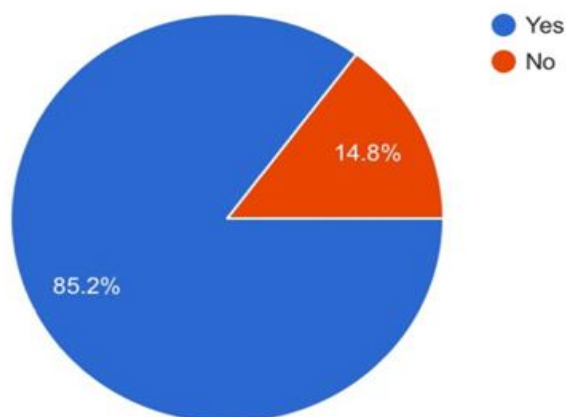


CHART - 1

From the chart-1, its shown that 85.2% people have bank account and 14.8% do not have bank account.

Do you prefer going to bank branches for transactions ?

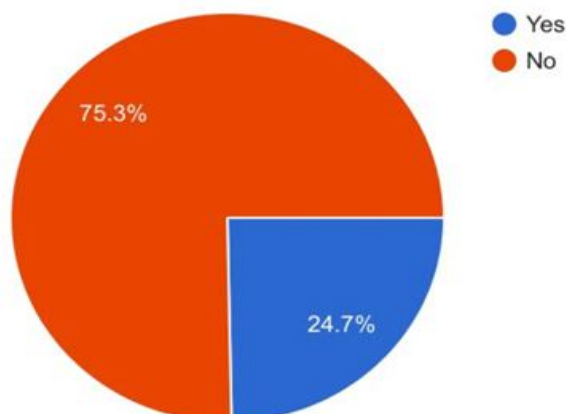


CHART - 2

From the chart-2, its show that 75.3% people do not prefer going to bank branches for transactions.

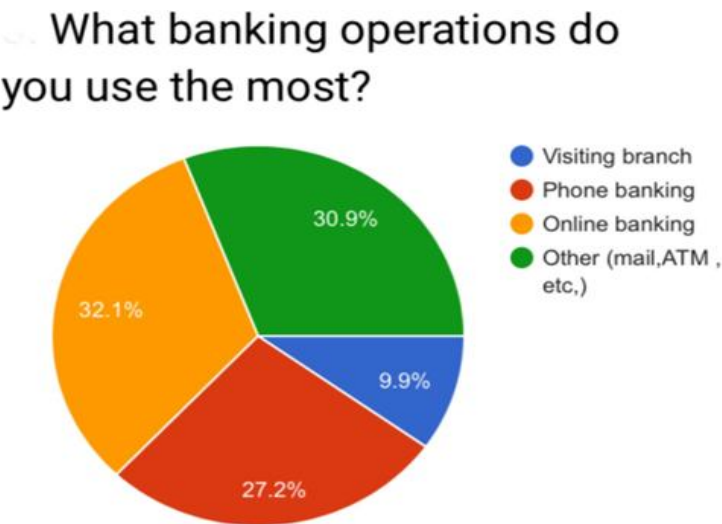


CHART - 3

From the chart-3, its shown that 32.1% people use online banking, 30.9% people prefer mails and ATM's, 27.2% people use phone banking and only 9.9% people prefer visiting branches for banking operations.

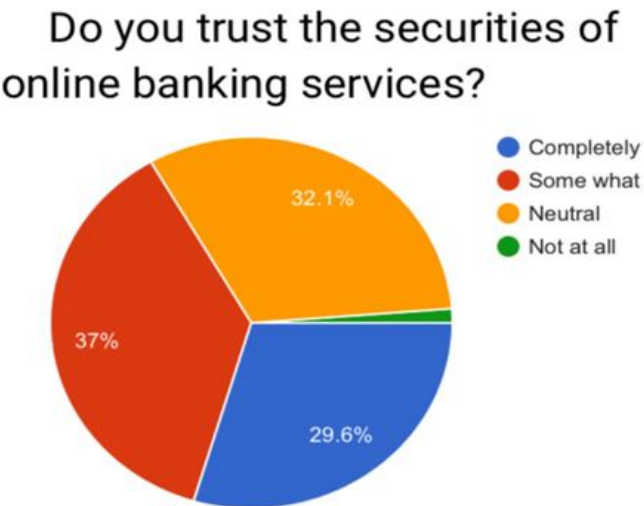


CHART - 4

Chart-4 shows that 29.6% people completely trust security of online banking services, 37% somewhat trust security of online banking and whereas, 32.1% are neutral about it.

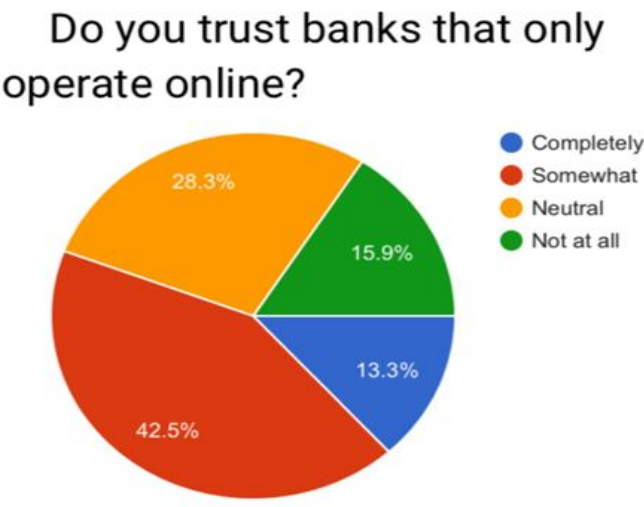


CHART - 5

Chart-5 Shows that 13.3% people completely trust banks that only operate online, 42.5% people somewhat trust banks that only operate online and 28.3% people neutral about it and 16.9% people say that they do not trust banks that operate only online.

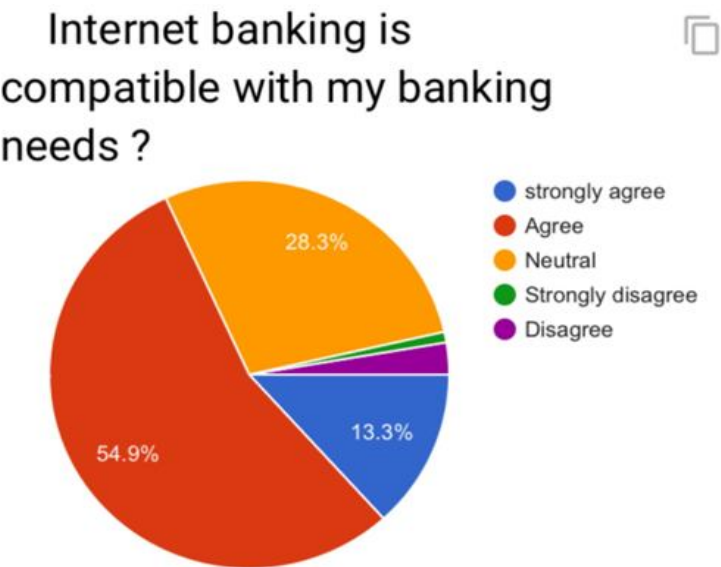


CHART - 6

Chart-6, 13.3% people strongly agree that Internet banking is compatible with my banking needs, 54.9% people agree that internet banking is compatible with my banking needs, whereas 28.3% are neutral about it.

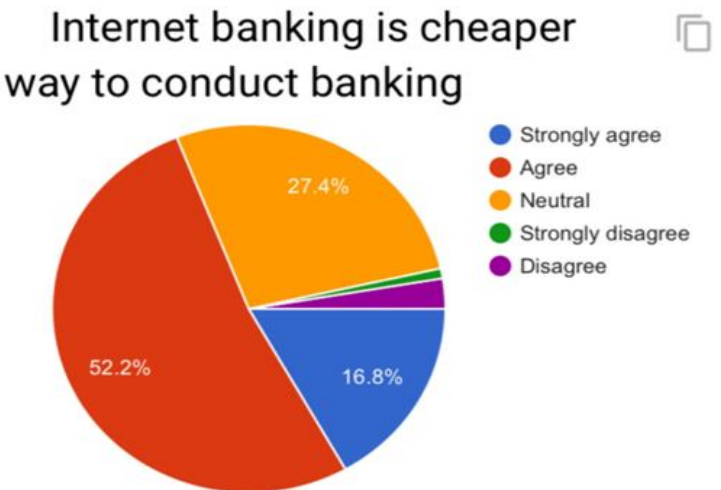


CHART - 7

In this chart 52.2% people agree to Internet banking is cheaper way to conduct banking and 16.8% people strongly agree that internet banking is cheaper way to conduct banking and whereas 27.4% people a neutral about it.

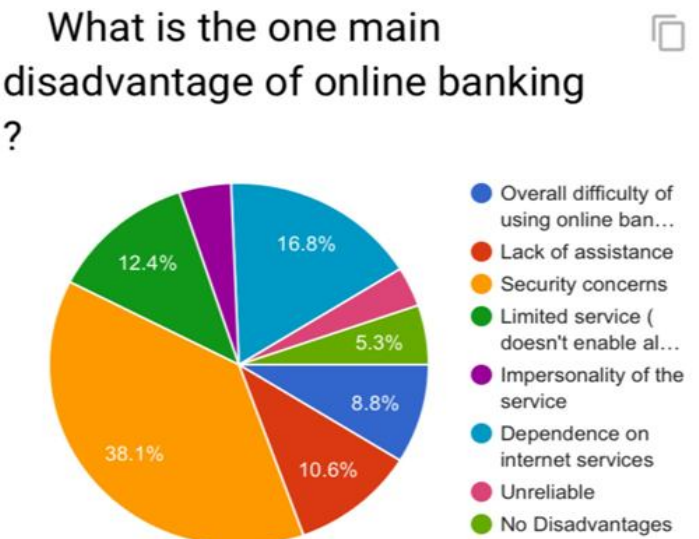


CHART - 8

From chart-8 its show that 8.8% people say that 1 main disadvantage is Overall difficulty of using online banking system, 10.6% people say that 1 main disadvantage is Lack of assistance, 38.1% people say that 1 main disadvantage is Security concerns, 12.4% people say that 1 main disadvantage is Limited service (doesn't enable all banking operations), 16.8% people say that 1 main disadvantage is Dependence on internet services and 5.3% say that there are No Disadvantages.

### Why have you never used online banking services ?

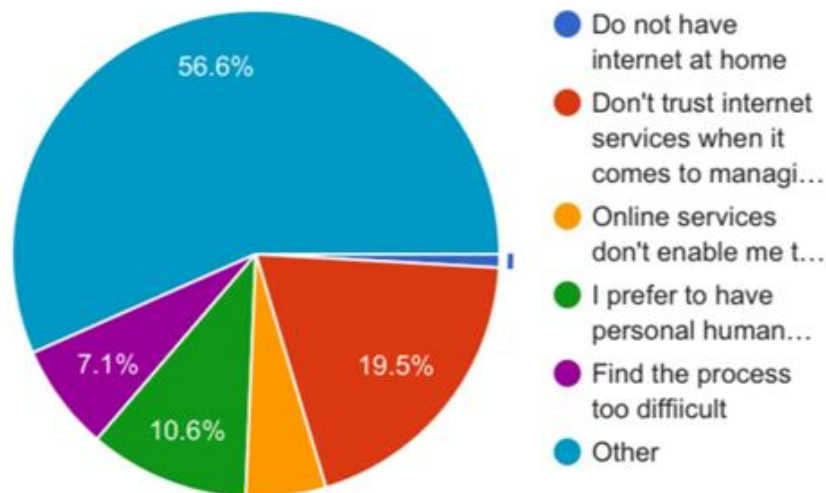


CHART - 9

Chart-9 shows that 19.5% people don't trust internet services when it comes to managing my money, 10.6% prefer to have personal human relation, 7.1% Find the process to difficult whereas rest have other problems, which is they have never used online banking services.

### How frequently do you use online banking services per month (for ex : balance inquiry, funds transfer between accounts )?

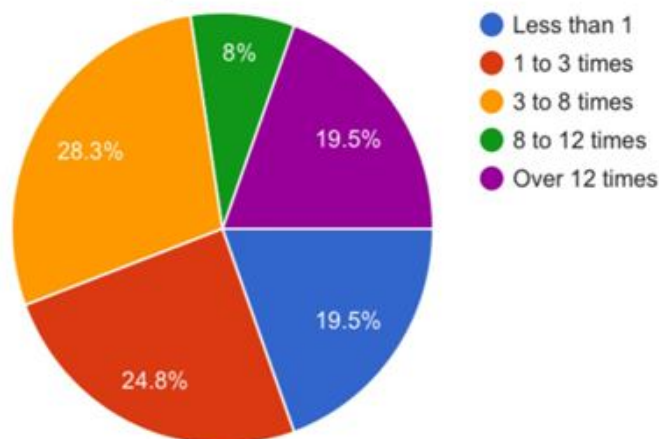


CHART - 10

When it was asked customers how frequently do you use online banking services per month, people responded that 19.5% people use Less than 1, 24.8% people use 1 to 3 times, 28.3% people use 3 to 8 times, 8% people use 8 to 12 times and 19.5% percent use over 12 times.



### What payments you do through online banking

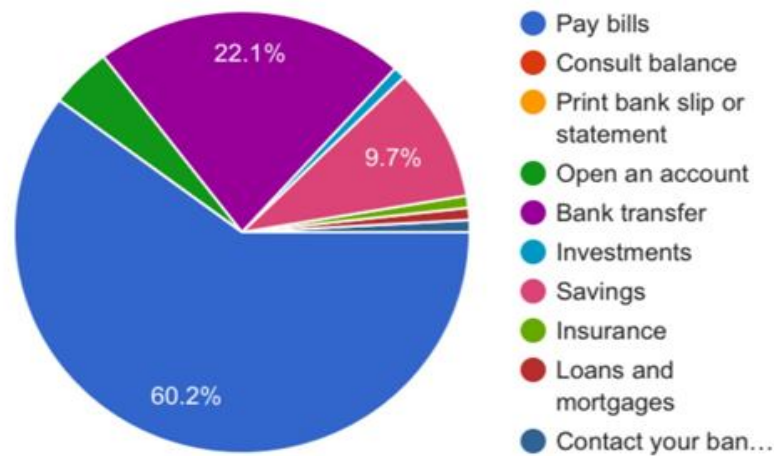


CHART - 11

From chart-11, it is shown that 60.2% percent pay bill through online banking, 22.1% people do bank transactions and 9.7% people do savings.

### What would encourage you to use more the online banking services?

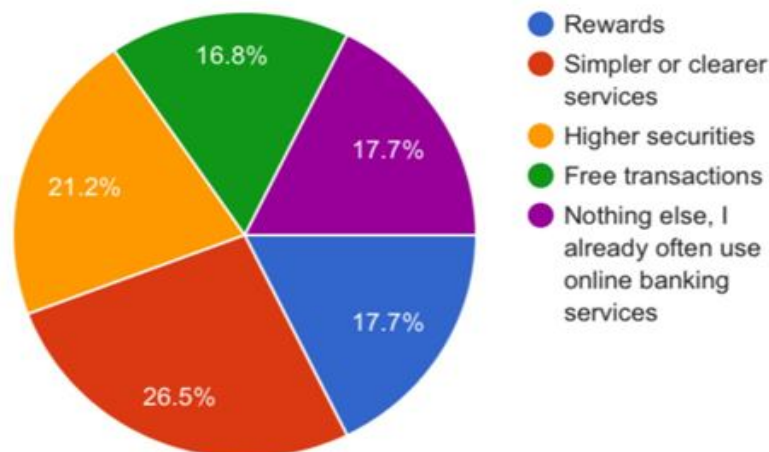


CHART - 12

Lastly when people were asked " what would encourage you to use more online banking services.

26.5% people wanted simpler or clearer services, 21.2% people wanted higher security, 17.7% people wanted rewards, 17.7% people want nothing else because they already often use online banking services, 16.8% people want free transactions.

### CONCLUSION

The study aimed to identify technological development in current banking sector and also was to find out frequency of net banking facilities used by people. Therefore according to the responses, The level of online banking users are good and the survey responded that people majorly use online banking, phone banking, UPI, ATM's, Debit and Credit cards for the bill payments and etc compared to that of online banking

further it was revealed that most of the respondents are concerned of security provided by online banking services because respondents feel security concern is the one major disadvantage which online banking has.

Therefore it is clear that the online banking are running in an effective and efficient manner, with the support of people.



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**LIMITATIONS OF STUDY AND FUTURE RESEARCH PAPER -**

The study has few limitations, The geographical spread of the sample population had restricted to only Hyderabad city due to time and accessibility constraints. The sample size had to be limited to 150 persons due to time constraints, and for future research the sample could be made larger to better generalize the findings.

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**CONSUMERS ATTITUDE TOWARDS ONLINE SHOPPING IN & AROUND HYDERABAD**

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**ABSTRACT**

*The growing number of Internet users in India provides a bright prospect for Online Shopping. If the E-marketers are able to analyze the factors affecting the behavior of Customers & its relationship then they can formulate their marketing strategies to convert potential customers into loyal ones & retaining existing online customers. The potential growth of online shopping has triggered the idea of conducting a study on the consumer's attitude towards Online Shopping in & around Hyderabad. The present paper aims to analyze & study the Consumer attitudes towards Online Shopping with regard to the demographic factors like age, gender, education, Income & Occupation. The results of the study could be further used by researchers & practitioners for conducting future studies in the similar area.*

*Keywords: Consumer Attitude, Demographic Factors, Online Shopping.*

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**INTRODUCTION**

Online shopping is growing by leaps & bounds & E-business is going to be the future of shopping across the world. Though online shopping is very common outside India, but in the recent times online shopping is tremendously increasing in India on account of a very large Consumer market & a large wide segment. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing & potential customers. The Internet is changing the methods of shopping & buying goods & services in the global economy. Many Organizations have started using the Internet with the aim of reducing or cutting the marketing costs which helps in reducing the costs of the products & services in order to stay ahead in a highly competitive markets. The companies also use the internet to convey, communicate & disseminate information & sell the product, take feedback & analyses the customer satisfaction. The Consumers use the Internet not only to buy the product online but also compare the different products & prices, features, after sales service etc.

**REVIEW OF LITERATURE**

Prof. Ashish Bhatt (2014) in article titled "Consumer Attitude towards Online Shopping in Selected Regions of Gujrat" published in Journal of Marketing Management stated that Online Shopping is gaining popularity among people specially the young generation. The attitude of consumers is changing with the time, specially in a country like India, consumers are finding Online Shopping very comfortable because of many variables like COD, Customization, home delivery etc.

Malik, Gupta (2013) investigate the relationship between the decision or intention to shop online & the factors affecting such decision. They have pointed out that Online Shopping behaviour refers to the process of purchasing products or services through the internet which consists of five steps: identification of a problem, information search, evaluation of products options, purchase decision, & post-purchase support.

Prashant Singh (2014) in his article "Consumer's Buying Behaviour towards online shopping a case study of Flipkart.Com users in Lucknow City" published in Abhinav stated that future of E-retailers in India looking very bright. E-tailers give customers the best way to save money & time by purchasing Online & its unique policies.

Upasana Kanchan, Naveen Kumar & Abhishek Gupta (2015) in their article "A study of Online purchase behaviour of customers in India" in ICTACT on Management studies stated that Online shopping is gaining popularity among people of young generation. At the same time people are hesitant to do online shopping due to security concerns.

**OBJECTIVES OF THE STUDY**

1. To study the consumers attitude towards online shopping.
2. To study the relationship between gender, Occupation, lifestyle of consumers, payment modes of consumers & attitude towards Online Shopping.

**STATEMENT OF PROBLEM**

To study the Consumers attitude towards Online shopping in & around Hyderabad & the attributes which influence their shopping patterns.

**Sample design:** Under sample design the data was collected from the respondents through random sampling method.

**Tools:** A structured questionnaire was prepared to analyze the data using the tools like percentage analysis & chi square test.

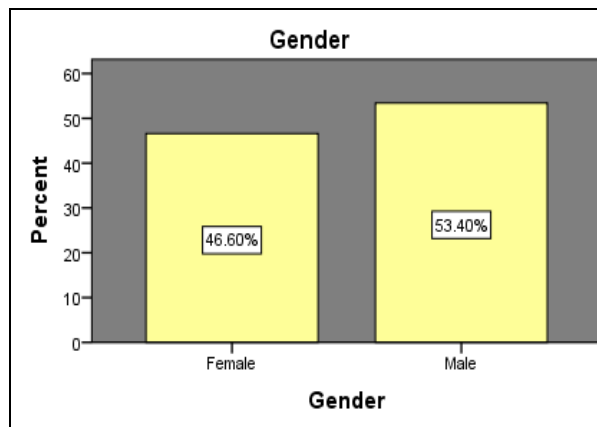
**Sample size :** A sample size of 103 respondents of different backgrounds in the city of Hyderabad was selected for the primary collection of data. The secondary sources of the data were collected through internet, books, magazines, articles & journals.

The limitation of the study is confined to the sample & may differ to other studies.

#### Analysis of the Study:

**Table-1—Gender**

		Frequency	Percent
Valid	Female	48	46.6
	Male	55	53.4
	Total	103	100.0

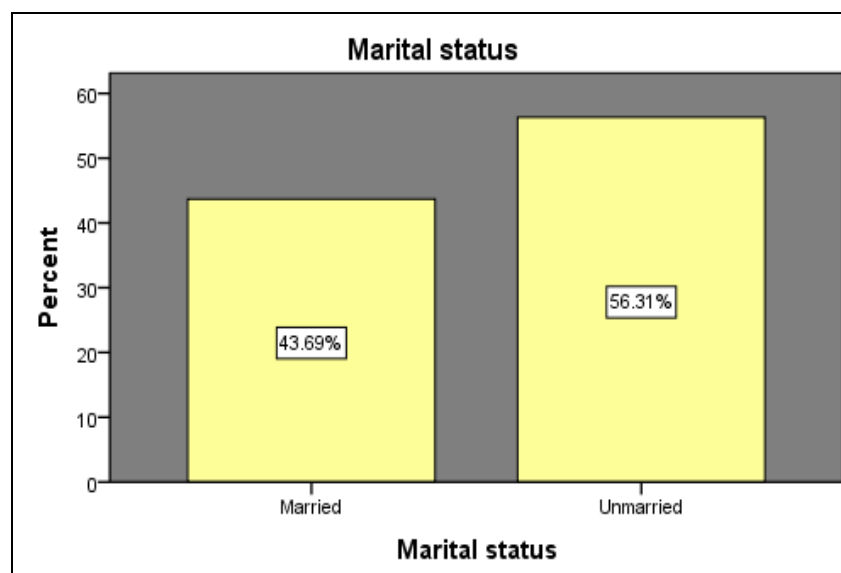


It is observed that the sample respondents consists of 53.4% Males & 46.6% of Females who prefers Online Shopping.

**Table—2 –Marital status**

		Frequency	Percent
Valid	Married	45	43.7
	Unmarried	58	56.3
	Total	103	100.0

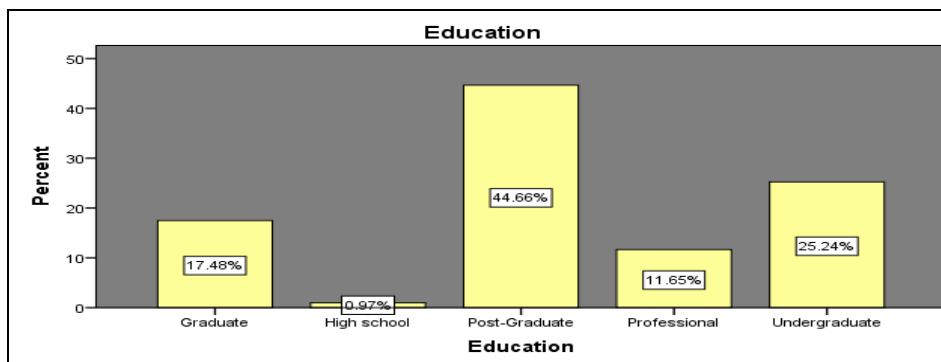
It is observed that from the sample respondents 56.3% are Unmarried & 43.7% are Married respondents.



**Table—3—Education of the respondents.**

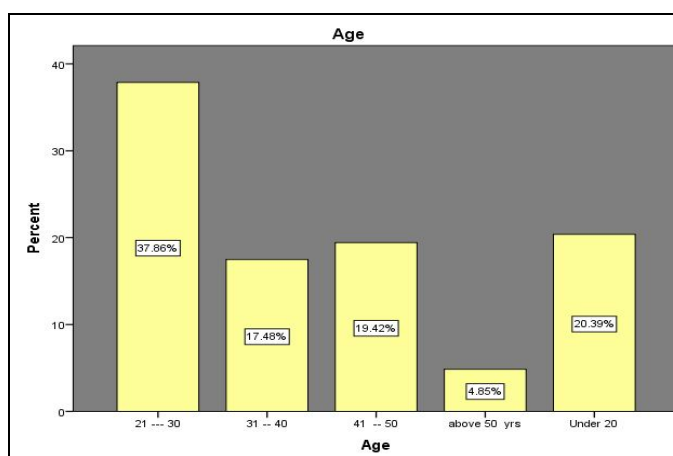
		Frequency	Percent
Valid	Graduate	18	17.5
	High school	1	1.0
	Post-Graduate	46	44.7
	Professional	12	11.7
	Undergraduate	26	25.2
	Total	103	100.0

It is observed from the above table that the graduates constitute 17.5% of the sample ,post graduates consists 44.7% ,professional constitute 11.7% ,& the majority consists of Undergraduates of 25.2% of sample.


**Table-4- Age of the respondents**

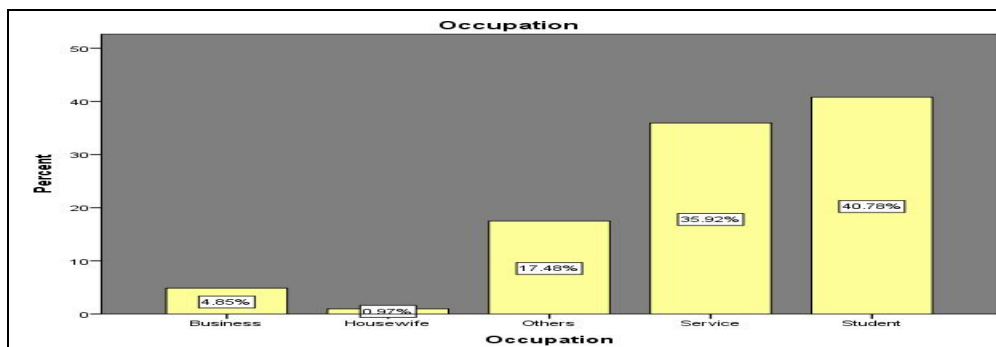
		Frequency	Percent
Valid	21 --- 30	39	37.9
	31 -- 40	18	17.5
	41 -- 50	20	19.4
	above 50 yrs	5	4.9
	Under 20	21	20.4
	Total	103	100.0

It is observed in the above table the age of the respondents which consist of 37.9% in the age group of 21 ---30 years ,17 % in the age group of 31 --- 40 years , 19 .4% in the age group of 41 -- 50 years , above 50 years 5% & the major group is under 20 years of age group which consists of 20 % of the sample.


**Table- 5- Occupation**

		Frequency	Percent
Valid	Business	5	4.9
	Housewife	1	1.0
	Others	18	17.5
	Service	37	35.9
	Student	42	40.8
	Total	103	100.0

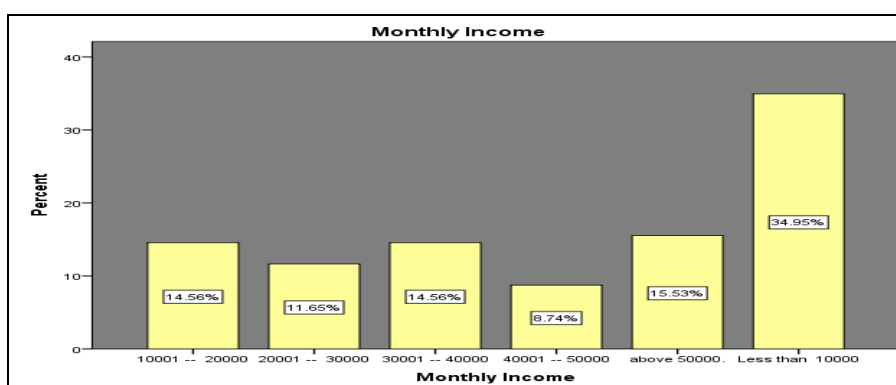
It is observed from the above table regarding the occupation of the sample respondents that business constitutes 5% , Service constitutes 35.9% , student consists of 41% & others consist of 17.5%.



**Table –6 --- Income of the respondents.**

		Frequency	Percent
Valid	10001 -- 20000	15	14.6
	20001 -- 30000	12	11.7
	30001 -- 40000	15	14.6
	40001 -- 50000	9	8.7
	above 50000.	16	15.5
	Less than 10000	36	35.0
	Total	103	100.0

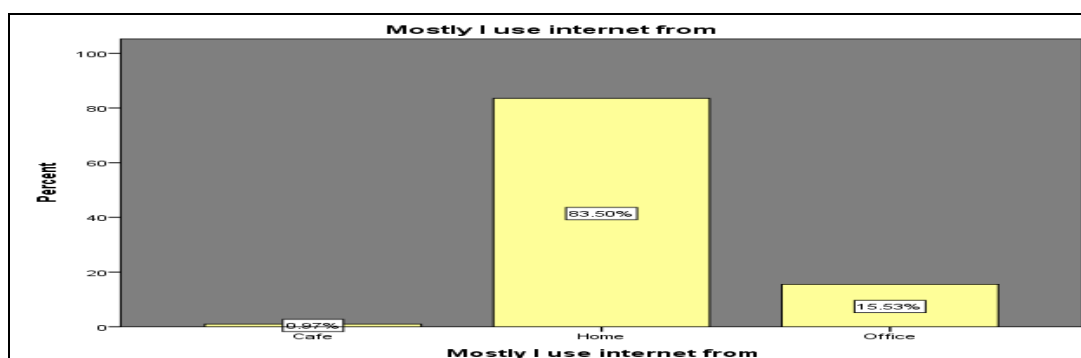
It is observed that the highest number of respondents are from the income group of less than 10000 constituting 35% ,15.5% are above 50000 , 14.6% are in the group of 30000 -40000 & 10000 ---20000, 11.7% in the group of 20000 –30000 of income Group.



**Table –7 – Respondents mostly use internet from**

		Frequency	Percent
Valid	Café	1	1.0
	Home	86	83.5
	Office	16	15.5
	Total	103	100.0

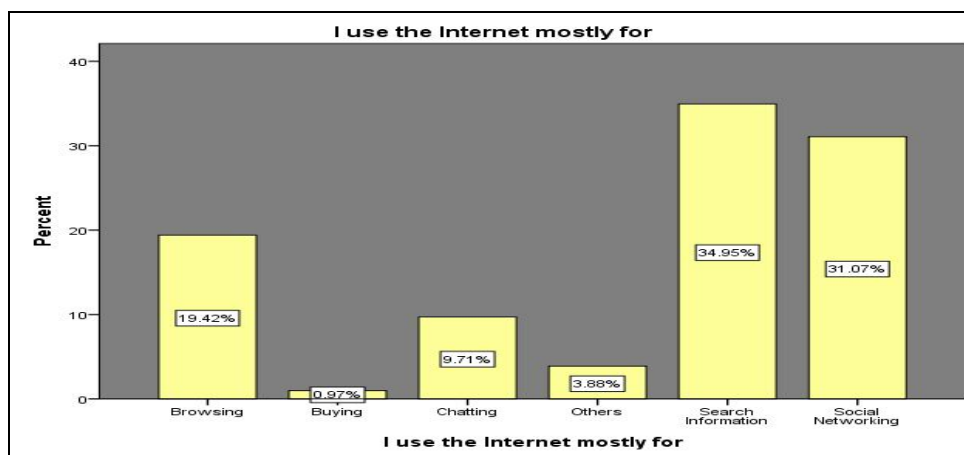
It is observed from the above table the respondents usage of internet is 83% from home& 15.5% from Office.



**Table—8—Respondents mostly use internet for**

		Frequency	Percent
Valid	Browsing	20	19.4
	Buying	1	1.0
	Chatting	10	9.7
	Others	4	3.9
	Search Information	36	35.0
	Social Networking	32	31.1
	Total	103	100.0

It is observed from the above table that the respondents mostly use internet for search information constitute 35% ,Social networking 31% , browsing 19% ,followed by chatting 9.7%.


**Table –9—Respondents Payment modes**

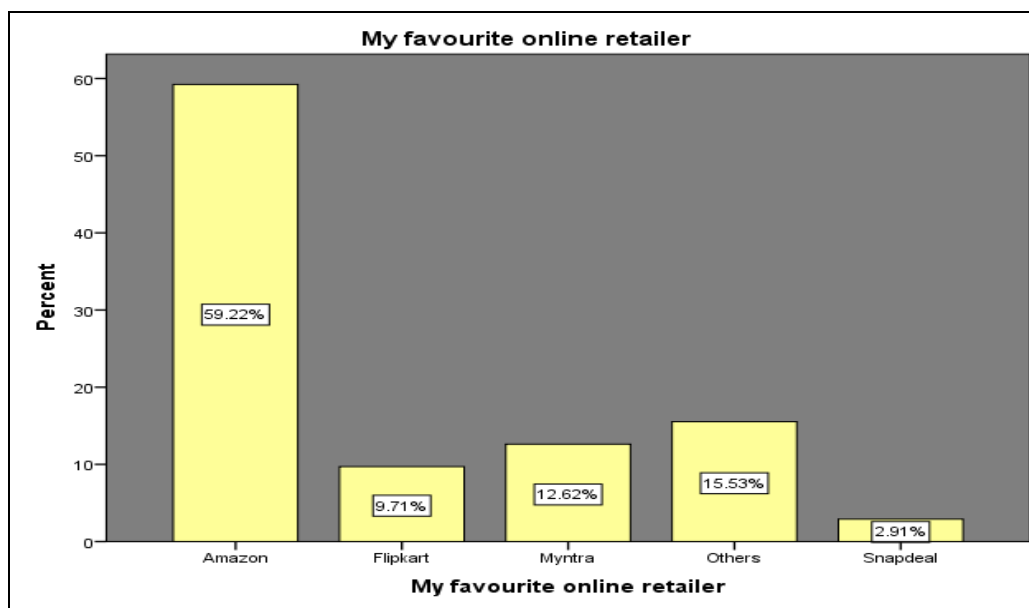
		Frequency	Percent
Valid	COD	40	38.8
	Credit Card	13	12.6
	Debit Card	34	33.0
	Online Banking	16	15.5
	Total	103	100.0

It is observed from the above table that the respondents prefer the methods of payment which shows that 39% prefer COD, 33% prefer Debit card, 16% prefer Online banking,& 12.6% prefer Credit Card.


**Table –10 –Favorite Online Retailer**

		Frequency	Percent
Valid	Amazon	61	59.2
	Flipkart	10	9.7
	Myntra	13	12.6
	Others	16	15.5
	Snapdeal	3	2.9
	Total	103	100.0

It is observed from the above table that the favorite online retailers among the sample respondents is Amazon with 59%, others with 15.5% ,& Myntra with 12.6% & Snapdeal with 3% of liking.



#### Hypothesis testing:

**H<sub>01</sub> : There is no significant association between Gender & Lifestyle of Online Shopping Consumers.**

Table—11--Chi-Square Tests: Gender * Online Shopping is compatible with my Lifestyle			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.801 <sup>a</sup>	4	.434
Likelihood Ratio	4.189	4	.381
N of Valid Cases	103		

Table—11 depict the relationship between Gender & Lifestyle compatibility of the Online Consumers at 5% level of significance. The table shows that at 5% level chi-square value (.434) is not significant. Hence the null hypothesis is accepted & it is concluded that there is no significant relationship between gender & lifestyle of the online consumers.

**H<sub>02</sub> :There is no association between Occupation & Payment options of Online shopping Consumers.**

Table-12-Chi-Square Tests- Occupation * How do you pay for Online Shopping			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.357 <sup>a</sup>	12	.045
Likelihood Ratio	23.256	12	.026
N of Valid Cases	103		

Table-12- depict the relationship between Occupation & Payment options of Online Consumers at 5% level of significance. The table shows that at 5% level chi-square value (.045) is significant. Hence the null hypothesis is rejected & it is concluded that there is significant relationship between Occupation & Payment options of Online Consumers.

**H<sub>03</sub> : There is no association between Gender & Favorite online retailer of Online shopping Consumers.**

Table-13- Chi-Square tests - Gender * My favorite online retailer			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.330 <sup>a</sup>	4	.080
Likelihood Ratio	8.942	4	.063
N of Valid Cases	103		

Table—13 depict the relationship between gender & the favorite online retailer of online consumers at 5% level of significance. The table shows that at 5% level chi square (.080) is not significant. Hence the null hypothesis is accepted & it is concluded that there is no significant relationship between gender & favorite online retailers of consumers.

**FINDINGS**

The Objective of this paper is to study the Consumer attitudes towards Online Shopping. Based on the review of literature few factors were identified & examined in the study. Major findings & implications of the study are as follows:

- 1) It is observed from the sample respondents that 47% are female & 53% are male respondents.
- 2) The marital status of the sample represents that 43.7% are married & 56% are unmarried respondents.
- 3) The education of the sample represents that 17% are graduates, 44% are Post-Graduates, 11% are Professional & 25% are Undergraduates which means that more educated people opt for online shopping.
- 4) The age of the respondents represent that 38% are in the group of 21---30 Years, 17% are in 31—40 yrs, 19% in the 41—50 yrs, 5% in the above 50 yrs, & 20% in the age group of under 20 yrs.
- 5) The Occupation of the sample refers that 5% are Business, 36% are Service, 40% are Students, and others are 17%.
- 6) The income of the sample shows that 35% belong to less than Rs 10000, 15% in the Rs 10000—20000, 12% in the Rs 20000—30000, 15% in 30000---40000, & 16% in the group of above 50000rs.
- 7) The sample shows that 84% use internet from Home & 15% uses from Office.
- 8) The sample respondents uses internet mostly for Social Networking 31%, Chatting 9%, Search information 35%, Browsing 19%.
- 9) The Payment modes of the sample respondents are 39% COD, 13% Credit card, 33% Debit card, & 15% online banking.
- 10) The favorite Online Retailer of the Respondents is 59% is Amazon, 9% is Flipkart, 13% is Myntra, Snapdeal is 3% & others is 15%.
- 11) The Chi-square test implies that there is no significant association between Gender & lifestyle of the online consumers.
- 12) The Chi-square test interprets that there is significant relationship between Occupation & Payment Options of the Online Consumers.
- 13) The Chi-square test interprets that there is no significant relationship between Gender & Favorite Online retailer of the Consumers.

**SUGGESTIONS**

- 1) The major target audience for the online retailers are the age group of 20 yrs & over but there are few in the group of above 50yrs as such the focus of the Online retailers can be more on this segment.
- 2) The most favorite Online Retailer is Amazon as such the various marketing strategies of Amazon can be followed by other e-retailers.
- 3) The online retailers can focus on more encouragement regarding payment options given to the consumers in purchasing products.
- 4) The Online customers are more Unmarried in number therefore the customer base of married consumers needs to be increased by the Online retailers.
- 5) The occupation factor with regard to housewife has very little reach to online shopping as such the online retailers can focus on this segment as well to increase their base.

**CONCLUSIONS**

Online shopping is very common outside India, but its growth is yet to pick up in our country. Compared to China, USA & UK India has a very little fraction of the retail market. The Internet users are increasing at an alarming level in the recent times in India & the growth of technology & use is increasing by leaps & bounds. Therefore on the basis of the study it can be concluded that Online shopping is gaining popularity among the people of the young, middle age as well as is appealing to various income groups. The educated groups are more inclined to online shopping behavior. People have hesitations in doing online shopping due to security reasons. At the same time people are resistant to change because of complexity in making online purchases. It is recommended that the Online Retailers should focus on building strong & continuous relationship to cash upon the customers & have a long association to build their brand identity among the customers & leave an everlasting impression on their minds.



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**SUGGESTIBLE TRAINING TECHNIQUES FOR EFFECTIVE EMPLOYEE LEARNING**

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**ABSTRACT**

*Conventional wisdom states training in an industry is objective oriented. Organisation, industry, firm whatever the body is, it works for profit maximization. To maximize profit employees need to be highly skilful in operations, functions, dynamics and mechanics of the work. Profits and training always go hand in hand. On many occasions most trained employees solves the problems than untrained ones. Superficially speaking training makes work effective and efficient. An in depth analysis on training focuses on meticulous, professional and precision-oriented accomplishment of work. With improvement in technology and its Intervention in an industry leads to "constant learning" about the "developing work". This paper is purely meant in "disclosure of invention on training techniques" and its application in industry will results game-changing events.*

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**OBJECTIVES**

- ☐ To find out new methods of productive training
- ☐ To analyse conventional methods of training in order to draw the new ones
- ☐ To propose founded methods as worthwhile and fit for applying.

**ANALYSIS**

Basic training methods are ineffective owing to changes in lifestyle, methods of job approaching, ever-changing technology, people's upgraded intelligence and so on.

First things first, training methods have become most useful for high job performance. So betterment in training methods leads to high-performance teams.

Conventional methods are not up to the mark to reach the trained-level of employee. Hence training should be vigorous in all aspects.

Modern methods also nearing "outdated mode" owing to technology changes.

Advanced training methods like Animation, Live-action, To-camera and Screen record help employees benefit about understanding about the job swiftly.

People who use gadgets and play animated games in gadgets are easily accustomed to the advanced methods of training due to their quick grasping ability.

Altogether, advanced training methods are very employee friendly. Therefore these methods should be in first place in industry.

**THE SUGGESTED METHODS AS FOLLOWS****Trainers also have to bear in mind**

- Visual (learning by seeing)
- Auditory (learning by hearing)
- Kinaesthetic (learning by doing)

**Instructor –led classroom training**

A subject matter expert or training manager prepares a classroom experience – usually presentation with a power-point presentation and presents in front of group of trainees

**Advantages**

- It empowers relationship between trainees
- It also assists trainees to grow together

**Disadvantages**

- ☐ One disadvantage is lack of scalability
- ☐ During long run sessions trainees may prone to fatigue

### Interactive methods

This method takes classroom style lectures to new level by adding Interactive and group activities to the training experience

### Hands-on training

Hands-on training skips the conceptual and dives right into the practical, allowing trainees to quickly get their hands on whatever they are learning.

- It will boost knowledge
- It also contributes focus
- It improves information retention

### Computer based e-learning training (CBT)

Wonders in line during CBT programme. It removes the need for an in-person facilitator. It also provides greater facility to trainees.

Accurate, specific, calculated are the features of CBT

### Coaching and mentoring

The new method of coaching and mentoring is to make trainees “think and act” followed by instructions.

Plan, act, re-plan and re-act is the proposed principle of coaching and mentoring

### Video training

- Animation
- Live action
- To-camera
- Screen recorded

### Benefits of video-training

- Affordable to produce
- Make learning easy
- Easy to change
- Easy to accessible

## THE CONVENTIONAL AND MODERN METHODS AS FOLLOWS

### Conventional Training Methods



## ON THE JOB TRAINING METHODS

### Job rotation:

Making frequent shifts in job results in employee overall development about all occupations in organisation.

### Coaching

Coaching is instructing about the job and advising employee about applying various skills, economics of the job and techniques which leads to successful career development.

### Job instruction

Effective method to systematise the work. To done work with surgical precision this method is used.

**Committee assignments**

Utilising talented employees, setting up committees among them help understand the change in policies, procedures and psychological issues of employees and environment.

**Internship training**

Internship is a bridge to enter into an organisation. During internship an interne will understand how people, procedures and policies run in an organisation.

**OFF THE JOB METHODS****Case study method**

This is the real time situation faced by either whole individual or an organisation. The pivotal point is how they usually overcome this situation.

Case study method proves to be the most-efficient tool to new and existing employees to learn about types of problems they usually encounter ad their solutions.

Decision making and analytical skills also constituted in this method.

**Role play**

This is interesting tool to drill down the actual position of various cadres in an organisation. Usually power deviates or constructs position. To have worm's eye view on how every position works in real time, then role-play is useful.

**In-basket method**

It is to acquaint employees about their job and settle issues on the job. Usually new employees are bombarded with telephone calls, memos and mails regarding job.

**Business games**

Managers trained by using this method. Business games help managers to help solve the various issues during their hectic job-time.

**Grid training**

This method focuses on the overall development of individuals, groups and the organisation as a whole.

**Lecture method**

This is a dominant method to drive point to trainees home. Lecture method describes about job nature, problem solving critical incident methods etc.

**Simulation**

Simulation refers to artificial atmosphere about a job. This works like stress buster to employees when they encounter in real-time scenario.

**Conferences**

Conferences and workshops give awareness to employees and encourage employees to take necessary steps during their job-time. Conferences also open window to employees about their learning.

**REVIEW OF LITERATURE****(P, – November 2000)**

Reveals that talented and well-respected leadership is essential in software industry, as always in other industries with world class systems. Methodologies and processes are required to continuously deliver in a competitive environment in which quality has to be achieved in minimum time. 'Recruit, Retain and Retrain' would be the 'mantra' for an effective HR paradigm in this software industry, where people provide the critical competitive advantage. A manageable acquisition strategy is required to realise the benefits of adequate vigilance in the industry and to evolve strategies for adopting and learning new technology and business models

**(S, Jul -Sep.2000)**

states that in the current competitive business environment, the demand of the organisations compel Indian Industry to rethink on their Vision and Mission about HRD practices through T&D. Changes are inevitable everywhere i.e. in our personal life, social life, work life, in nature, in the society, in the universe, etc. We cannot avoid changes, but we can adjust and adapt to such changes for betterment through Training & Development. The managements of these organisations realised the necessity of training for better performance from the employees' point of view towards competitive business environment. Employees are motivated to attend the training programmes through self-development as well as organisational development

**(R.M, Jul – Sep 2000)**

Viewed that Appreciative Inquiry (AI) is a strategy, approach, process and methodology which draw on the strength of individuals in an organisation or social systems. AI enables the organisation development practitioners and HR specialists to look beyond traditional problem-centered methods currently being employed such as participatory problem and need analysis, SWOT analysis, etc. AI can be effectively deployed as a capacity-and partnership-building process. The success of the use of AI in training in the organisational context depends on the expertise and experience of the trained facilitators. The facilitators should have positive attitude and should possess process and context skills, besides the ability to inspire the employees of an organisation

**(O.P, July- September2000)**

States that 'Training and Development' efforts of organisations have positive impact on their performances. While each industry comprises of skilled, semi-skilled and unskilled employees, there seems to exist a possibility of bridging these gaps through informal, on-the-job training by skilled employees. Such training efforts, prima face, look to be economical both in terms of money and time required. Future research could endeavor to find out as to what extent informal training can help in bridging these skill gaps, thereby reducing the load on 'structured training efforts'.

**(Junaidah, 2001)**

In their paper addressed the issues of training evaluation practices in general and examine the training evaluation in Malaysia through a case study. Training evaluation is a systematic process of collecting and analyzing information for and about a training programme, which can be used for planning and guiding decision-making as well as assessing the relevance, effectiveness and the impact of various training components. Training institutions may conduct evaluation for the purpose of maintaining training. Evaluation practice is one of the major dilemmas faced in the field of training because it receives much criticism. In many organisations, evaluation of training is either ignored or approached in an unconvincing or unprofessional manner. The article concludes that the government, client and economic situations have influenced the evaluation practice in a positive direction.

**(Buller, August 2001,)**

Is of the opinion that effective transfer will only occur if trainees have the ability and desire to acquire new skills and the motivation to apply the training content to their jobs

**(Bhattacharya, Jul – Sep.2001, )**

Identified the reason for large scale investment in continuous training programmes. It is due to the development of competent manpower base for companies' operational and strategic performances. A highly pro-active and comprehensive approach is called for analysing the task competences that are demanded by job certification procedure. Creation and management of voluminous performance-based training database and repetitive administrative work need IT tools for an effective and networked information system providing workflow automation. Effective learning depends upon selection of suitable training strategies. The strategy must be selected as per the subject matter, simplicity or complexity of the messages, resources available, target group, competency of the trainer, etc.

**(R, 2005)**

Opine that despite the fast growth in the BPO industry, players in India still have not reached a stage where they truly handle an entire business process. Apart from the regular HR functions, every HR manager has to rethink on the human resource strategies involved in identifying skilled personnel, to motivate, retain, develop and elevate the employees. The fact that though entry-level recruitment has not been a problem for the HR manager with the fresh graduate in the labour pool readily available with language skills, the industry has been facing a fast rate of labour turnover in this category. Attrition signifies not only the loss of talent but also includes the cost of training of the new recruits. The cost for training the new recruits not only at the entry level but also at every interval is significant

**(Mahanti, 2005)**

Observe that software is omnipresent in today's world. India is a hub to more than 1000 software companies. The software industry is a major employment providing industry in India. As a wholly intellectual artifact, software development is among the most labour demanding, intricate and error-prone technologies in human history. Software's escalating vital role in systems of pervasive impact presents novel challenges for the education of software engineers. This paper focuses on the current status of software engineering education in India and suggestions for improvement so as to best suit the software industry's needs. As software industry is the major employment providing industry, it is essential for the employees to remain in the industry and meet

the demands. Thus training alone can give them a stand in the industry. In line with these findings of the study, the present study seeks to build a knowledge base on the various kinds, benefits, need and effectiveness of the training programmes

**(Sharma, 2007)**

Highlights the findings of NASSCOM (National Association of Software and Services Companies) which has conducted a study among the trade bodies of the IT software and services industry in India. Some of the top companies identified in the survey include: Corbus India Pvt. Ltd, RMSI Pvt. Ltd, Hytech Professionals India Pvt Ltd, Nagarro Software Pvt Ltd and V Customer Services India Pvt. Ltd. The survey says that several best practices followed by the small companies may not seem to be necessary from a broader human resource viewpoint but are important in building ties with employees and also for the future growth of the company. People practice is the biggest differentiator in today's job market; organisational and employee development have to go hand in hand for companies to grow. HR practices need to come from the top to be effective. The key lies in practicing what the employers preach. The top employers, according to the survey, feel their companies need to create a sense of ownership among its staff and look at employees as customers and partners. It clearly indicates that the support and encouragement of the management and the working environment are the essential elements to enhance the working practices and culture of the employees.

**(John Franklin D, New Delhi, 2008)**

In their empirical work state that the human resource arena is fast changing due to the advent of the dynamic, volatile and employee-oriented BPO industry. The challenge of effective human resource management haunts every business process outsourcing managerial executive

**CONCLUSION**

The suggested training methods has specific outcomes

1. Speed and accuracy of the job
2. Balanced performance
3. Proper execution of the work
4. Self evaluation
5. Self motivation

The aforementioned are the outcomes of the inclusion of training techniques in industry.

The paradigm shift in training will also results in unprecedented "high growth". Many studies along with this paper pronounce the maximization of precision and profit.

Hence, prescriptions from this paper are the real medicine for utilizing proposed training techniques under any job conditions.

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## EARLY SIGNS OF FASTER ADOPTION-AADHAAR ENABLED PAYMENT SYSTEM (AEPS) IN INDIA

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### ABSTRACT

*Aadhaar Enabled Payment System (AePS) is a quick payment system developed by National Payments Corporation of India (NPCI) facilitating transactions through Aadhaar based authentication which let on customers to make payments using their Aadhaar Number and by ensuring Aadhaar certification at Point of Sale (PoS) or Micro ATM's.*

*One of the key finding of the study is Aadhaar based transactions can be done by the customers who do not have smartphones or digital wallet, which means every citizen of India can enable this payment method by linking their Aadhaar number with banks.*

*The paper studies how Aadhaar Enabled Payment System works and the growth of AePS transactions benefiting financial inclusion in India. The paper analyses about how AePs is one of the successful payment system which is developed by NPCI and how AePS helps our economy transition into cashless, paperless and faceless one.*

*Keywords: Aadhaar number, Digital payments, Banks, Business Correspondent AePS, India, Micro ATM's, Transactions.*

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### 1. INTRODUCTION

In India when Aadhaar was launched, all people were asked give their data through biometric which includes iris image and fingerprints. This data cannot be duplicated as every individual is unique. This unique number was used for banking transactions where consumer is enabled for Aadhaar Enabled Payment System (AePS) which was launched in the year 2015.

Aadhaar Enabled Payment System is one of the digital payment system developed by NPCI which allows online inter-operable transaction at Micro ATM or Point of Sale through the Business Correspondent or Bank Mitra by using Aadhaar authentication in banks.

Aadhaar Enabled Payment System (AePS) is a transparent, secure and user-friendly platform for financial transactions which connects the banks without demanding any digital wallet or credit or debit card. With this new payment method you can make payments, deposit cash, transfer funds, can know your bank balance, make withdrawals etc.

### 2. LITERATURE REVIEW

From the 71<sup>st</sup> NSSO Survey on Education which was held on 2014, they come to know only 6 percent of the households of rural people own a computer. This means 978 million Indians held a bank account in 2015, implying a challenge to connect all to banking facility. After, Demonetization the National Payments Corporation of India (NPCI), in the first fiscal quarter reported a steady rise for transactions across its domestic RuPay, UPI and AePS networks.

The cost to service over micro ATMs is too lesser than establishing a fully designed traditional bank branch. It might have actually been responsible in strengthening more and more banks or other financial institutions to help extend and support the successful reproduction of Aadhaar Enabled Payment System (AePS) as a transaction method in India.

### 3. EXPLORATORY RESEARCH ON AADHAAR ENABLED PAYMENT SYSTEM (AEPS) IN INDIA

The effort towards developing the Banking infrastructure and moving towards digital economy, NPCI in collaboration with UIDAI, RBI and other banks has introduced Aadhaar Enabled Payment System (AePS). Micro ATMs are particularly helpful in addressing the problems that people are facing in India where the ATM network is not as strong currently. A standard backend provider was evolved with intent to ease the last mile access to bank accounts and cash in India. The movement of Aadhaar Enabled Payment System (AePS) based digital transactions have been quite boosting.

#### 3.1 Uses of AePS

- To obtain a mini statement
- Used for Cash deposit



- Used for Cash withdrawal
- For Intrabank or Interbank fund transfer
- To know the current Balance
- Used for Point of Sale

### **3.2 Benefits of AePS**

1. Aadhaar Enabled Payment System (AePS) holder can do financial and non financial transactions with the help of their business correspondent.
2. In this type of transactions there is no need of any signature on debit card of the consumer.
3. Compare to other digital payments Aadhaar Enabled Payment System (AePS) is a completely safe and secure payment process as the transactions required is biometric fingerprint.
4. It is helpful a lot for consumers of rural people as banking process can be done with the help of micro POS machines.
5. Aadhaar Enabled Payment System (AePS) does not require any smart phone so for any individual it is easy-to use process.
6. Aadhaar Enabled Payment System (AePS) is now linked with different government schemes like Social Security pension, NREGA, Handicapped Old Age Pension etc using biometric fingerprint which helps in facilitating disbursements.

### **3.3 Requirements of AePS**

Although for Aadhaar Enabled Payment System (AePS) individual does not need to carry any debit card or paper, they must link their Aadhaar to a bank account. If the account is linked in bank only AePS transactions are possible.

The primary requirements to fulfill an Aadhaar Enabled Payment System (AePS) transaction are:

- Individuals unique 12-digit Aadhaar Number
- Fingerprint of an individual holding bank account
- Name or Bank IIN(Issuer Identification Number)

This means all you need to execute an Aadhaar Enabled Payment System (AePS) transaction is to memorize your Aadhaar number just like your own mobile number.

### **3.4 Process of AEPS**

1. Go to a nearby Micro ATM or business corresponded
2. Provide your Bank details and your Aadhaar number in the POS machine
3. Provide your finger print on the scanner for the process of transaction you want to choose
4. Choose the type of transaction which is used in AePS . Obtain a mini statement and validate the transaction using your biometric.
5. On successful transaction is completed collect the print slip. There ends the process



### 3.5 Charges & Transfer Limit For AePS Transactions

The transactions done through Aadhaar Enabled Payment System (AePS) are comparatively costly over UPI. In fact, we come to know that Aadhaar Enabled Payment System (AePS) transaction can charge upto ₹ 15 per transaction. Charges on AePS transaction cost is divided amongst the following:

1. UIDAI may charge a apparent fee, which is not charging till now anything.
2. NPCI may charge between 15 paise to 25 paise for settlement.
3. The Aadhaar account linked bank may charge upto 1% of the transaction which means charges are between ₹ 5 and ₹ 15 to that extend

Although, as of now, the Union government is carrying the cost of Aadhaar Enabled Payment System (AePS) payment till 31<sup>st</sup> December 2019. So, the transactions which is done through AePS is free of cost as of now.

The transfer limit for Aadhaar Enabled Payment System (AePS) as of now there is no set limit for transactions. However, secure banks have wrap up the transaction limit to avoid corruption of this system and different banks have set a daily limit of ₹ 50,000 on total transactions.

### 4. OBJECTIVES

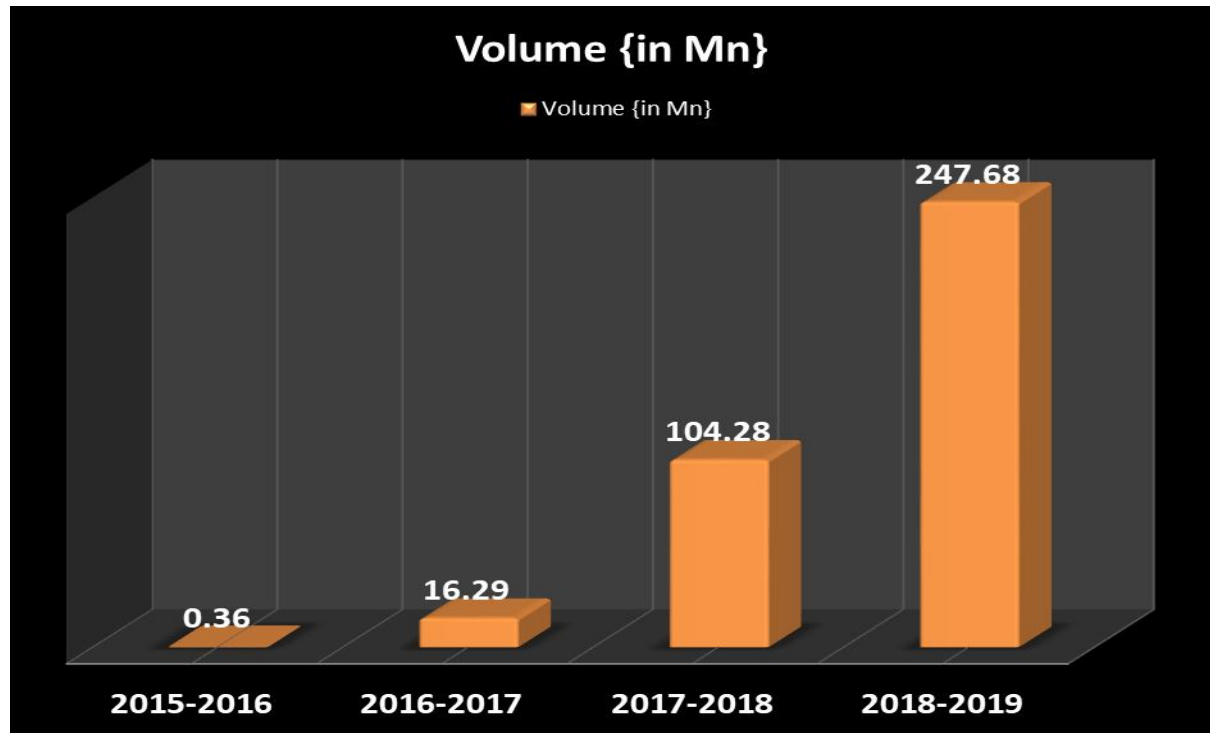
- To study and understand the concept of introducing Aadhaar Enabled Payment System (AePS) as digital payment in India.
- To understand the different uses of Aadhaar Enabled Payment System (AePS) transactions
- To analyse how Aadhaar Enabled Payment System (AePS) is useful in the present scenario of digital transaction concept in India
- To study about various benefits of Aadhaar Enabled Payment System (AePS) in India
- To analyse the growth of Aadhaar Enabled Payment System (AePS) in India in terms of volume and value from financial year from the year of introducing in India.
- To know how Aadhaar Enabled Payment System (AePS) is different from other digital payments and how successful in present scenario.

## 5. RESEARCH METHODOLOGY

The research methodology in this research is to find the individuals using AePS method of digital transactions for each financial year from the year of introducing in terms of volume and value. For this research design Exploratory Sample Design is used for this study.

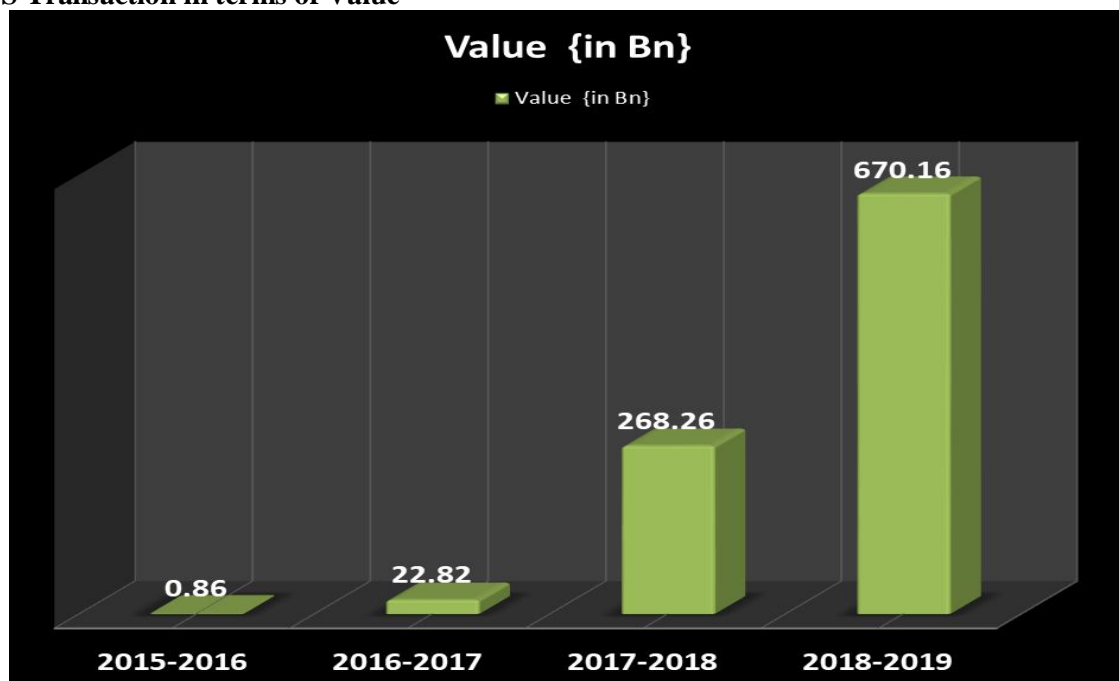
## 6. DATA ANALYSIS & INTERPRETATION

### 6.1 AePS Transaction in terms of Volume:



From the above graph, the data analysis concludes that in the early stages of introduction of Aadhaar Enabled Payment System (AePS) transaction was too less that is in the F.Y-2015-2016 the volume is 0.36 (in Mn) due to failures in linking the bank account with Aadhaar and technical issues. After demonetization the growth of Aadhaar Enabled Payment System (AePS) transaction tremendously increased and the growth rate of transaction in volume in the F.Y-2018-2019 is 247.68 (in Mn). We can conclude that Aadhaar Enabled Payment System (AePS) is one of the successful digital transaction payment system which is useful in India.

### 6.2 AePS Transaction in terms of Value



The above graph depicts the data analysis which concludes that in the early stages of introduction of Aadhaar Enabled Payment System (AePS) transaction was too less that is in the F.Y-2015-2016 the value is 0.86 (in Bn) due to people who are not aware about this type of transactions and failures in linking the bank account with Aadhaar with some technical issues. After demonetization the growth of Aadhaar Enabled Payment System (AePS) transaction tremendously increased and the growth rate of transaction in value in the F.Y-2018-2019 is 670.16 (in Bn). We can analyze that Aadhaar Enabled Payment System (AePS) is one of the successful digital transaction payment system which is useful in India.

### **6.3. Research Findings**

Reasonable amount of time is spent to collect the findings of the exploratory research analysis. The conclusions are stated. These conclusions are the support of the recommendations that are made.

## **7. FINDINGS**

- The concept of digital transactions in India is growing magnificently.
- In India, number of Aadhaar Enabled Payment System (AePS) transactions is increased due to the set up of Micro ATM's set up which cost very low than introducing a bank branch so in urban and rural areas there is an increase in this type of transaction made through AePS.
- Introduction of cashless transaction is important and key element behind Aadhaar Enabled Payment System (AePS).
- In India, every financial year there is a growth in Aadhaar Enabled Payment System (AePS) transactions due to government schemes are linked to it.
- Currently India Post Payments Bank (IPPB) in the month of September 2019 has rolled out Aadhaar Enabled Payment System (AePS) which has become single largest platform in the country.

## **8. RECOMMENDATIONS**

- Aadhaar Enabled Payment System (AePS) in India can be encouraged by developing smart phone application
- Government has to take more initiative programmes to promote Aadhaar Enabled Payment System (AePS) and reduce the technical issues caused during transactions in rural India.
- Many digital transaction types are introduced by the Government of India, but many of them are not working properly.
- Aadhaar Enabled Payment System (AePS) transactions is how much useful to the people than other transactions should be given more knowledge so that this be the only digital transaction method in India.

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**MARKETING STRATEGIES OF MEDICAL TOURISM IN INDIA**

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**ABSTRACT**

*Medical Tourism is one of the wide sector in our economy where people who live in one country travel abroad to another country to receive medical, dental and surgical care at the same time receiving equal or more greater care than they would have received in their own home country, and are traveling for medical care because of affordability, better access. Majority of source of foreign exchange earnings for the country. Medical tourism is a growing sector in India. Just like any other industry marketing strategies are planned similarly in medical sector hospitals need to plan medical marketing strategies. From medical tourism point of view corporate hospitals in order to attract global patients and to create brand image marketing strategies need to be well crafted focusing the patient sensitivity, treatment assurance & care at low cost with wholesome facilities.*

*India is emerging at a global level as one of the recognized destination for various treatments relatively at low cost. This article focuses on the various marketing strategies like entry, Market purchase, cooperative strategy, developing strategy, competitive strategy on a border context and at the same time with patients care and treatment and satisfaction need to be considered. Also this article focuses on some of the statistics of growth achieved by India into medical tourism in India.*

*Keywords Medical tourism, marketing strategies, cooperative, competitive, developing strategy.*

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**INTRODUCTION**

India is emerging as one of the best medical hub at global level as the follow of foreign patients is increasing at alarm rate every year as support by the government and ease of laws for foreign patients gaining lot of popularity. As far as growth statistics are concerned are recorded as In October 2015, India's medical tourism sector was estimated to be worth US\$3 billion. It is projected to grow at a CAGR of 200% by 2020, hitting \$9 billion by 2020. In 2017, 495,056 patients visited India to seek medical care. India is one of the key players among the medical tourism industry as it strives to provide health care services with cutting-edge technology.

The top 10 source countries for patients were Bangladesh, Afghanistan, Iraq, Maldives, Oman, Yemen, Uzbekistan, Kenya, Nigeria and Tanzania. To encourage applications and ease the travel process for medical tourists, the government has expanded its e-tourism VISA regime on February 2019, to include medical visas. The maximum tenure of stay under this visa is 6 months. The promotion of Medical Tourism in India has helped private players capitalize on this market opportunity. Private institutions and organisations such as Max Healthcare and Health Travelers Worldwide have consulted and treated up to 50,000 foreign patients in hospitals across the country. The leading destinations of medical tourism in India are Andhra Pradesh, Karnataka, New Delhi, Kerala, Tamil Nadu, and Maharashtra. Chennai of Tamil Nadu is the most popular destination for medical treatment in India. Healthcare in Chennai is facilitated by both government-run and private hospitals. Chennai has about 45 percent of health tourists from abroad arriving in the country and 30 to 40 percent of domestic health tourists. Around 150 international patients every day. Factors responsible for tourists inflow in the city include low costs, no waiting period, and facilities offered at the specialty hospitals in the city. The city got around 12,500 hospital beds, among which only half is used by the city's population with the rest being shared by patients from other states of the country and foreigners. The city has been termed India's health capital.

Among south Kerala has emerged as the best state in the country in terms of healthcare performance, reveals a latest Health Index report, jointly prepared by the World Bank and Niti Aayog.

**ADVANTGES OF MEDICAL TOURISM IN INDIA****Reduced Cost**

Low costs, wide range of latest medical technology platforms, and a growing compliance on international quality standards, doctors trained in western countries including the United States and the United Kingdom, as Most estimates found that treatment costs in India start at around one-tenth of the price of comparable treatment in the United States or the United Kingdom. The follow of international patients is mainly for treatments opted in India by medical tourists are alternative medicine, bone-marrow transplant, cardiac bypass, eye surgery, and hip replacement.

There are 33 JCI accredited hospitals. Patient those who traveling to India, it is important to find the optimal doctor-hospital combination. After the patient has been got treated, the patient has various option of either recuperating in the same hospital or get shifted to paid accommodation nearby as per his requirement. Most of hospitals are also providing the option treatment through telemedicine.

### **Removal of visa restrictions**

The government has amended visa laws specifically restrictions on tourist visas that required a two-month gap between consecutive visits for people from Gulf countries which is likely to boost medical tourism. A visa-on-arrival scheme for tourists from select countries has been instituted which allows foreign nationals to stay in India for 30 days for medical reasons. In the year 2016, citizens of Bangladesh, Maldives, Republic of Korea and Nigeria obtained the most medical visas.

### **Ease of language**

India has got diversity of languages; still English is an official language and is widely spoken by most people and almost universally by medical professionals. In UP state Noida, has number of hospitals also provide facilitation of language translators to make patients from Balkan and African countries to ensure that patients feel comfortable while at the same time helping them in facilitation of more better treatment.<sup>1</sup>A huge number of medical tourism companies are facilitating foreigners, especially patients from Arabic-, Russian-, English-, and Bangla-speaking countries.

### **REVIEW OF LITRATURE**

William Bies and Lefteris Zacharia (2007)<sup>1</sup> opined that a trend emerging in recent years has been travel from industrialised nations to developing countries such as India and Thailand for purposes of undergoing medical procedures, a phenomenon called medical tourism. Medical tourism offers the prospect of greatly reduced expenses and benefits for healthcare as well as other advantages such as reduced waiting times, but there are risks associated with seeking healthcare overseas. The researchers find that self selected medical tourism is preferred over employer – or government sponsored programmes and over the status quo. Laszlo Puezko and Marin Bachvarov (2006)<sup>2</sup> classifies health services are those used for relaxation, form of stress release and for curing well definable illnesses. Medical or therapeutic tourism for specific diseases involves using the services available at a site for providing therapy, or staying at a medical resort where the long stay is normally defined typically for the purpose of curing certain diseases. The main focus of therapeutic services, which are typically based on a natural curative factor (e.g. medicinal water, medical cave, and medicinal mud), is therapy, which is only complemented by tourist's services and attractions. The most important difference between wellness and medical tourism is that wellness services are used on a voluntary basis. Devesh Kapur(2007)<sup>3</sup> gives an idea about the evolution of medical tourism · Until mid-1990s: affluent consumers from developing countries travel to industrialized countries for medical treatment · Early 1990s-about 2001: Consumers travel to countries such as Argentina, Brazil, and Israel for cheap cosmetic procedures · Post-2001: Wealthy from the Middle East, SE. Asia and S. Asia seek treatment in Asia – Emergence of medical tourism in Thailand, Malaysia, Singapore, and India · Emerging Trends: Medical Outsourcing – Un and underinsured consumers from industrialized countries seek 1st world care and quality at developing country prices John Connell (2006)<sup>4</sup> opined that some of the earliest forms of tourism were directly aimed at better health and increased well-being. However, with the partial exception of some spas, none of this has involved actual medical treatment, but merely assumed incidental benefits in amenable contexts. attempted to examine A new and distinct tourism niche has emerged satisfying the needs of a growing number of people, mainly in developed countries with destinations in developing countries being the main beneficiaries.

In less than a decade the rise of medical tourism has demonstrated that the provision of the healthcare can now be globalised like so many other service activities. The trade & business in health services is expanding becoming more competitive and creating new dimension of globalisation, all elegantly packages and sometimes actually functioning as the new niche of medical tourism. Rupa Cahndra (2002)<sup>5</sup> , examines ways in which health services can be traded in the light of the increasing globalisation of the health sector, using the mode-wise characterisation of trade as per the laws of General Agreement on Trade in Services. The trade facilitates cross border delivery of health services via physical and electronic means, and cross border movements of consumers, professionals and capital. Trade in health services through consumption abroad has wide mixed implications. It ensures exporting countries to improvise their national health systems, by earning foreign exchange and additional resources for investment in health care. It can also help in overcoming shortages of physical and human resources in the importing countries particularly for specialised health services. consumption of trade abroad by foreign countries also result in a dual market structure, by creating a higher quality expensive segment that caters to wealthy nationals and foreigners, and a lower quality resource constraint segment catering

to the poor. Availability of various services including physicians and other trained personnel, as well as the availability of beds may rise in the higher standard centres at the expense of the public sector, resulting in a crowding out of huge the local population. Laura Gater (2006)<sup>6</sup> distinguishes day spas from medical spas. Day spas do not offer medical and surgical procedures and focus mainly on aesthetic treatments such as facials and massages. Medical spas on the other hand employ at least one physician and medical assistants and have dedicated surgical facilities or contract with a nearly private hospital. Most medical spas offer a wide variety of plastic surgery procedures for both males and females. Many also offer Lasik (reshapes the cornea of the eye in order to produce clearer vision) and dentistry procedures such as teeth whitening and even root canals. Face slimming, nose enlargement, sex reassignment and calf slimming are all surgeries of choice in various countries. Medical spas offer plastic surgery in a relaxed, vacation like atmosphere of luxury and pampering. Leigh Turner (2007)<sup>7</sup> opined medical tourists include patients trying to avoid treatment delays and obtain timely access to healthcare. Medical travellers include uninsured Americans and other individuals unable to afford healthcare services in their home settings. Destination nations world wide regard medical tourism as a resource for economic development. Attracting patients to countries like India and Thailand could increase regional economic inequalities and undermine health equity. After introduction of globalization, increasing numbers of patients are living their home communities in search of orthopedic surgery, ophthalmologic care, dental surgery, cardiac surgery and other medical interventions. Subsidized rates in health and providing various benefits offered by states and employers will likely increase the number of individuals looking for affordable medical care in a global market of privatized, commercial healthcare delivery. S.Rajagopalan (2006)<sup>8</sup> opined that the health tourism market has three segments-1, Surgeries like orthopedic surgery, by-pass surgery, cancer therapy, eye surgery, organ transplantation.2, Plastic surgery or cosmetic surgery and 3,health spas, weight loss exercise centers, hot springs and holistic treatment including wellness therapies. He identified that inadequacy of healthcare provision in relation to need is the major push factor for people in developed countries to seek treatment abroad. He identified certain risks in health tourism like commercializing doctors' profession, issue of recuperation after treatment, insurance cover will available only if when the standard of 45 services is the same as the patients' home country, recourse to legal action is difficult in countries that have weak malpractice laws or not feasible if the legal process is slow. Louise Chang (2006)<sup>9</sup> opined that dismayed by high surgical costs in the U.S, increasing numbers of American packing their bags to have necessary surgery performed in countries such as India, Thailand and Singapore. Anna Gracia-Altes (2005)<sup>10</sup> outlines some of the challenges and opportunities ahead, as health tourism finds its prominence in the practical and conceptual domains of tourism. She identified that population aging; lifestyle changes, tourism alternatives, particularities of health care system etc contribute to the demand of health tourism. The challenges faced by health tourism sector are regarding regulations, commercial strategy, quality of care, professional licensing, technologies, taxes, labour, infrastructure, easy arrival procedures etc. Borman (2004)<sup>11</sup> identified that long time waiting lists, huge costs, lack of insurance and under insurance are causing some to go abroad to seek medical care. This is a major driver of demand from off shore sources when local health system cannot provide appropriate or timely options. This is seen both as an opportunity to develop an economic sector and as a problem in some national health care systems. John Connell (2006)<sup>12</sup> opines that medical tourism where patients travel overseas for operations has grown rapidly in the past decade, especially for cosmetic surgery. Considerably High treatment costs and long time waiting lists at home country, upcoming new technology and skills in destination countries alongside reduced transport costs and Internet marketing has all played a role. Most of the Asian countries are dominant, but most countries have sought to enter the market. The Conventional 46 tourism has been a by-product of this growth, despite its tourist packaging, and overall benefits to the travel industry have been considerable. The rise of medical tourism emphasises the privatisation of health care, the growing dependence on technology, uneven access to health resources and the accelerated globalisation of both health care and tourism.

### **STATEMENT OF THE PROBLEM**

The aim of medical tourism is to attract foreign patients and the implement excellent marketing strategies into medical tourism industry.

### **RESEARCH QUESTIONS**

1. What is medical tourism ?
2. What is the status of India into medical tourism at global context?
3. What are the marketing strategies of medical tourism in India ?

### **OBJECTIVES OF RESEARCH**

1. To understand the importance of medical tourism.
2. To know the medical tourism marketing strategies in India.

**Medical tourism marketing strategy adopted in India****MARKETING STRATEGIES ----- MARKET PURCHASE---**

- 1.Acquisition
- 2.Licensing
- 3.Venture capital
4. Investments

**----- COOPERATIVE STRATEGYS**

1. MARGER
2. Joint venture --- 1.Constructual agreement
3. Alliance                      2. Subsidiary cooperation
3. Partnership

**-----DEVELOPING STRATEGIES**

1. Internal Development
2. Internal ventures
3. Reconfiguring the value chain

**----- COPETITIVE STRATEGY**

1. Low Cost
2. Hospitality Strong Reputation
3. New Technology

**INTRPRETATION OF CHART**

In today's modern world marketing strategies plays very important role into any industry also same applies to medical sector. This article focuses on importance of increasing medical tourism in India as based upon above discussion India definitely is emerging as one of the major hub for medical treatments among foreign patients. Due to support provided by the government under various parameters also this article highlights the various marketing strategies adopted in India into medical tourism industry.

**CONCLUSION**

This article focuses upon the emerging concept that is medical tourism in India also it highlights the advantages of medical tourism also more of attention is required to continue the growth pace of medical tourism by adopting well framed marketing strategies which are discussed in the article.

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**ROLE OF NGO'S IN ENCHANCING WOMEN EMPOWERMENT WITH REFERNCE TO  
HYDERABAD, INDIA**

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**ABSTRACT**

**Non-Government Organization - NGO** are non-profit independent organizations, whose Primary objective is to identify the social and political issues facing by below poverty, illiteracy people and people in needy. Secondary objective is to provide them the opportunity of learning, helping them to become self-standing, liberated human.

This paper **deals** with **NGO'S** Concentrating on **women empowerment** in Hyderabad. Women Empowerment is the process by which the disempowered or powerless people can change their situations and begin to make decisions over their lives. It results in a change in skills, ability, talent, identification in themselves. This study **examines** the participation of women and NGO's in a rural development and empowerment in Hyderabad. The primary objective of working on women empowerment is to make them aware of importance about social, political and economic factor. The development of women is possible only through an awareness of their participate on in a process of economic and social change for development to be socially and, economic sustainability.

This paper **concentrates** on Problems facing by women in the society, Factors influencing unemployment, Ngos concentrating on empowering women, State Government and National Government beneficial schemes for women.

**INTRODUCTION**

**Women's Economic Empowerment** refers to the capability for women to recognize and utilize their right to control and benefit from the resources, assets, income also the ability to manage risk and improve their economic conditions. Women's empowerment and achieving **gender equality** is essential for our society to ensure the **Sustainable Development** of the country. It is proven that sustainable development is impossible without gender equality and women's empowerment. Only one individually would not be able to benefit or contribute to the development of the country. Social change wouldn't occurs when women are treated equal to men. . Development and empowerment of women must include more choices for women to make on their own. Examining how opportunities are structured for women can bring social change. Work opportunities and the work environment can create empowerment for women. Empowerment within the work will completely have an effect on gender equality and increase's awareness about empowerment.

**Women Political Empowerment** increase's awareness about the rights and regulation of women in society. As women are involved with child care and domestic responsibilities in the home.

Women are facing various problems and issues in their life. They need to proceed more than men to manifest themselves correspondent to men. People at one certain point of time were considered women as burden so that they never allowed girls explore and participate within the social activities like men .Even in modern age, women are facing many issues in their life and fight for their career. Still there are parents who prefer boy child and educate only boys. **Some problems are mentioned below:**

- α **Selective abortion and female infanticide (death of a girl child):** It is the most common practice in India in which abortion of female foetus is performed in the womb of mother after the foetal sex determination and sex selective abortion by the medical professionals.
- α **Gender discrimination:** Women are considered as weaker section of the society than men and given less importance. Girl's children are becoming real victims of the discrimination. There are also discrimination of power and work between men and women because of the patricentric system families in India. Gender discrimination affects women in the areas like nutrition, education, health, care, population, job, public life, etc.
- α **Sexual harassment:** It is the form of sexual misuse of a girl child at home, streets, public places, transports, offices, etc. by the family members, neighbours, friends, relatives and stingers.

- α **Dowry and Bride burning:** It is another problem faced by women of lower middle class and middle class family during or after the marriage. Parents of Groom demands a lot of money from the bride's parents to be rich in one time. Groom's family perform bride burning in case of lack of fulfilled dowry demand.
- α **Child Marriages and status of widows:** Early marriage of the girls by their parents in order to be escaped from dowry. It is highly practiced in the rural India and Widows are considered as worthless in the Indian society. They are treated poorly and forced to wear white clothes.
- α **Domestic violence:** it is a widespread disease affects almost 70% of Indian women according to the women and child development official. It is performed by the husband, relative or other family member. Abusing women physically and mentally for very minor and major issues, fault.
- α **Inadequate Nutrition:** Inadequate nutrition in the childhood affects women in their later life especially women belonging to the lower middle class and poor families.
- α **Disparity in education:** This is one of the important problem to be noticed. Parents in modern age still think educating a girl child is waste of time and money as her responsibility is only looking after home and family members. The level of women education is less than men still in the modern age. Female illiteracy is higher in the rural areas because they are discouraged for higher education like professional and technical education. Where over 63% or more women remain unlettered.
- α **Problems related to unemployment:** Women are facing more problem in searching their suitable work. They become more liable to the exploitation and harassment in the work areas. They are given more work and hard tasks by their boss intentionally. They have to prove their devotion, seriousness and sincerity towards work time to time. Women who are uneducated more susceptible to divorce by their husbands on any stage of life. They have to live whole life with fear of divorce. In some cases they have to finish their life because of unbearable conditions.

#### FACTORS INFLUENCING UNEMPLOYMENT ARE LISTED BELOW

- **Education, skills developing, and training** Focusing the negligence of keeping girls in school by providing measures for safe transportation to school and increasing recruitment of female teachers. Ignoring development for older women that combine vocational training and life skills such as the ability to manage challenges and advocate for their rights.
- **Access to quality, decent paid work** Addressing the ignorance of legal restrictions, recognition and protection of women's in formal and informal employment, recognition, reduction, and redistribution, pay of work according to position of employee, labour in order to avoid burden and concentrating on increase in female entrepreneurs and access to financial services that often remain out of reach.
- **Access to Financial securities** concentrating on irresponsibility of legislation in equal property and asset ownership rights for men and women. Considering the involvement of women's financial inclusion by increasing economic services and training, labour and economic policies in workplace support women in decent work.
- **Social protection in work place.** Ensuring protections related to pay, hours, health, and insurance for domestic workers. Like, implementation of legal reforms to permit women to work outside the home, and laws protecting migrants from exploitation and abuse.
- **Gender norms and discriminatory social norms** undertaking the issue to reform from discriminatory and gender norms such as religious organizations, fear of opposite gender, social issues to change prevailing attitudes toward women and girls.

#### FEW NGO'S CONCENTRATING IN EMPOWERING WOMEN IN HYDERABAD

- ❖ **“SAFA”** a social venture which introduced in 2006 by **Rubina Nafees Fatima the Founder President & CEO** the urban illiterate, underprivileged and lack of proper skills women of society to sustainable livelihoods and supports them in the education of their children through an area based community model that retains the cultural and social identity of the women. **Safa** provides livelihood **training** such as **tailoring and embroidery skills. Educates** the women in **entrepreneurship opportunities and access to finance** (micro savings). Besides **Safa** generates a **source of income for the women by** manufacturing and **selling handmade unique ethnic products.**
- ❖ **“UMEED”** for women was started by Gauri **Mahendra** and **Udita Chadha** Who met each other in Teach for India in the year 2015, with a belief and passion in creating platforms for low income community women

explore their identity and potential for their sustainable livelihood. **UMEED** Provides training for women to **create and sell** simple and beautiful **eco-friendly newspaper handicrafts**, giving these women exposure to new **life-skills** like **planning, budgeting, teamwork and creativity**. Which build their confidence, empower them by conducting few relevant programmes.

- ❖ **“Voice4girls”** is a socio active venture started in 2002 is managed by **Anusha Bharadwaj** Executive Director which enables **adolescent girls in India** to take charge of their futures by imparting **critical knowledge, spoken English, and life skills through** activity-based camps and work towards **breaking harmful cycles of economic, social, and gender inequality** in their communities. VOICE Camps are conducted by motivated college students who are hired and trained intensively to impart our curriculum.
- ❖ **“THARUNI”** was started in 2000, by **Dr. Mamatha Raghuvver** and her mother as a small effort. Tharuni blossomed into a Forum for the Girls where they can get the required support for all their basic needs. ‘THARUNI’ means a **young woman**. It works for the all-round **development of Adolescent Girls, Women & the Aged**. Tharuni aims to educate for their higher self-esteem, to marry at a right age, and play a major role in social development. Tharuni focuses for the welfare of the girl child health & hygiene of girl, quality education, create awareness about child marriages, dowry and social evils, utilization of government schemes.
- ❖ **“Sankalp-Women support Alliance”**, Sheela Sarah Mathew’s managing director of sankalp. Sankalp offers services free of charge to women seeking to heal from any form of violence. They ensure that survivors of violence are treated with sensitivity and expert care, and that evidence is collected, processed and documented carefully. All information given by the survivor is kept confidential.

#### **FEW NATIONAL NGOS IN CONCENTRATING ON WOMEN EMPOWERMENT AND HAVE AN EFFECTIVE GROWTH IN THEIR IMPLEMENTATION ARE**

- ❖ **CREA**-Creating resources for empowering in Action, is a feminist human rights organisation based in New Delhi, India. CREA Founded in 2000, CREA is a feminist human rights organisation based in New Delhi, India. It is one of the few international women rights organisations based in the global South, led by Southern feminists, which works at the grassroots, national, regional, and international levels. CREA conducts world-class Institutes (short-term courses) and trainings to strengthen feminist leadership, strategies, and collective power for social transformation.
- ❖ **Educate Girls** Established in 2007, Educate Girls’ is a non-profit that focusses on mobilising communities for girls’ education in India’s rural and educationally backward areas. Safeena founded Educate Girls. Educate Girls currently operates successfully in over 13,000 villages in Rajasthan and Madhya Pradesh and also bring awareness to people about girl education.
- ❖ **Sew-Self-employed women organization** is a trade union registered in 1972. It is an organisation of poor, self-employed women workers. These are women who earn a living through their own labour or small businesses. They do not obtain regular salaried employment with welfare benefits like workers in the organised sector. They are the unprotected labour force of our country. SEWA organises women to ensure that every family obtains full employment. By self-reliance we mean that women should be autonomous and self-reliant, individually and collectively.
- ❖ **After tasteArt for Service. Art with a purpose...** was established by Shalini datta it is an empowering Ngo for women which trains, motivate, support in their economic standards. Women are trained on hand craft skills and art, then sold by the organization by supporting them economically.

Indian Government in order to improve women’s position in present society has initiated some of the schemes every scheme is concentrated on helping women of different age groups, Schemes are listed below:

#### **CENTRAL GOVERNMENT SCHEMES**

- ❖ **Beti Bachao Beti Padhao** was launched on 22 January 2015 by PM Narendra Modi. It is a girl child scheme which is applicable throughout the country. The key objective of this scheme is to save the girl child from social ills such as gender-biased abortions and advance the education of girl children all over the country.
- ❖ **Sukanya Samriddhi Yojana** The scheme was launched by Prime Minister Narendra Modi on 22 January 2015 as a part of the Beti Bachao, Beti Padhao campaign. It is a special government-backed savings scheme that features a girl child as the primary account holder while the parent/legal guardian is a joint holder of the account.

- ❖ The **Balika Samriddhi Yojana Scheme** was launched in 1999 by Government of India is a scholarship scheme that provides financial support to young girls and their mothers who are below the poverty line. The key objective of the scheme is to improve their status in society, increase the marriageable age of girls and improve the enrolment as well as retention of girls in schools.
- ❖ The **CBSE Udaan scheme** for girls, administered by the Central Board of Secondary Education through the Ministry of Human Resource Development, Government of India. The focus of this scheme is to increase the enrollment of girls in prestigious engineering and technical colleges across India. The girl candidates must be studying in class 11 from any Kendriya Vidyalaya (KV)/ Navodaya/ Government schools recognised by any Board or CBSE affiliated private schools in India.
- ❖ **National Scheme of Incentive to Girls for Secondary Education** scheme was launched in May 2008. It is a pan India scheme managed by the Department of School Education & Literacy, Ministry of Human Resource Development, and Government of India. It is primarily for the benefit of girls belonging to the backward classes of India.

#### STATE GOVERNMENT SCHEMES (TELANGANA)

- ❖ **Shaadi Mubarak/kalyana lakshmi** to alleviate financial distress of SC/ST and minority families, Government decided to sanction a one-time financial assistance of Rs. 1, 00,116 at the time of marriage for brides who are residents of Telangana State. Accordingly, Kalyana Lakshmi and Shaadi Mubarak Schemes have been introduced with effect from October 2, 2014 for unmarried girls, who have completed 18 years of age at the time of marriage.
- ❖ **Arogya Lakshmi** -Telangana government provides one nutritious meal every day to pregnant and lactating women and children below the age of six through Anganwadi centres. This helps in raising the health conditions of women at the time of maternity and also brings down the rate of IMR and maternity mortality rate. The scheme was launched by Chief Minister of Telangana, K. Chandrashekhara Rao on 1 January 2015. The scheme is an improved version of Amrutha Hastham.
- ❖ **WE Hub** is a start-up incubator exclusively for women entrepreneurs. Through WE Hub aims to support women entrepreneurs with innovative ideas, solutions and entities focusing on emerging areas in technology. WE Hub will also support unexplored sectors along with the Service sector.

**She Teams- for you with you always** was launched in 2014. Keeping rising incidents of crime against women in mind, the Telangana government has constituted a seven member committee headed by IAS officer Poonam Malakondaiah. Initially set up in Hyderabad and Cyberabad police Commission rates, they were expanded to all the Telangana districts.

#### BENEFITS OF GOVERNMENT IMPLEMENTED SCHEMES FOR THE GIRL CHILD AND WOMEN

- High-Interest Rates when compared to normal interest rate in bank.
- Clear Terms and Conditions which ensures the money is withdrawn for a girl in a right manner.
- This ensures tax efficient savings when compared to government that prove to be beneficial to the girl child, in the future.

#### FEW SUGGESTIONS THAT CAN HELP WOMEN IN EMPOWERING THEMSELVES ARE REFERRED BELOW

- √ Educating women is more beneficial for a family and society, as educated woman will have the skills, self-confidence and can be a better parent, worker and citizen.
- √ Vocational and Entrepreneurship Development programme should be organised to make women self employed by increasing their efficiency and capabilities in decision making.
- √ As women in rural areas are not well aware of all the privileges and rights given to them Government and Ngo's should conduct awareness campaign about legal rights, women's rights, human rights, child rights as well as about laws.
- √ The attitude of male gender and other family members should be changed through mass media and other ways.
- √ Proper care for child and attention is essential to improve the health and nutrition of women and children in the society.

- ✓ A government keen interest and Sincere Protection should be given against sexual harassment. Women must not be discriminated upon.
- ✓ Women should change their attitude towards their family members and colleagues. They should be positively active in society.
- ✓ Women should realize that opportunities will not land in their laps. Women should have strong bloom to create, fight back to restore, to enforce their rights, dignified position and establish all women related programmes and laws in society.

➤ **FEMINISIAM ISN'T ABOUT MAKING WOMEN STRONG.WOMEN ARE ALLREADY STRONG .ITS ABOUT CHANGING THE WAY THE WORLD PERCERIVES THE STRENGTH – G.D ANDRESON.**

➤ **THE UPLIFT OF WOMEN,**

**THE AWKENING OF MASSES MUST COME FIRST**

**AND THEN ONLY CAN A REAL GOOD**

**COME ABOUT FOR THE COUNTRY, THE INDIA. – SWAMI VIVEKANANDA**

Even though women in India have made a generous progress in the seven-decade of Independence still the battle is only half won. They still have to fight against many social evils that are restricting abusing them and deteriorating their status. Still, there are people or groups that create hurdles and resists women progress in India. I believe a woman is a most powerful creature in this living earth. She compromises her family, but if needed she tends to have such energy to make things go in a right way. To eliminate all these evils and make our society a better place to live for both men and women, women empowerment is necessary because unless and until a place is not safe for all the members of society it can't be a better place. Women empowerment encourages women to stand and fight for their rights and live a worthy life and confident being.

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INTERVIEWED - UMEED DIRECTORS, SAFA DIRECTOR.

-BY V. NAVYA SREE

**BLACK MARKET: IMPACT ON THE ECONOMY****Urmila Deshmukh**

Assistant Professor, Department of Management, Aurora's Degree &amp; PG College, Hyderabad

**1. INTRODUCTION**

The black economy is a trading function that doesn't function as per legal and taxation rules and regulations. Black economy is also called shadow economy, the underground economy, or the informal economy. Black economy or black market is characterized by:

- It may buy or sell goods or services that are illegal as per law.
- It may involve in buying and selling of legal goods or services but escape from paying taxes to the government.
- In black market, most of the transactions are done on cash basis which couldn't be traced by official legal or tax authorities.
- Money laundering is used to convert the illegal transaction into legal one

The main purpose of performing transactions in black market from seller point of view is to make more money which they cannot earn in legal market. Buyers buy goods or services in black market to procure the good or service that may be illegal or they are able to buy the good at low price.

**2. LITERATURE REVIEW**

An emerging term for black market is grey market which refers to a transaction where the ownership is legal but the process by which it is obtained is illegal. Illegal activities in black market include illegal gambling, human trafficking, and prostitution, illegal possession of weapons, drugs

In 2016 in case human trafficking 10 million include children, 15.4 million in forced marriage and 24.9 million in forced labour, which had a profit of \$150 billions Forced begging is also carried out.

An emerging form of illegal activity include is the digital and cybercrime. Examples include stolen personal and financial information data which is to get access to the bank accounts and credit cards. These criminals are very skilled and very cleverly they do the illegal activity People who are involved in cybercrime are of below the age of 25. Illegal goods include drugs, weapons, human organs, endangered species, counterfeit money, pirated movies and CDs, ticket scalping.

**The main causes for the growth of black markets**

- High unemployment rate prevailing in the country
- Governments can also cause black markets through overregulation.
- People want to buy things which are difficult to obtain legally

Another form of the black market is the goods and services which are illegal that are but they hide these transactions from the notice of the government by not paying from taxes. It includes any income earned from legal transactions but paid tax is not paid tax authorities

According to Havoc scope, these are the countries with the highest global black market values

Country	Value
United States	\$625.63 billion
China	\$261 billion
Mexico	\$126.08 billion
Spain	\$124.06 billion
Italy	\$111.05 billion
Japan	\$108.3 billion

Canada	\$77.83 billion
India	\$68.59 billion
United Kingdom	\$61.96 billion
Russia	\$49.04 billion

### ADVANTAGES OF BLACK MARKET

Even though black market possesses many obstacles for the development of the countries, the countries may gain certain advantages

- Black market provides opportunities and income to people of the country
- It allows people to buy medicines and health care services at a reasonable price
- People could buy the products which they could not buy earlier because of high prices

### DISADVANTAGES

- Black market has a great impact on the progress of the society
- The companies which are doing business legally may get affected as companies which are operating under black market are able to provide products and services at low price
- People who are involved in black marketing of goods and services create shortages so as to influence people to buy goods and services.
- As the companies don't pay taxes to the government, there will no income for the Government in form of taxes which would have been utilized for the development of the country like infrastructure, healthcare, railways, construction of roads, education .
- Workers may be exploited. For the benefit of the companies
- People in black market may be continue to work in the same and would not be interested in doing work under legal market. Government also will not be able to determine the correct rate of unemployment it will not be possible to take into the number of people working in black market as per the government statistics

### GROWTH OF SYSTEM D

Today black economy is called with a name called System D. The term is derived from among French word which stands for - debrouillard, used to describe a resourceful and ingenious person. This system is able to grow rapidly in those economies which is characterised by high inflation rate and with little currency reserves. This system is growing even because of poor government regulation and control. Government is not able to control or trace out the underground activities.

As per the reports of Organisation for Economic Co-operation and Development (OECD) it stated that half of people working in the world are employed in System D. In 2009, that number was around 1.8 billion people.

### IMPACT OF BLACK ECONOMY ON THE ECONOMY

#### 1. Double Economy

Growth in black market leads to have two economies in the country, One is black economy and another is Legal Economy

The black economy is approximately one fifth of the total economic transactions. Many of the activities in black economy goes unreported which is going to disturb the growth of entire country

#### 2. No correct estimation of income of the country

In black economy, true size and correct picture of the economy is known in total national income and thereby the figures of savings and consumption level is not added to national income which may give wrong data

#### 3. Loss of income to the Government

In Black market, any profit earned by the people or companies will go unreported, Taxes will not be paid to government and government is going to lose income which it is going to earn income in form of taxes. As the government is not going to earn income in form of taxes it may have to impose high tax rate on the public and may have to for external borrowing leading to deficit Balance of Payments



**4. Principle of equality violated**

In a democratic country, Government functions on the principle of Equality for all the people. All people are to be treated equally irrespective of gender, caste, religion, fame

When government is not able to take into account illegal activities like smuggling or other such illegal activities, it has to impose high tax rate on the public. So people who are earning profit from illegal activities are able to enjoy all the services provided by the government without paying taxes and people who are involved in legal business have to end up paying high taxes to the government

**5. Increasing the distance between the Have's and the Have not's:**

In case of black market existing in the economy will lead to rich becoming more rich and poor becoming poorer which will disturb the progress of the country

**6. Disposing of income earned in black market**

Black money is spent on unnecessary on travelling, entertainment, articles, Funding political parties during elections. which will lead to many social evils like corruption affecting the common people of the country

**7 Affect the demand and supply of goods and services in the country****8. Distribution of Scarce Resources**

People holding Black money have always the ability to purchase the scarce goods in the market due the availability of money which will affect the common.

**9. Social values**

Black money affects the social values, norms and principle of the country .Companies and people may lose their creditability as they are becoming a greater part of underground market

**3. OBJECTIVES**

To understand t and conduct research on illegal trade Conducting research and investigative projects that shed new light on illicit trade

To understand the reasons for the growth of Black economy.

To study the impact of Black Market on the world economy

To know the Growth of Black market worldwide.

To know the differentblack market activities carries out in different parts of the countries and study the statics

**4. METHODOLOGY**

There are various sources for obtaining primary data i.e., Mail survey, Case study, Field survey, panel research and observation approach etc.

The study to maximum extent depends on primary data, which is collected by way of systematic study. Data is collected by personal interaction with entrepreneurs and business man working in various business enterprises.

Research is a systematic method of finding solutions to problems. For the purpose of study, both primary and secondary data is collected. The explorative and analytical method is used to collect the primary data. Interviews or personal interaction with entrepreneurs is done systematically. The necessary data is also collected from newspapers and other published sources. The collected data is analysed and interpreted.

**4.1 Data Collection****4.1.1Primary data and Secondary Data**

Primary data is personally developed data and it gives latest information and offers much greater accuracy and reliability. Secondary data is the published data. It is already available for using and its saves time. The secondary sources are

Websites

Journals

Reports

Case Study

Newspapers

Articles

Books

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#### **4.2 SAMPLING DESIGN**

Sample design is a finite plan for obtaining a sample from a given population. Convenience sampling method is used for this study.

##### **4.2.1 Sample Size**

Number of the sampling units selected from the population is called the size of the sample. For this study, a total population of 100 respondents were interviewed with respect to Professors, Authors, and Investors & Entrepreneurs. The time period for collection of primary took about one month.

#### **4.3 Research Findings**

Considerable amount of time is spent to collect the findings of the research. The findings are stated. These findings are the basis of the recommendations that are made

### **5. FINDINGS**

- Black market is growing around different parts of the country.
- The main reason for the growth of Black market is weak economic policies of the country.
- Black market affects the progress of the country.
- USA stand first in case of black market transactions.
- GDP estimation of the country will not be correct as many transactions go unreported by the government.
- The unemployment data may also be distorted

### **6. RECOMMENDATIONS**

- Government should have strong regulation policies to curb activities in black market.
- Government should empower various institutions and agencies to build mechanism to control black market activities.
- Another measure involves calculating the difference between income declared for tax purposes and that measured by selective checks.
- Government should take steps to control corruption in the country
- Strong economic policies should be framed.

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**COMPETENCY FRAMEWORK FOR GRADUATES – WITH REFERENCE TO HOTEL INDUSTRY**

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**ABSTRACT**

*Indian economy is considered to be one of the fastest growing economy in the world with its branches foraying in to different fields of development. This has resulted in tremendous growth in opportunities for the competent lot of the country. One of such an industry which has witnessed a boom in the recent years is Hospitality/Hotel Industry. The Hotel industry and its inextricable link with growing tourism industry have accelerated its growth and expansion. This promising growth in hotel industry has attracted and inspired many youngsters to pursue a career in hospitality industry and hence hospitality education is becoming the most sought after option. Hospitality education has emerged as driving force for developing economies therefore, these economies recognized hospitality as a vehicle for their envisaged development and growth (Mill & Morrison, 1999). India too favors the same and gives much thrust to hospitality and its allied sector for development (Honey & Gilpin, 2009). The Indian hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The rise in the income of middle class and also more disposable income has contributed a lot to the development of Hotel Industry.*

*This paper focuses on understanding the competencies necessary for graduates who wish to pursue a career in Hotel Industry. It also involves the review of competencies that have been emphasized by experts from the Hotel industry and to build a competency framework relevant for Hotel industry graduates in order to have a successful career over the years. Identifying the relevant skills not only helps the graduates but also the organizations to adopt strategies to retain, grow and build a talent pool in the organization.*

*Keywords: Competencies, Hotel Industry, Hospitality, talent.*

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**INTRODUCTION****Competency**

“Competence is a great creator of confidence “– Mary Jo Putney

“Practice gives you skills. Skills give you competence. Competence gives you confidence.” – Woody Miller.

“To create the power of competence without creating a corresponding direction to guide the use of that power is bad education “- John Dickey

Competency is “an underlying characteristic of a person in that it may be a motive, trait or skill aspect of one’s self-image or social role or body knowledge.”-Boyatzis (1982). Hogg (1993) defined competency as “The characteristics of a manager that lead to the demonstration of skills and abilities, which result in effective performance within an occupational area”. Competency pre-supposes the willingness and the capability to behave in a competent manner and incorporates knowledge, skills, behavior and attitude into a single core unit (Bharwani & Jauhari, 2013).

Hence we can say that competencies involve KSA – Knowledge, Skills and Attitudes necessary for a person to do his job effectively and efficiently. Knowing & recognizing the competencies needed by the graduates of the hospitality industry, helps the graduates to create an advantage in the hospitality industry because it focuses on how they can create value in the organization and accomplish their goals and organizational goals.

**INDIAN HOSPITALITY/HOTEL INDUSTRY**

Indian economy is considered to be one of the fastest growing economy in the world with its branches foraying in to different fields of development. One of such an industry which has witnessed a boom in the recent years is Hospitality/Hotel Industry. The Hotel industry and its inextricable link with growing tourism industry have accelerated its growth and expansion. It has been the second largest and fastest growing market in the country. The rise in the income of middle class and also more disposable income has contributed a lot to the development of Hotel Industry.

As per report by IBEF (India Brand Equity foundation) –“ During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year. During May 2019, arrivals through e-tourist visa increased by 21.70 per cent year-on-year to 1.23 million. International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.”

As per the World travel & tourism council (WTTC) India is one of the favorite tourist destinations in the world. The World economic forum has ranked India in sixth place in Hospitality for the year 2018. (As per industry experts, mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land over next five years, with major hotel chains like Marriott, Carlson Rezidor and ITC planning to set up upscale, budget hotels in state capitals and tier-II cities.)

The Indian hospitality industry has emerged as one of the key drivers of growth among the services sector in India and has experienced a remarkable growth and strong support from the government. Due to this growth plenty of opportunities are being created in the Indian hospitality industry. A study by Aspiring Minds in 2014 (Aspiring Minds National Employability Report, Hotel Management Graduates – 2014) revealed that less than 25 percent of the approximately 15,000-18,000 graduates leaving hospitality institutes across the country are actually industry ready. Hence there is requirement of identifying the skills or competencies which are required to provide better service to the customers.

### **STATEMENT OF THE PROBLEM**

Indian hotel industry is the second to China in Asia Pacific. The world travel and tourism council, says that India ranks 18th in business travel and will be among top 5 very soon. This promising growth of Hotel industry and its tremendous impact on the Indian economy demands the need for a talent pool who can drive the industry to the highest peak. The need for hiring and maintaining competent people is very much in demand and analyzing the competencies needed to sustain and grow in this field is the need of the hour. There are many competency Frameworks suggested for different industries but very less research is being done in the field of Hotel Industry. This paper focuses on building an effective competency framework needed for graduates who wish to pursue a career in Hotel Industry. This Framework acts as a guide for both the employees and the employers who wish to grow Hotel Industry.

### **OBJECTIVES OF THE STUDY**

- To identify the competencies necessary for graduates who wish to pursue a career in Hotel Industry.
- To review the competencies that have been emphasized by experts from the Hotel industry.
- To recommend a competency framework for effective performance and growth

### **NEED OF THE STUDY**

Hotel industry is a promising industry and the need for the competencies necessary for the graduates of hotel management students to enter into the competitive market is very much important. Identifying these relevant skills or competencies not only helps the graduates to get better opportunities in the market but also the organizations to adopt strategies to retain, grow and build a talent pool in the organization.

### **SCOPE OF THE STUDY**

- The study helps to list out the competencies necessary for the graduates from the hotel industry.
- It also helps in identifying the gaps that may be present in the graduates
- It can be applied for the entire Hospitality industry.

### **LITERATURE SURVEY**

A review of literature highlights the importance of competencies in different industries which has resulted in successful performance and growth of employees in an organisation. A study on these articles also helped in identifying the competencies required for the graduates in hotel industry.

**Chanakya** in his book “Arthashastra” has explained competency mapping models as early as 3000 years ago. But in the present times, McClelland [1973] pioneered Competency movement. In his study, he has presented data to show that traditional achievement and intelligence scores may not be able to predict Job Success and it is only the exact competencies required to perform a given job effectively and measuring them using a variety of tests, one can be sure about his profile.

**Spencer and Spencer (1993)** in their work Competence at Work have defined competency as ‘an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job situation’.

**Avinash V. Deolekar (2008)** in his article explains that success of Competency Management is assured if line management's initiative is integrated with HR initiative. He has described competency as an underlying characteristic of a company or an individual which enables them to deliver superior performance in a given role, situation or a job.

**Dr. V. K. Jain (2013)** conducts a study in RXL Laboratories to analyse employee competencies including attributes, skills and knowledge parameters in detail and makes a gap analysis in the actual and desired skills and assess the training needs of the company.

**Solomon(2013)** in his study on competency mapping has tried to explore the level of competency prevailing among the executives of public sector. The results of the study show that nearly half of the respondents have moderate level of managerial HR and general competencies.

**Judith G. Calhoun, RosemarieRowney, EmilieEng, YaelHoffman (2005)** In their article describe the processes undertaken by the Michigan Centre for Public Health Preparedness to integrate competency-based learning and assessment in all its educational and training initiatives.

## **METHODS &STUDY**

Only Secondary data - Research articles & Journals are used in the study to list out, analyze and understand the competencies necessary for hotel management graduates.

There were at least 15 articles reviewed in regards to this matter out of which there were 10 of them were on Competency skills and hospitality industry. All these articles were downloaded from Academia & Google scholar was also used for further help. The articles used were from the time period of 1993 to 2018.

Before learning about the competencies required for graduates to get better employability opportunities and success in an organization, let us know about the main segments of Hospitality Industry.

The hospitality industry is the industry which is mainly responsible for providing food services & accommodations. It can be further divided into four segments:

- Food & Beverages (F&B)
- Travel and Tourism
- Lodging
- Recreation

A review about these segments, (in a general context), the hospitality industry and the literature related to hospitality provides a basis to list out the skills which are necessary for entry level graduates in this industry. Different Articles and Journals written by experts have been considered here to provide a general framework of skills needed by Fresh Hotel Management graduates.

As per the study “A Comparison of Skills Considered Important for Success as an Entry Level Manager in the Hospitality Industry vs. The Skills Recent Graduates Possess“, 2009 by Jennifer A. Staton, Bill Ryan, Sheila A. Scott-Halsell– six skills were considered most important for hospitality recruiters. They were: Leadership skills, managing stress & anger, Guest services, assertiveness, charismatic personality, change catalyst.

As per the paper/ article by Nicole Long, “competencies can be classified into – Basic competencies – like friendliness, honesty, dependability, Skill Competencies, Knowledge and other competencies like solving problems, analyzing data, reach conclusions.”

As per the journal published in Asia-euro conference 2014, by Jaykumar, Lena Nitin, K Balasubramanian- Hotel managers expect to see the following competencies in hotel management graduates: Willingness to perform, Good knowledge, Organisational commitment, Personality, Initiative skills and most importantly Internships.

As per an article published in Journal of hospitality & Tourism management by Mike Raybould & Hugh Wilkins in 2006, stated that students should have Interpersonal skills, Problem solving skills, Self management skills along with Conceptual & analytical skills.

As per the research paper “Competency Mapping in Hotels with reference to Madurai” published by K Rajesh Kumar & Dr. M Siva Kumar in Asia Pacific Journal, the following competencies were expected from Hotel employees, Basic knowledge, Intellectual skills, Interpersonal skills, Leadership skills, Personal skills.

As per the study done by Amy Parker, 2011 in the article “Employer Perceptions An Exploratory Study Of Employability Skills Expected Of New Graduates In The Hospitality Industry” The three foundation skills identified include the basic skills (reading, writing, arithmetic, speaking, and listening); thinking skills (creativity, decision-making, problem-solving, conceptualizing, knowing how to learn, and reasoning); and personal qualities (individual responsibility, self-esteem, sociability, selfmanagement, and integrity).

As per the study done by Misty Johnson, Richard Gisell, Linda.J.Shea& Chris Robertswiththe topic “Changing Competencies of Hospitality Leaders: A 25-Year review “the skills recognized were Communication skills, customer related skills, safety skills and computer skills.

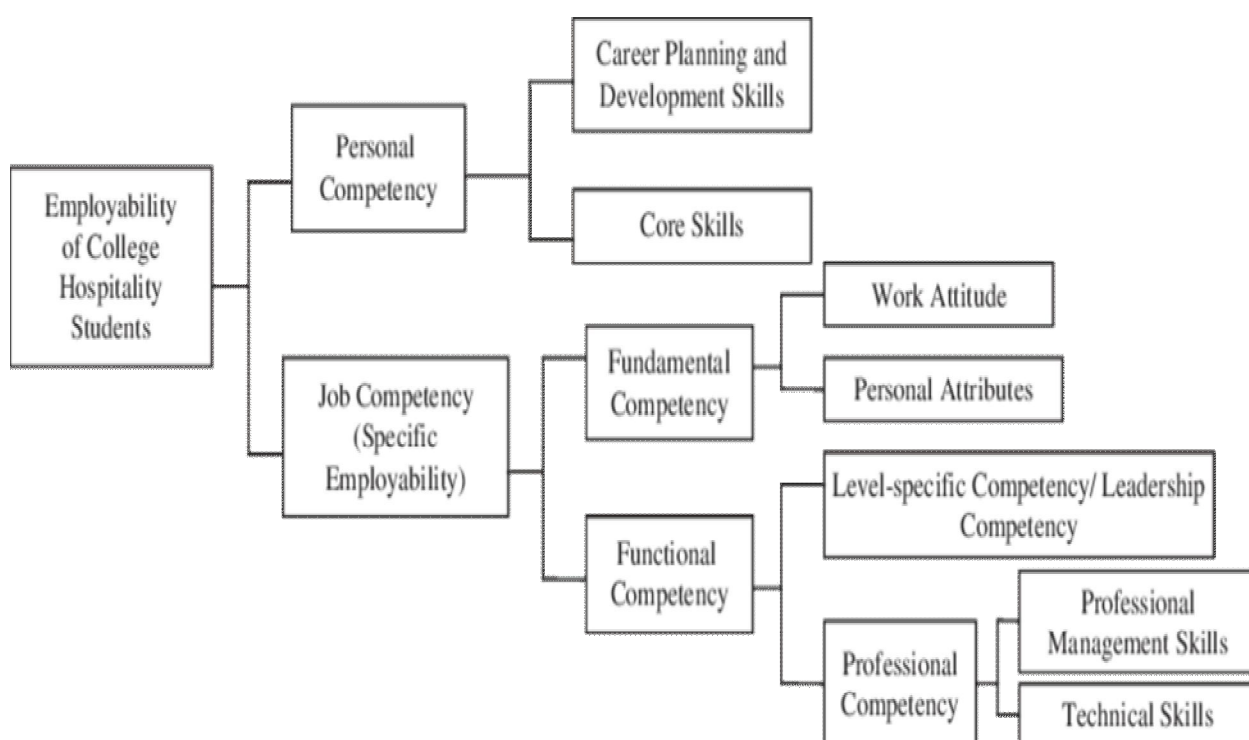
According to the research study by Sunil subhashpatil, titled “Comparative Study Of Human Resource Development Competencies Of Employees In Public Sector And Private Sector Hotels In Goa”, 6 main competencies were identified. They are business competencies, personal competencies, interpersonal competencies, behavioural competencies, intellectual competencies and technical competencies are considered.

According to Millar et al (2008), the lines of communication are not open between educators and professionals. He suggested an opening communication thru Faculty internships, industry forums, and interaction with graduating students are to be execute in order to get win-win situation between professionals and educators in both industries.

An empirical study on Hospitality education on Employability in Delhi by Ajeet Kumar Singh, 2012 revealed that at least 85% of the students felt that adequate practical exposure must be provided to students in Hospitality education.

As per the “Highlights of Aspiring Minds Employability report on Hotel Management graduates,2014 “Only 4% to 11% of students passing out from Hotel Management institutes are fit to work in the hospitality sector. Most of them lack in English and soft skills like Quality Orientation, Interpersonal Skills and Ability to Handle Pressure.

The study done by KP Anuradha in the research paper titled “Skill development and management a study of hospitality professionals” revealed that Soft skills training (communication skills, writing skills, presentation skills, attitude and behavioural training) are essential in preparing the students for work.



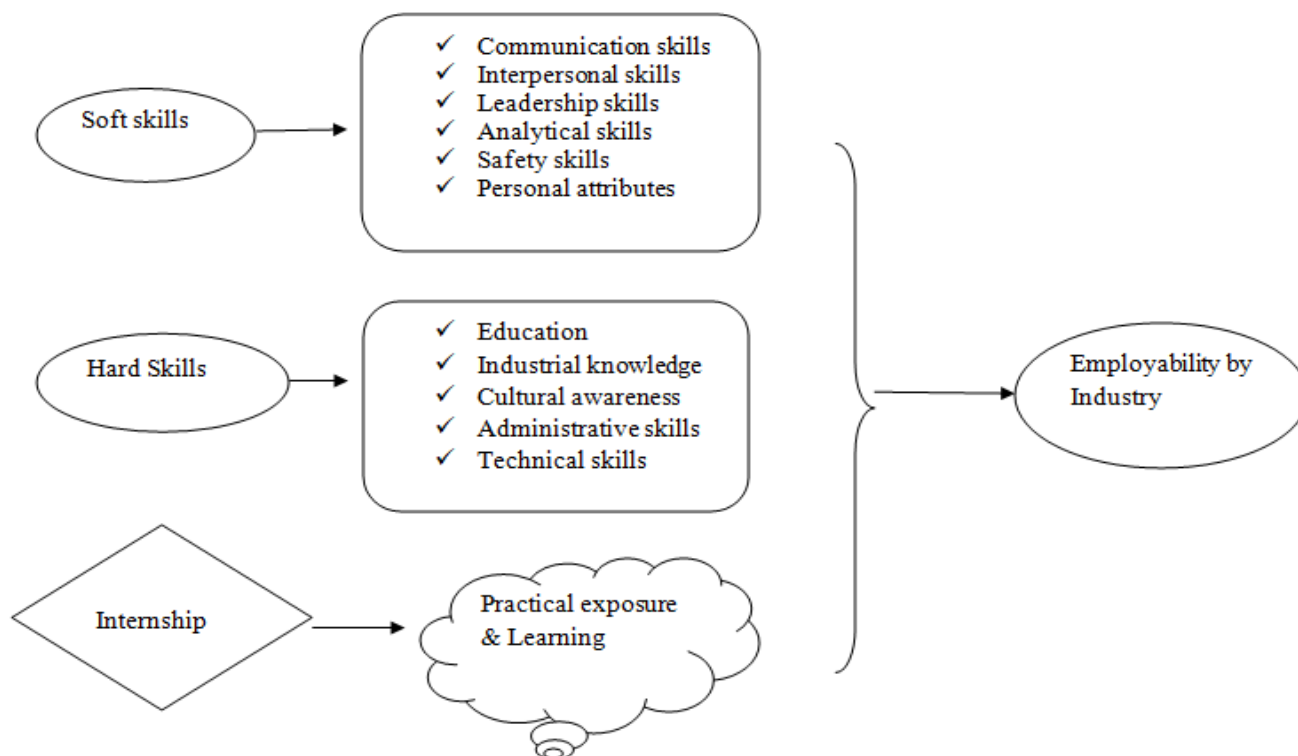
**Model proposed by By Yao-Fen Wang & Chen-Tsang (Simon) Tsai**

As per the above model given by Yao-fen Wang & Chen-Tsang, the competencies for hospitality students are generally classified into Personal Competency – which involve Career skills & Core skills & Job competency – which involves other skills like Leadership, technical skills, Personal attributes.

With the help and study of the above Model, various articles/Journals and review of Literature, it has been observed that more focus has been put upon the Skills & knowledge aspect of the graduate student, however little importance has been given to internships. In most of the cases internships which is a part of the curriculum is for a smaller period of time. Hence the proposed framework or model focuses more on Internships for the graduates. The below framework can be suggested for the graduates of Hospitality/hotel industry.

The list of skills identified through the above research papers which are essential for graduates are as below:

## COMPETENCY FRAMEWORK



### Soft Skills

- Communication skills (skills for effective communication like listening, writing, presentation skills)
- Interpersonal (skills for effective interaction with customers & peers like Patience, negotiation, counseling , self motivation)
- Leadership (the ability to turn ideas into productive action, skills include delegating, decision making, innovation, motivation)
- Analytical skills(Skills needed to gather, visualize and analyze information like problem solving skills)
- Safety skills( skills related to safety issues of a customer in the hotel)
- Personal attributes ( Warm and open personality, calm, Openness to feedback)

### Hard Skills

- Education
- Industrial knowledge (Knowledge about hotel Industry and changes in the industry)
- Cultural Awareness ( Knowing about the culture of the country and people)
- Administrative skills (personnel and financial management of the business)
- Technical skills (the knowledge and skills essential to producing the product or service).

As per an article written by DilipPuri, 2018 “Armed with a strong sense of leadership, impeccable communication skills, critical thinking, comfort working in a team, and an entrepreneurial drive, hospitality management graduates possess a toolkit that is invaluable for tomorrow’s world.”

### LIMITATIONS

- The information is collected only through secondary sources of data and through Journals.
- The study is restricted only to the Hotel management graduates.
- It gives a general list of competencies required for a hotel management graduates.

### CONCLUSION

As per the above study and the data gathered from the various research articles, journals & papers, it has been identified that the skills majorly required for Hospitality graduates are Soft skills than hard skills, though hard skills form the base for the knowledge gained by the graduate.

However, it can be said that focus has to be kept on Internships or practical exposure as it helps the graduates to have a practical experience and knowledge about the working environment, where he can acquire new skills, competencies and abilities.

According to Whitelaw et al (2009), it appears that both literature review and focus groups on training need in hospitality industry generally complement each other with industry and academics recognizing similar issues and trends towards skills and competencies. Some of the needed skills that have been identified are:

- There is a need for generic skills along with academic skills.
- Emphasis has to be laid on critical thinking, problem solving, strategic planning and leadership,
- The changes in the environment and customers' expectations should also be kept in view.
- Aspects like globalization, technological developments and cultural diversity have to be introduced and students should be aware of these.
- Focus has to be kept on Internships by creating a right balance between practice and theory,
- Beside the traditional skills, graduates should have some general knowledge in marketing, management, HR, accounting, numeracy and computer/information technology.

Also in order to ensure that the graduates are on par with the trends of the market and also meeting the needs of the market, it is very much necessary to continuously evaluate them. It has also been found through the research articles that Internships help the graduate in developing the soft skills/ competencies in a much better way. Internships should be structured in such a way so that students are exposed to a range of opportunities. This practical exposure not only helps in enhancing their general management competencies but also the specific competencies needed.

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**CROWD FUNDING – ACTING AS A CATALYST (Indian Perspective)**

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**ABSTRACT**

*As India is moving toward the Trillion dollar economy in the world, huge demand for investments in startups and projects is paving and leading the way further for yet another way of funding – Crowd funding.*

*Crowd funding is the most happening way of funding for projects around the world and is already playing a very crucial role in the funding system. It is effectively playing the role of a catalyst by bringing together people, institutions and companies around the world in providing funds for a business venture or a project through a mode of online finance.*

*Crowd funding is persuading individuals, companies to invest small funds in projects thus creating many opportunities for young entrepreneurs to raise money to invest. It is a method of raising capital through the collective efforts of friends, families, individual investors and so on. A concept which was started in the US & UK has also emerged in India as a better way of raising capital, funds through social media – Face book, Twitter, LinkedIn or websites.*

*In India, crowd funding is in emerging stage even though the potential is incredibly high. Websites like Kickstarter, Milaap, Catapoolt, Impactguruetc are helping in crowd funding in India. The growing number of players, increased focus on the sector and heavy funding has increased the challenges for the startup world even further.*

*India can soon bring in the required laws to support crowd funding in a big way, as efficient crowd funding system can play the role of catalyst in bringing the startups ideas into reality.*

*The study is descriptive in nature and focuses on the importance of crowdfunding and the way its acting as a catalyst to provide funds for the startups in the country..*

*Keywords: Crowd funding, online finance, Investors, Social Media.*

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**INTRODUCTION**

Crowdfunding is a form of crowdsourcing or alternative finance based on a simple concept of connecting people with money to people who need money for an objective. It refers to collecting funds from investors through a web based platform or social media for a particular objective. Crowd funding is a method of funding which shows that collective efforts of individuals can bring in significant changes in any business organisation/venture. It is very similar to the traditional concept of social cooperation but which is done for an objective. It is a method of collecting money from different investors using social networking sites or online platform in order to provide support to a business venture, project or social cause. It makes use of connectivity and easy accessibility of vast networks of people through social media and crowdfunding websites to bring the investors and entrepreneurs together. It involves the use of Facebook, Twitter, LinkedIn etc. to raise money from multiple investors. This was emerged in US & UK in the year 2006 through a website - Prosper.com. In India there are many Crowd funding websites such as Rang de, Milaap, Catapoolt, Impactguruetc which attract investors to invest in projects.

An online profile needs to be created for a finite period of time say 90 days, for raising funds from people, institutions or companies. This profile will be used to promote the business or the idea by sharing it among relatives, friends, peers, friends of friends etc. It is a concept where investor's money is invested into small ventures through online portals. Crowd funding has achieved massive success since its inception. It has the potential to increase entrepreneurship by expanding the pool of investors from whom funds can be raised beyond the traditional circle of owners, relatives and venture capitalists.

**History**

In 1885, The U.S government lacked funds to build a base for a statue, but a newspaper campaign attracted as many as 160,000 people who contributed a nominal amount. Later, that statue came to be known as the Statue of Liberty.

The first instance of crowd funding was in 1997, when fans underwrote an entire U.S. tour for the British rock group Marillion, raising US\$60,000 in donations by means of a fan-based Internet campaign. The idea was

conceived and managed by fans without any involvement from the band, although Marillion themselves used this method successfully to fund the recording and marketing of their 2001 album *Anoraknophobia*, the first crowd funded recording.

In the film industry, independent writer/director Mark Tapio Kines designed a website in 1997 for his then-unfinished first feature film *Foreign Correspondents*. By early 1999, he had raised more than US\$125,000 on the Internet from at least 25 fans, providing him with the funds to complete his film.

In 2002 the “Free Blender” campaign was an early software crowd funding precursor. The campaign aimed for open-sourcing the Blender raytracer software by collecting \$100,000 from the community while offering additional benefits for donating members. Crowd funding gained traction after the launch of ArtistShare, in 2003. Following ArtistShare, more crowd funding sites started to appear on the web such as IndieGoGo(2008), Kickstarter (2009) and Microventures (2010).

The Jumpstart Our Business Startups (JOBS) Act, signed by Barack Obama was a milestone for modern crowdfunding in 2012.

In India Crowd Funding is very common in Film Industry. A most successful story of crowd funding projects in India emerges with the Bollywood Film Industry. Onir’s Film *I am* a major crowd Funding project which rise around Rs. 80 lakhs from around 450 Contributors through crowd funding platform. Another massive funding story coined with the reliance industries founder Dhirubhai Ambani for his growing textile business in Gujrat. 2012 was indeed a big year for crowdfunding. Wishberry was started on the model of Kickstarter to fund creative projects and ideas, Ketto and Milaap followed suit by also including non-profit fundraising. Impact Guru, joined in 2015 to become the largest platform to support medical causes! In 2017, the first ever Crowd Funding Symposium was organized in India.

### **TYPES OF CROWD FUNDING**

The types of Crowdfunding depends on the type of product or service you offer and your goals of growth and reimbursement. The different types of crowd funding are Donation-based, Debt-based and Equity crowdfunding, Reward Based Crowdfunding.

- **Donation-Based Crowdfunding**

Donation-based crowdfunding is where the investors or contributors are promised no financial returns. People usually invest because they believe in the cause as these campaigns are mostly cause-based. Nevertheless, minor tokens can be offered in order to express gratitude towards the investors.

These include fundraising for disaster relief, medical bills, charities, and other non-profit ventures.

- **Debt-Based Crowdfunding**

This method promises the contributors their money back with interest. It is also called ‘peer-to-peer (p2p)’ lending and doesn’t account for much involvement of traditional banking.

Along with financial returns, the investors get the satisfaction of having contributed to the success of a prospective idea which speaks to them through micro-financing. These campaigns usually include personal startup ventures.

- **Equity based Crowdfunding**

This type of funding is different from both the above-mentioned ones as the contributors become part-owners of your company. They acquire equity shares in exchange for capital receiving return on their investment as well as a share of the profits. They are also entitled to a dividend.

If the venture turns out to be successful, the share value goes up and if not, the value goes down. This type of funding is a sort of gamble which can go either way and is much more risky.

- **Reward Based Crowdfunding**

Here the backers or investors of a project receive tangible items or service in return of their investment into the venture. This could either be a T-shirt, a product manufactured by the company in which you have invested (say a phone). 5 free car washes (if it’s a car washing company that you are backing or the first edition of the book (if you are backing a writer to get her book published). It is not necessary that the reward you receive is something that the company, in which you are investing in, manufactures, creates or deals in.

### **LITERATURE REVIEW**

Crowdfunding according to SEBI is the “solicitation of funds (small amount) from multiple investors through a web-based platform or social networking site for a specific project, business venture or social cause.”

Crowdfunding is a novel method for funding a variety of new ventures, allowing individual founders of for-profit, cultural, or social projects to request funding from many individuals, often in return for future products or equity. Crowdfunding projects can range greatly in both goal and magnitude, from small artistic projects to entrepreneurs seeking hundreds of thousands of dollars in seed capital as an alternative to traditional venture capital investment.(Schwienbacher and Larralde, 2010). It is more of an informal form of financing projects – either commercial or non-commercial. Here, a large number of people (the crowd) fund small amounts of money to accumulate into an investment large enough to finance a project (or a start-up company).

Crowdfunding is a collective effort by people who network and pool their money together, usually via the internet, in order to invest in and support efforts initiated by other people or organizations (Ordanini, 2009). New ventures require resources to succeed, and one of the most critical of these is financing (Gompers and Lerner, 2004; Gorman and Sahlman, 1989; Kortum and Lerner, 2000). Over the past few years, crowdfunding has emerged as novel way for entrepreneurial ventures to secure funds without having to look for venture capital or other traditional sources of venture investment.

Schwienbacher and Larralde (2010) define crowdfunding as an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes. Thus, the crowd generates financial support for already proposed initiatives.

The crowdfunding mechanism is also related to social networking, where consumers actively participate in online communities to share information, knowledge and suggestions about a new initiative and/or brand. However, crowdfunding goes beyond conventional social-network participation by incorporating more proactive roles for consumers, such as selecting new initiatives to support and providing financial backing for them.

## RESEARCH METHODOLOGY

The methodology adopted for the study of this paper is secondary data. The sources from which the data is collected are from different websites and journals and a study has been done on the same basis.

## OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To study the role of crowd funding acting as a catalyst
2. To analyze the Indian scenario about crowd funding.
3. To study Challenges of Crowd funding in India.

## INDIAN PERSPECTIVE ABOUT CROWDFUNDING

1. Crowdfunding in India, though not as popular as in the US is slowly catching up and playing a big role in fund raising.
2. Crowd funding is a process seeking funds from general public to create project or support an idea or fund businesses. It is an internet enabled way used by business or other organizations to raise money in the form of either donations or investments from various individuals.
3. **Capital Formation:** This is the new form of capital formation emerged in an organised way in the wake of 2008 financial crisis largely because of the problems faced by entrepreneurs, artisans and early stage enterprises in raising finance. Traditional banks are less interested to provide finance to new entrepreneurs or startups.
4. **Crowd funding in India:** India is a huge developing country. With a population of over 1.3 billion, and middle class families expending dramatically one would expect the capital formation power of crowd funding would be taking hold in this dynamic country. Equity crowd funding is not live in India but it is expected to hit the country at some point in the near future. In the next six months also many crowd funding platforms are expected to be in India.
5. **Events organised by Crowd funding:** There have been attempts at crowd funding for events like Goa project and campaigns like teach for India. The countrys first live Crowd funding event was raised on a cruise on river Ganga .Onir's Film I am a major crowd Funding project which rise around Rs. 80 lakhs from around 450 Contributors through crowd funding platform. Another massive funding story coined with the reliance industries founder DhirubhaiAmbani for his growing textile business in Gujrat.

6. **Concept of Crowd Funding not New in India:** the idea of Crowd funding is not new in India. For example, Places of Worship are built overnight using large number of donations. However the concept of online crowd funding is new to the country. The industry is not very investor's friendly, people are still not ready for this concept. low trust level of doing things online is also a challenge.
7. **E-Commerce in India:** E-commerce in India only got a boost when they initiated the concept of cash on delivery. India's ecommerce needs to really mature before anything substantial can happen. Similarly, crowd funding has to look at building an offline base to finally induce mass awareness and encourage larger participation.
8. **Scope of crowd funding in India:** As India being one of the biggest country for non government organisations (NGO's), Crowd funding stands a big chance. Many colleges and individuals will push students to list causes on Crowd funding platforms. The new companies act not only made it mandatory for the companies to spend 2% of their profits on corporate social responsibility but also help crowd funding gain attraction.

As per an Article on Aug 18, 2016 on crowdsourcing it says –

**India is now the world's second-largest internet market with more than 342 million mobile users and online payment options that make it easy to give money, says Bloomberg.**

9. **Crowd Funding and Acts in India :** As per the companies act 2013, all companies are required to spend 2% of their profits for CSR ( Corporate social responsibility). This in turn leads to more importance to Crowdfunding. Government may also exempt Crowdfunding activities from the provisions of Companies Act as it seeks to bring fund raising under the ambit of SEBI, in order to ease the way for startups to raise funds.

According to the rules in India, Equity based crowdfunding is illegal, whereas P-P lending is regulated by the RBI. Community Crowdfunding is quite popular to raise funds for social causes. It is also regulated by the Information technology Act 2000 and Income tax Regulations.

#### IMPORTANT CROWDFUNDING DRIVERS IN INDIA

India is one of the biggest countries having Non-Government Organisation (NGOs). These NGOs deliver a better and sustaining environment for the future of crowdfunding. Consequently, the newly drafted Companies Act mandates, all companies need to spend at least 2% of their earnings on corporate social responsibilities. This, in fact, is the best option that will accelerate India's crowdfunding scenario.

**India's Top 10 Crowdfunding Platforms are as follows :** Rang De. Faircent. , Ketto. , Wishberry. , FuelADream. , Catapooolt. , Bitgiving., Crowdera , start51.com, igniteintent.com.

#### MAJOR CHALLENGES

Fundamentally, the concept of crowdfunding is not new to India. Since historical times, the temples and worshipping places were built using public donations. Yet, the concept of online crowdfunding is definitely new for the evolving corporate ecosystem in India.

Indians are not very investment-friendly. Consequently, the typical Indian mindset is still not ready to accept today's crowdfunding model. Entrepreneurs and innovative startups need to initiate revolutionary concepts that will change this peculiar mindset; eventually, motivating people to participate in crowdfunding activities.

Despite the fact that so many thriving e-commerce companies hail from India, people here are not accustomed to trusting online transactions. However, with the current demonetisation move, people have started believing in digital transactions. This can be seen as a major step towards the evolution in the Indian crowdfunding scenario.

#### ADVANTAGES

Crowd funding a new concept in India has proved to be very advantageous.

1. Crowd funding helps to cross the biggest hurdle of lack of money at the right time for investors and thus fulfill dreams.
2. It is open to anyone with a potential and a dream. Artists, musicians, painters, dancers, singers, photographers, writers, scientists, event managers anyone can benefit from crowd funding.
3. It helps in collecting funds for the project quickly and easily.
4. It minimizes the tedious and long fundraising process

5. It brings in those financiers who can spare a little amount as low as 50/- and participate in financing,
6. Complex, difficult, and niche ideas get funded.
7. Unusual companies have the opportunity to form, recruit sharp minds and push boundaries.

### **DISADVANTAGES**

1. Not all projects that apply to crowdfunding platforms get approved
2. By putting less of their own skin in the game and no longer facing investors one-on-one, entrepreneurs lose out on the truly valuable step of convincing others
3. If the funding target is not reached then any finance that has been pledged will usually be returned the investors
4. Investors are susceptible to fraud or just plain incompetence.
5. Crazy ideas also get funded sometimes.

### **CONCLUSION**

According to a World Bank report (2012), India has only 10 CFPs as against 344 in the US and 87 in the UK. (Currently 15 CFP's in India). According to a report titled, "Mobile Internet in India 2016," there were 389 million mobile internet users in the country. The World Bank report observes that "crowdfunding has emerged as a multibillion-dollar global industry."

Crowdfunding is relatively a new concept in India and the usage of Internet for raising funds is even less. While looking forward, Crowd funding has a bright future in India, as internet penetration and the success of e-commerce will pave the way for crowd funding as efficient crowd funding system can really play the role of catalyst in bringing the startup ideas into reality.

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**E-BANKING IN INDIA - A STUDY ON USAGE OF E- BANKING AMONG CONSUMERS**

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**ABSTRACT**

*The advancement in IT enabled services has brought a sea change in the operations of the banking sector. Due to technology there are so many innovations in banking sector. Every work in the banking industry is computerized from opening of account to transfer money, which replaced the traditional Banking practice. This paper focuses on E- Banking services in India and also made an attempt to study consumer perception towards E- Banking and its impact on day to day operations in a common man's life. This study was conducted in Hyderabad region and the data was collected with the help of structured questionnaire using Google forms and was further analyzed using SPSS.*

*Electronic banking is the most inventive services offered by the banks. The transformation from traditional banking started from the use of automatic teller machines, ATM, direct bill payment, Electronic Fund Transfer (EFT) and the revolutionary online banking is being accepted by the customers with growing awareness and education. There are many substitutes for cash in the modern economy ranging from cheques, debit cards, pre-paid cards, credit cards and mobile wallets; one among these is E-banking. This paper tries to throw a light on the rising trend of E- Banking and its impact on Consumers'. The study shows that e-banking services are widely accepted which facilitates the customers to conduct wide range of services without any hassle and with minimum cost and efforts.*

*Keywords: E-Banking, ATM'S, EFT, Traditional Banking, Mobile wallets.*

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**I. INTRODUCTION**

In the twenty first century, banking facilities are no longer restricted to working hours but can be accessed easily anytime and anywhere at your fingertips. The plastic cards in our wallets have outnumbered the currency notes. However, the biggest reason for the online banking replacing the traditional banking practices is the tremendous development and sweeping changes in the field of Information Technology. Electronic banking is a major part of E-commerce all over the world. E-banking is the term that signifies and encompasses the entire sphere of technology initiatives that have taken place in the banking industry. E-banking is a generic term making use of electronic channels through mobile phones, internet etc. Customers have also chosen electronic banking because of the perception that they are more secure. Customers are now able to avoid the hurry to reach a bank before it shuts for the day, as they can now bank through a computer or using ATMs. The services of bank through internet are a prime attractive feature.

**II. OBJECTIVE OF THE STUDY**

- To Study various e-banking services/products adopted by Indian banks.
- To analyze consumers' perception towards rapidly growing technology in the world of Core Banking.
- To study and analyze the progress made by Indian banking industry in adoption of technology.

**III. RESEARCH METHODOLOGY**

The study is based on descriptive nature, both primary and secondary source of data were used. The primary source of data collected through self constructed questionnaire using Google forms. A sample of 51 respondents from different socio-economic characteristics was selected from Hyderabad region were taken for the study. The collected data analyzed using statistical packages for the social sciences (SPSS). Secondary sources such as journals, magazines, and websites are extensively used for the study.

**IV. LITERATURE REVIEW:**

- **Heber Raveendranath (2004)** described that the advancements made in computing. Banks are developing alternative channels of delivery like ATM, telebanking, remote access, internet banking etc.
- **Janeetal (2004)** stated that Online banking requires perhaps the most consumer involvement, as it requires the consumer to maintain and regularly interact with additional technology (a computer and an Internet connection).
- **Mohan (2006)** remarked that Indian banking is at the threshold of a paradigm shift and a significant development has been achieved by banks in offering a variety of new and innovative e-banking services to

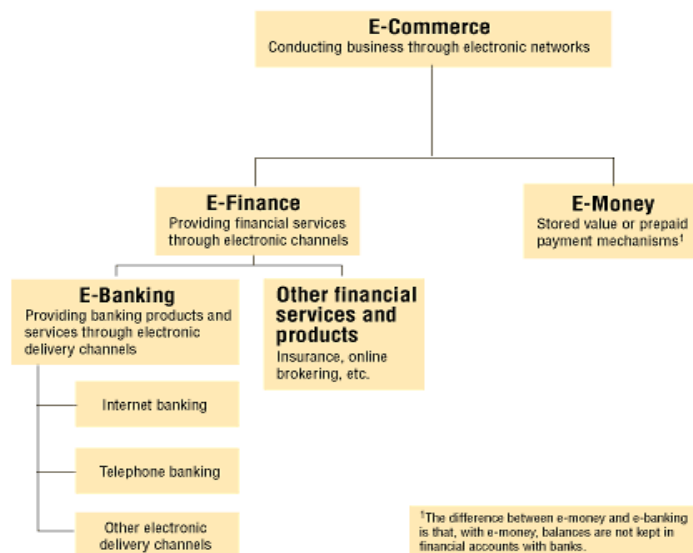
customers today, which was not thought of before. However, public sector banks have not been able to harness the benefits of computerization.

- **Safeena (2010)** determined the consumer attitude on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept the online banking system.
- **Uppal, R.K (2011)** threw light on growth of information technology in various banks. The objective of this research is to analyze the extent of technological developments in various bank groups. Findings shows as compared to new private sector banks and foreign banks, in public sector banks very less IT has taken place. The maximum technology is taking place in new generation private sector banks and foreign.

## V. E-BANKING

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Through e-banking, a customer can access his account and conduct many transactions using his computer or mobile phone. Now let us see the types and importance of E- Banking.

### What is electronic banking?



### V.1. Types of e banking

Banks offer various types of services through electronic banking platforms. These are of three types

**Level 1** – This is the basic level of service that banks offer through their websites. Through this service, the bank offers information about its products and services to customers. Further, some banks may receive and reply to queries through e-mail too.

**Level 2** – In this level, banks allow their customers to submit instructions or applications for different services, check their account balance, etc. However, banks do not permit their customers to do any fund-based transactions on their accounts.

**Level 3** – In the third level, banks allow their customers to operate their accounts for funds transfer, bill payments, and purchase and redeem securities, etc.

Most traditional banks offer e-banking services as an additional method of providing service. Further, many new banks deliver banking services primarily through the internet or other electronic delivery channels. Also, some banks are ‘internet only’ banks without any physical branch anywhere in the country.

Therefore, banking websites are of two types:

1. **Informational Websites** – These websites offer general information about the bank and its products and services to customers.

2. **Transactional Websites** – These websites allow customers to conduct transactions on the bank's website. Further, these transactions can range from a simple retail account balance inquiry to a large business-to-business funds transfer. The following table lists some common retail and wholesale e-banking services offered by banks and financial institutions:

### **V.2. Importance of e-banking**

- Lower cost per transaction – since the customer does not have to visit the branch for every transaction, it saves him both time and money.
- A reduced margin for human error – since the information is relayed electronically, there is no room for human error
- Lesser paperwork – digital records reduce paperwork and make the process easier to handle. Also, it is environment-friendly.
- More loyal customers – since e-banking services are customer-friendly, banks experience higher loyalty from its customers.
- Convenience – a customer can access his account and transact from anywhere 24x7x365.
- Better productivity – Electronic banking improves productivity. It allows the automation of regular monthly payments and a host of other features to enhance the productivity of the business.
- Reduced fraud – Electronic banking provides a digital footprint for all employees who have the right to modify banking activities. Therefore, the business has better visibility into its transactions making it difficult for any fraudsters to play mischief.

### **V.3. E-banking in India**

In India, since 1997, when the ICICI Bank first offered internet banking services, today, most new-generation banks offer the same to their customers. In fact, all major banks provide e-banking services to their customers.

#### **Popular services under e-banking in India**

- ATMs (*Automated Teller Machines*)
- Telephone Banking
- Electronic Clearing Cards
- Smart Cards
- EFT (*Electronic Funds Transfer*) System
- ECS (*Electronic Clearing Services*)
- Mobile Banking
- Internet Banking
- Telebanking
- Door-step Banking.

### **V.4. Current Scenario of E-Banking in India**

Internet Banking has become an integral part of banking system in India. The concept of e-banking is of fairly recent origin in India. Till the early 90's traditional model of banking i.e. branch based banking was prevalent, but after that non-branch banking services were started. The Indian government enacted the IT Act, 2000, with effect from the 17th October 2000. To examine different aspects of Internet banking RBI set up a committee on Internet Banking. The committee had focused on three major areas of Internet banking - Technology and security issues, legal issues, regulatory and supervisory issues. RBI had accepted the suggestions and recommendations of the working committee and accordingly issued guidelines to banks to implement internet banking in India. The old manual systems which were prevalent in Indian banking for centuries seem too replaced by modern technologies.

The significant technical growths viewed in the new age payment structures in India are:

1. In 1980 to 1990's - Arrival of debit card and credit card
2. From 1984 to 1988 – Banks started using computers, MICR cheques were introduced.



3. In 1987 – HSBC is the first bank to introduce the ATM concept in India
4. In 1990 - ECS payment was introduced in India by the RBI
5. In 1991 – India joined Society for Worldwide Interbank Financial Telecommunication.
6. In 1997 - Shared payment network system has been set up
7. In 1999 – A pilot project for Smart cards conducted jointly by Reserve bank of India, IIT (Mumbai) and IDRBT, Hyderabad
8. In 2000 – Information Technology act was passed,
9. In 2002 – mobile banking was started in India by way of SMS banking
10. In 2003 – Introductions of Special Electronic fund transfer
11. In 2004 – Introduction of Real-time gross settlement
12. In 2005 – overall 11 Percent of branches of Public sector banks have been brought under Core banking solutions and the introduction of national electronic funds transfer.
13. In 2007 – the payment and settlement system act, 2007 was passed
14. In 2008 – Introduction of Cheque truncation system and operative guidelines on mobile banking transactions were issued.
15. In 2009 – Free cash withdrawal from ATMs.
16. In 2010 – Introduction of Immediate payment service
17. In 2016- Bharat bill payment system & Unified Payments Interface is stated in banks across the country started to upload their interface in August 2016.
18. In 2016 - Bharat Interface for Money (BHIM) is a mobile app developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface
19. As of September 2018, total number of ATMs in India increased to 205,866 and is further expected to increase to 407,000 ATMs in 2021 .
20. The digital payments system in India has evolved the most among 25 countries, including UK, China and Japan, with the IMPS being the only system at level 5 in the Faster Payments Innovation Index (FPPII). India stepped up to 28th position on the government's adoption of e-payments ranking in 2018
21. By 2022, digital assistants, social media and third party channels are projected to act as primary channels for banking.

## VI. HYPOTHESIS OF THE STUDY

H0 – It is assumed that, there is a no relationship between Age and usage of E- Banking among consumers

H1- It is assumed that, there is a relationship between Age and usage of E- Banking among consumers

## VII. ANALYSIS OF DATA

**Table-1: Age Vs. Usage of E- Banking services**

Age / Usage of E- Banking service	Yes	No	Total
<b>Below 20</b>	7(100%)	0	7
<b>21-30</b>	26(96.3%)	1(3.7%)	27
<b>31-40</b>	12(100%)	0	12
<b>41-50</b>	2(100%)	0	2
<b>Above 50</b>	3(100%)	0	3
<b>Total</b>	50(98%)	1(2%)	51
<b>Chi square - 0.924</b>			

Source: Primary Data

### Data Interpretation & Analysis

- Table 1 indicates that majority i.e 98% of the respondents use E- Banking services, whereas only 2% of the respondent does not use E- Banking service .

- From the above table, it is inferred that Pearson Chi- square is 0.924 which is more than 0.05. H1 is accepted; hence it is clear that there is a relationship between Age and usage of E-banking services.

**Table-2: Age Vs. How often consumer use E- Banking services**

Age / How Often	Daily	Once in a week	Once in a month	Every 6 months	Total
<b>Below 20</b>	3(42.9%)	1(14.3%)	3(42.9%)	0	7
<b>21-30</b>	7(25.9%)	9(33.3%)	9(33.3%)	2(7.4%)	27
<b>31-40</b>	2(16.7%)	6(50.0%)	4(33.3%)	0	12
<b>41-50</b>	1 (50.0%)	0	1(50.0%)	0	2
<b>Above 50</b>	1(33.3%)	0	1(33.3%)	1(33.3%)	3
<b>Total</b>	14(27.5%)	16(31.4%)	18(35.3%)	3(5.9%)	51
<b>Chi square - 0.564</b>					

Source: Primary Data

**Data Interpretation & Analysis**

- Table 2 indicates that, majority of the respondents i.e 35.3% use E- Banking services once in a month, while 31.4% of the respondents use once in a week , whereas 27.5% of the respondents use on a daily basis but only 5.9% of the respondents use E- Banking services every 6 months.
- From the above table, it is inferred that Pearson Chi- square is 0.564 which is more than 0.05. H1 is accepted; hence it is clear that there is a relationship between Age and usage of E-banking services.

**Table-3: Age Vs. Reason for using E- banking services**

Age / Reason	Convenience	Safe & Secure	Low service charge	Easy to maintain banking transaction activity	Total
<b>Below 20</b>	5(71.4%)	0	0	2(28.6%)	7
<b>21-30</b>	10(37.0%)	6(22.2%)	2(7.4%)	9(33.3%)	27
<b>31-40</b>	6(50.0%)	4(33.3%)	0	2(16.7%)	12
<b>41-50</b>	2(100%)	0	0	0	2
<b>Above 50</b>	2(66.7%)	0	1(33.3%)	0	3
<b>Total</b>	25	10	3	13	51
<b>Chi square - 0.309</b>					

Source: Primary Data

**Data Interpretation & Analysis**

- Table 3 indicates that, majority i.e 25 respondents feel it is convenient to use E- banking services, while 13 respondents feel it is easy to maintain bank transaction activity , whereas 10 respondents feel it is safe and secure but 3 respondents says the reason for using E- banking services is because of Low service charge.
- From the above table, it is inferred that Pearson Chi- square is 0.309 which is more than 0.05. H1 is accepted; hence it is clear that there is a relationship between Age and usage of E-banking services.

**Table-4: Age Vs. Advantage of Using E- Banking services**

Age / Advantage	Security	Flexibility	Time saving	Total
<b>Below 20</b>	0	2(28.6%)	5(71.4%)	7
<b>21-30</b>	4(14.8%)	10(37.0%)	13(48.1%)	27
<b>31-40</b>	0	5(41.7%)	7(58.3%)	12
<b>41-50</b>	0	2(100%)	0	2
<b>Above 50</b>	1(33.3%)	1(33.3%)	1(33.3%)	3
<b>Total</b>	5	20	26	51
<b>Chi square - 0.381</b>				

Source: Primary Data

**Data Interpretation & Analysis**

- Table 4 indicates that 26 respondents feel it save time to use E- banking services, while 20 respondents feel it flexible to use E- Banking services.
- From the above table, it is inferred that Pearson Chi- square is 0.381 which is more than 0.05. H1 is accepted; hence it is clear that there is a relationship between Age and usage of E-banking services.

**Table-5: Age Vs. Challenges faced while using E- Banking services**

Age / Challenges	Usage	Network issue	Availability	Awareness	Safety & Security	Total
<b>Below 20</b>	0	3(42.9%)	1(14.3%)	2(28.6%)	1(14.3%)	7
<b>21-30</b>	3(11.1%)	16(59.3%)	3(11.1%)	1(3.7%)	4(14.8%)	27
<b>31-40</b>	1(8.3%)	3(25.0%)	1(8.3%)	2(16.7%)	5(41.7%)	12
<b>41-50</b>	10	2(100%)	0	0	0	2
<b>Above 50</b>	1(33.3%)	2(66.7%)	0	0	0	3
<b>Total</b>	5	26	5	5	10	51

**Chi square - 0.491**

Source: Primary Data

**Data Interpretation & Analysis**

- Table 5 indicates that, 26 respondents feels there is network issue while using E- Banking services, while 10 respondents feels it is not safe and secure to use E-Banking service , whereas few respondents feels it is not that user friendly to use E- Banking services.
- From the above table, it is inferred that Pearson Chi- square is 0.491 which is more than 0.05. H1 is accepted; hence it is clear that there is a relationship between Age and usage of E-banking services.

**VIII. CONCLUSION**

Banks are making earnest efforts to popularize the e-banking services and products. Younger generation is commencing to optically discern the convenience and benefits of e-banking. In years to come, e-banking will not only be customary mode of banking but will be chosen mode of banking. No doubt Indian banks are making sincere efforts for the adoption of advanced technology. But still there are many challenges cognate to the safety and security of the money and information so some special arrangements should be made by banks to ensure full security of customers' funds. Technical defaults should be evaded by employing well trained and expert technicians in field of computers, so that loss of data can be avoided. Seminars and workshops should be organised by the banking professionals on the salubrious utilization of e-banking service. Government should magnify investments for the construction of well-furnished building and infrastructure. Factor analysis results indicated that utility request, security, utility transaction, fund transfers are major factors that influence the customers' perception towards e-banking.

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**CORRELATIONAL STUDY OF QUANTITATIVE EASING IN USA AND JAPAN**

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**ABSTRACT**

*The following study explores the correlation between USA and Japan, the data was compiled from secondary sources and Karl Pearson's correlation was used to analyse various factors. Quantitative easing refers to unconventional method of driving economy towards growth where in central bank of the country buys government bonds and pumps more money in the market, as a result as the bank lending rate approaches zero the troubled assets are bailed out and there is more impetus to the economy due to lower borrowing rates. US and Japan were selected as the correlation was found to be positive and i.e. high 0.89 and both economies have used Quantitative easing in US it was successful and in case of Japan it did not have intended effect. US society and that of Japan have different structure. The secondary data yielded consistent result.*

*The GDP growth rate vs Inflation in US -0.4515 and for Japan its was 0.367, which brings out the measures to be taken to control inflation during easing period. In Growth of GDP vs Unemployment showed similar results USA had moderate but negative at -0.48 and in Japan -0.13. In Index and GDP USA had strong correlation 0.956 and Japan 0.65, which indicates more investment in secondary market.*

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**INTRODUCTION**

World is has become one cohesive unit when it comes to the economy, just as any change in atmosphere effect everyone similarly economies have become so interconnected that change in one economy is bound to affect others barring some exceptions. There has been a gradual change in the role of the government and their role in economy of the country. Now a day's governments are made based on their economic agenda as it is the source of strength for any country. However due to complexity and saturation in demand and various factors economy may not always grow as expected, which adversely effects the country's economy and related variables like Gross domestic product and employment. In most of the economies central banks have been playing a crucial role in providing impetus to the economy when in need, as economy slows down and recession sets in, it is incumbent upon the government through its instruments like central bank to take proactive steps, one such step is quantitative easing. Quantitative easing refers to an indirect method of pushing more liquidity in to economy where in the central bank purchases government bonds and as the lending rate approaches zero, troubled assets can be bailed out. Quantitative easing has been used by Japan since \_\_\_\_2001\_\_\_\_ and by USA \_\_\_\_2008\_\_\_\_. However it is considered that quantitative easing has been successful in USA but has fallen short in case of Japan.

**REVIEW OF LITRATURE****Ten years on: What have we learned from quantitative easing?**

(Stephen S. Roach)

The write up examines the efforts of quantitative easing in united states of America, as quantitative easing aims to achieve zero interest rate and bailout troubled assets, recovery of the assets is crucial failing which quantitative easing would not be effective. Economy moves from strong fundamentals to that driven by stimulus packages. Quantitative easing is not an exercise in isolation and is affected by situation unfolding in emerging markets. It has the potential to aggravate income disparity. Central banks should play a proactive role if quantitative easing needs to be effective.

**Diminishing effects of Japans Quantitative easing**

(Sean Ross)

Japans current debt ratio with reference to its GDP presents a worrisome picture, as a case study it exemplifies the fact that economy as such cannot be managed by arm chair logic and is an interplay of dynamic forces. Quantitative easing has its down side as it has the capacity to disrupt the fundamentals and just provides the scaffolding of hope. Bad loans given by banks and inflation are other major factors which can negate the effects of easing adding to It huge debt servicing cost reduces fresh capital formation and fails to get desired results.

**Quantitative easing: A rationale and some evidence from Japan**

(Volker Vineland)

The rationale behind quantitative easing which targets interest rates in order to provide impetus to the economy. In japan the measures were applied from 2001 to 2006. The effects of the methodology and measures by Bank of Japan are studied and explored with reference to Europe and United states.

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**METHODOLOGY****Research objectives**

- 1- To study the correlation between GDP of US and Japan
- 2- To study correlation between Unemployment rate and GDP in Japan and USA
- 3- To study correlation between Inflation rate and GDP in Japan and USA
- 4- To study correlation between Population growth rate and GDP in Japan and USA
- 5- To study correlation between National stock (Index) and the GDP in Japan and USA

**HYPOTHESIS**

- H1: The correlation between population growth rate and GDP will be negative in Japan and USA
- H2: There would be negative correlation between interest rates and GDP in Japan and USA
- H3: National index and GDP would be positively correlated in Japan and USA
- H4: Inflation and GDP growth would be negatively correlated in Japan and USA
- H5: There would be a positive correlation between GDP of USA and JAPAN

**DATA AND TECHNIQUE**

Secondary data was analysed from 1960 to 2018 for both Japan and USA. Product moment correlation was used as primary technique to draw correlation as data is considered in ratio scale.

**DISCUSSION****USA**

The data indicating US GDP-growth has shown a negative correlation of  $-.323$  which means when the GDP of US rises, the GDP Growth rate might fluctuate however this data is found to be very significant at 0.05 level.

The data pertaining to US GDP and GDP per capita shows high correlation of  $0.996$  that means both the variables GDP and GDP per capita show similar movement. this data is significant at 0.01 level (1%).

The correlation between the data of US GDP Growth and US GDP per capita is found to be negative at  $-.326$  which indicates that the direction of movement of the two variables differed from each other. this data is significant at 0.001 level (1%).

The data relating to US Population growth and GDP showed a negative correlation of  $-.658$  which means when the population increases the GDP fluctuates this data is very significant at 0.001 level.

The data of GDP Growth rate and Population growth rate shows a positive correlation of  $0.280$  however this correlation might be considered as weak, it means that movement of both variables might be similar. this data is very significant at 0.05 level.

The correlation between US Population Growth and GDP per capita is moderately high at  $-.652$  and is negative that means the rise in population could be followed by a fall in GDP per capita. this data is significant at 0.01 level (1%).

The data pertaining to US Unemployment and US GDP Growth rate show a negative correlation of  $-.481$  that means the unemployment level might fall if the GDP Growth rate rises, this data is very significant at 0.01 level (1%).

The data comprising of US GDP and Inflation rates show a negative correlation of  $-.452$  which means increase in GDP brings a fluctuation in the inflation. this data is very significant at 0.01 level (1%).

The data of GDP per capita and Inflation rate been as found to have a negative correlation of  $-.441$  thus showing that the direction of movement of the two variables this differ from each other

This data is very significant at 0.01 (1%)

The S&P 500 and US GDP shows a very high correlation of  $.957$ , it is positive that means rise in GDP brings increase in S&P500. This data is very significant at 0.01 level (1%).

The data of S&P500 and GDP per capita shows a positive and high correlation of  $0.941$  that means both the variables move in the same direction. this data is very significant at 0.01 level (1%).

**JAPAN**

The data pertaining to Jap GDP and GDP growth is found to be highly negatively correlated at  $-0.741$

That means when GDP rises the GDP growth rate tends to fall. This data is very significant at 0.01 level (1%)

The data consisting of Jap GDP per capita and GDP growth has a negative correlation of  $-0.743$  that means GDP Growth rate might fluctuate when GDP per capita rises. This data is very significant at 0.01 level (1%)

The data of Jap GDP and GDP per capita growth shows a negative correlation of  $-0.492$  that means when the direction of the movement of the two variables may differ. This data is very significant at 0.01 level (1%)

The data pertaining to GDP Growth and GDP per capital growth shows a positive correlation of  $-0.466$

That means when GDP Growth rate rises, the GDP per capita tends to increase. This data is very significant at 0.01 level (1%)

The data showing GDP per capita growth rate and GDP per capita computed a negative correlation of  $-0.489$  which means GDP per capita growth rate fluctuates with increase in GDP per capita. This data is very significant at 0.01 level (1%)

The data pertaining to Japan Population growth rate and GDP indicates a negative correlation of  $-0.825$ . The correlation is very high it means when the population rises the GDP falls. This data is very significant at 0.01 level (1%)

The data of GDP Growth and Population growth rate has a positive correlation of  $0.576$  which means the direction of the movement the variables are similar. This data is very significant at 0.01 level (1%)

The data consisting of Jap Population growth rate and GDP per capita shows high negative correlation of  $-0.822$  it means when population rises the GDP per capita falls. This data is very significant at 0.01 level (1%)

The data comprising Jap bank rates and GDP had a very high negative correlation of  $-0.919$  showing that when the bank rates fell the GDP tend to increase. This data is very significant at 0.01 level (1%)

The data showing Jap Bank rate and GDP Growth rate has a positive correlation of  $0.698$  that means that when bank rates fall the growth rate also tends to decline. This data is very significant at 0.01 level (1%)

The data consisting of Jap Inflation and GDP was put to correlation test and showed a result of  $-0.709$  which means when the GDP increases the inflation tends to decline. This data is very significant at 0.01 level (1%)

The data pertaining to GDP per capita and Jap Inflation rate has resulted a correlation of  $-0.24$

This correlation is very weak and negative. This data is very significant at 0.05 level (5%).

The data of Jap Nikkei and GDP has shown a negative correlation of  $-0.305$  that means when GDP rises the Nikkei index fluctuates. This data is very significant at 0.01 level (1%)

The data showing Nikkei and GDP Growth rate has a moderate negative correlation of  $-0.582$  that means when GDP Growth rate increases Nikkei fluctuates. This data is very significant at 0.01 level (1%)

The data pertaining to Nikkei and GDP per capita is positive at  $0.405$  that means when GDP per capita increases Nikkei moves too. This data is very significant at 0.01 level (1%).

**LIMITATIONS**

- 1-The current study has not taken into account major events like war and other geo political developments.
- 2- Natural calamities have not been taken into account and their impact has not been quantified.
- 3-The economic crisis and other events related to international scene have not been quantified.
- 4-Major developments in international forums like BRICS and other summits has not been studied.
- 5-Secondary data has been used as it was more accurate and efficient way of gathering data of such proportions.

## Correlations

Table-1

		USGDP	USGDPgrowth	USGDPpercap
USGDP	Pearson Correlation	1	-.323*	.996**
	Sig. (2-tailed)		.013	.000
	N	58	58	58
USGDPgrowth	Pearson Correlation	-.323*	1	-.326*
	Sig. (2-tailed)	.013		.013
	N	58	58	58
USGDPpercap	Pearson Correlation	.996**	-.326*	1
	Sig. (2-tailed)	.000	.013	
	N	58	58	58
USGDPpercapgro	Pearson Correlation	-.600**	.587**	-.602**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
USPopGrowth	Pearson Correlation	-.658**	.280*	-.652**
	Sig. (2-tailed)	.000	.033	.000
	N	58	58	58
USUnempgrowthrate	Pearson Correlation	-.013	-.481**	.003
	Sig. (2-tailed)	.922	.000	.981
	N	58	58	58
USBankint	Pearson Correlation	-.118	.053	-.060
	Sig. (2-tailed)	.379	.692	.654
	N	58	58	58
USInflation	Pearson Correlation	-.452**	-.212	-.441**
	Sig. (2-tailed)	.000	.110	.001
	N	58	58	58
USSandP500	Pearson Correlation	.957**	-.224	.941**
	Sig. (2-tailed)	.000	.091	.000
	N	58	58	58
USAnnualchangeSandP	Pearson Correlation	.011	-.019	.022
	Sig. (2-tailed)	.937	.887	.871
	N	58	58	58

The table above shows correlation between various Variables of USA

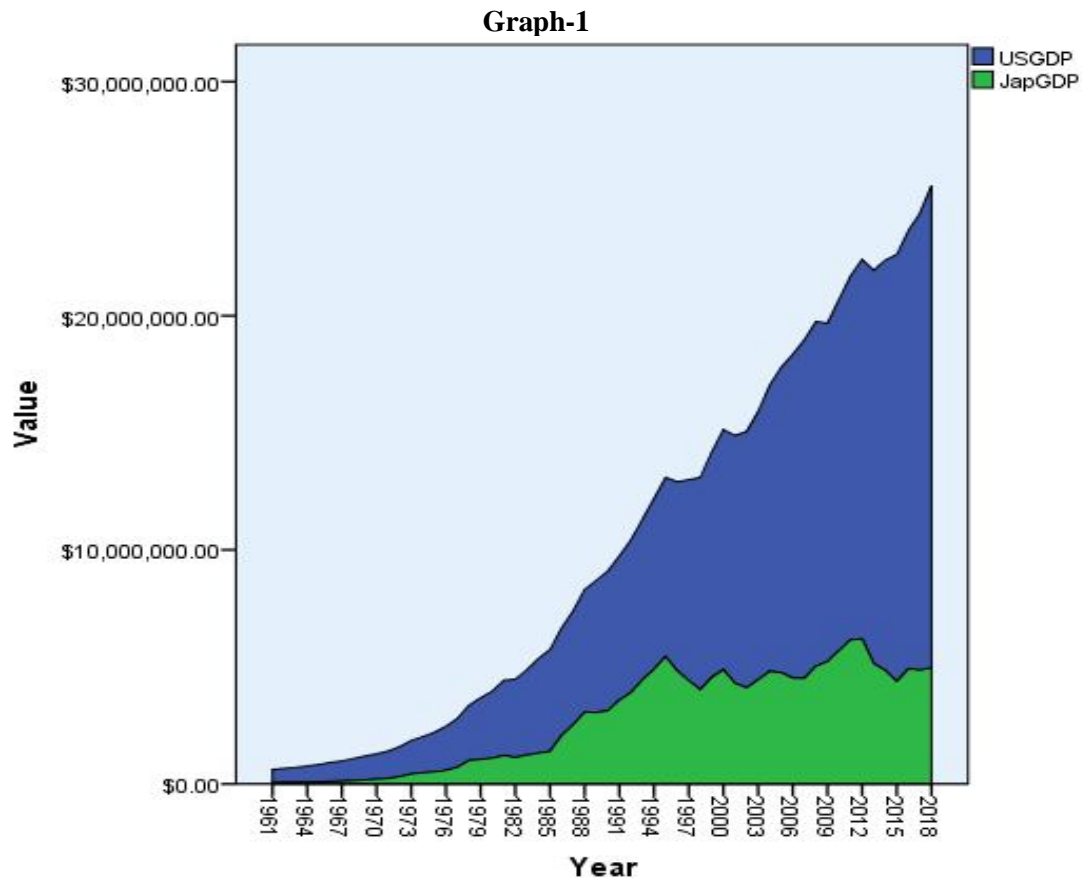
## Correlations

Table-2

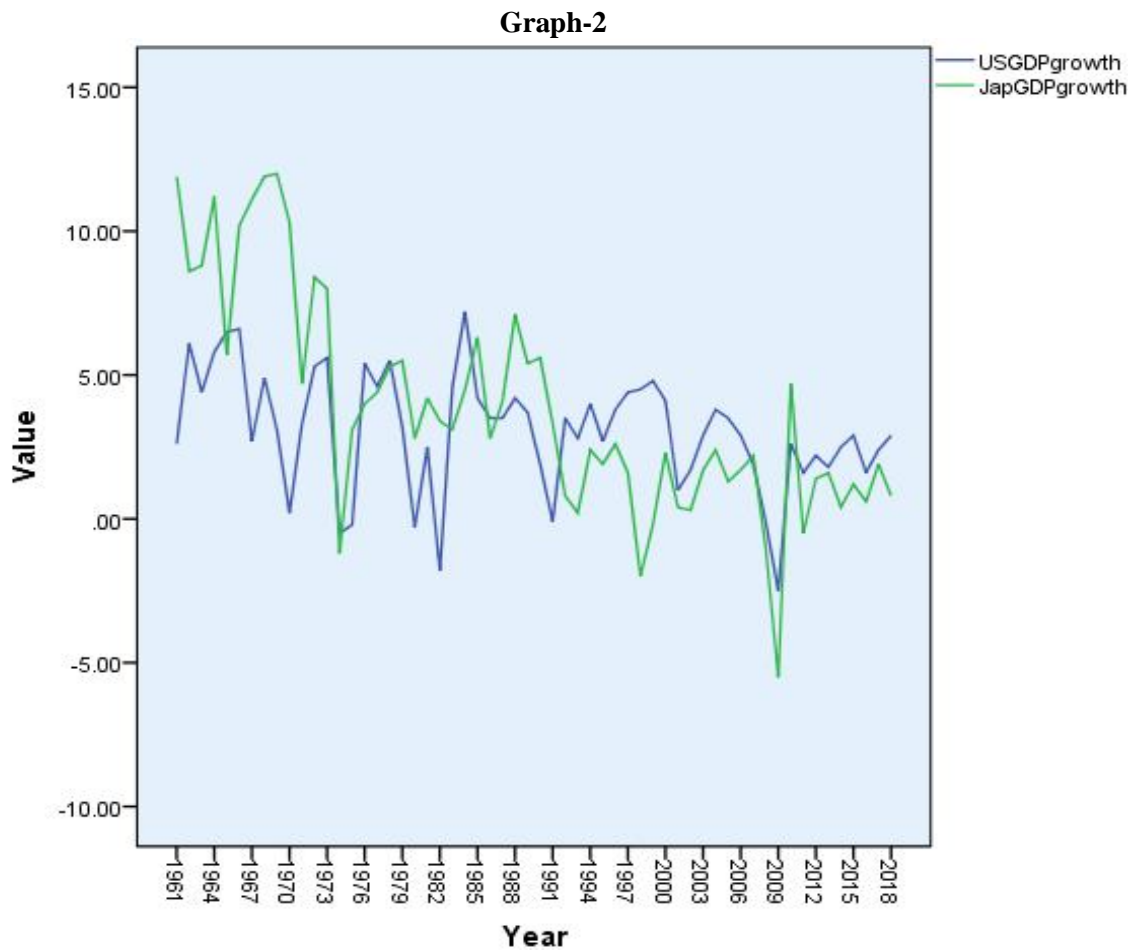
		JapGDP	JapGDPgrowth	JapGDPpercap
JapGDP	Pearson Correlation	1	-.741**	1.000**
	Sig. (2-tailed)		.000	.000
	N	58	58	58
JapGDPgrowth	Pearson Correlation	-.741**	1	-.743**
	Sig. (2-tailed)	.000		.000
	N	58	58	58
JapGDPpercap	Pearson Correlation	1.000**	-.743**	1
	Sig. (2-tailed)	.000	.000	
	N	58	58	58
JapGDPpercapgro	Pearson Correlation	-.492**	.466**	-.489**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
JapPopgrowth	Pearson Correlation	-.823**	.576**	-.822**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
JapUnempgrowthrate	Pearson Correlation	.851**	-.700**	.847**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
JapBankInt	Pearson Correlation	-.919**	.651**	-.914**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
JapInflation	Pearson Correlation	-.709**	.367**	-.709**
	Sig. (2-tailed)	.000	.005	.000
	N	58	58	58
JapNikkei	Pearson Correlation	.653**	-.453**	.663**
	Sig. (2-tailed)	.000	.000	.000
	N	58	58	58
JapAnnualchangeinNikkei	Pearson Correlation	-.169	.165	-.168
	Sig. (2-tailed)	.204	.215	.207
	N	58	58	58

The above table shows correlation between variables  
Of Japan

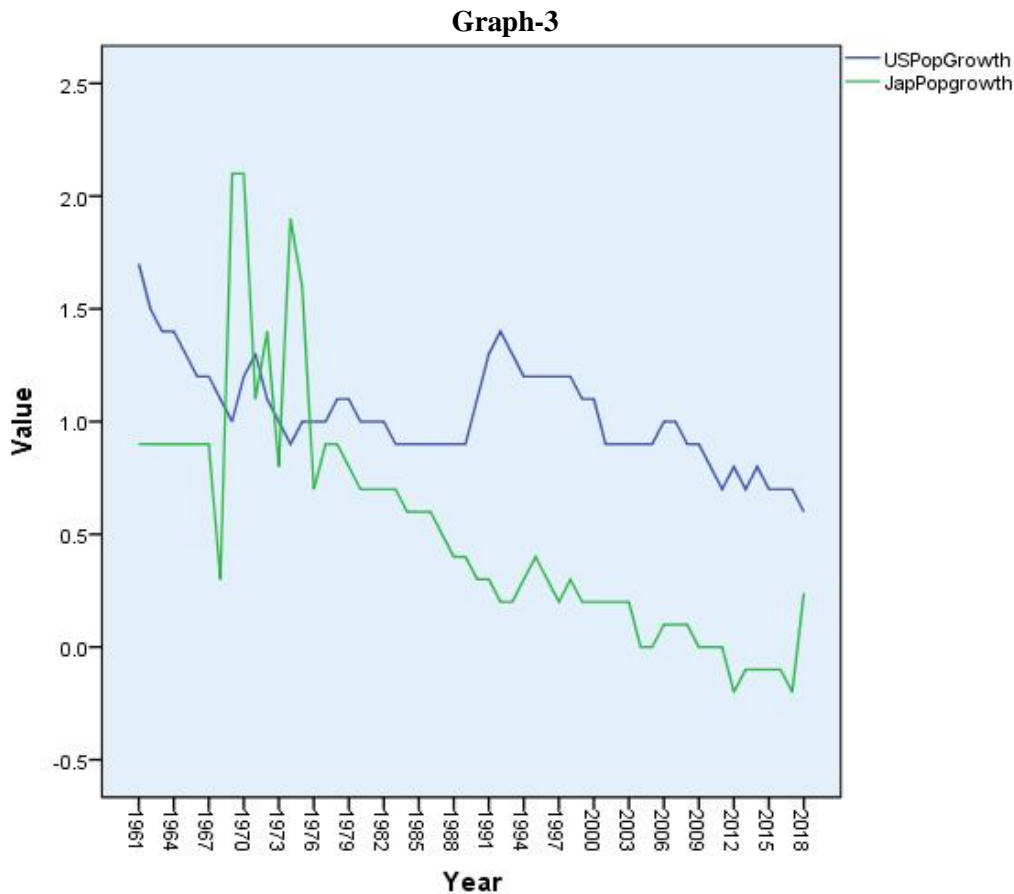




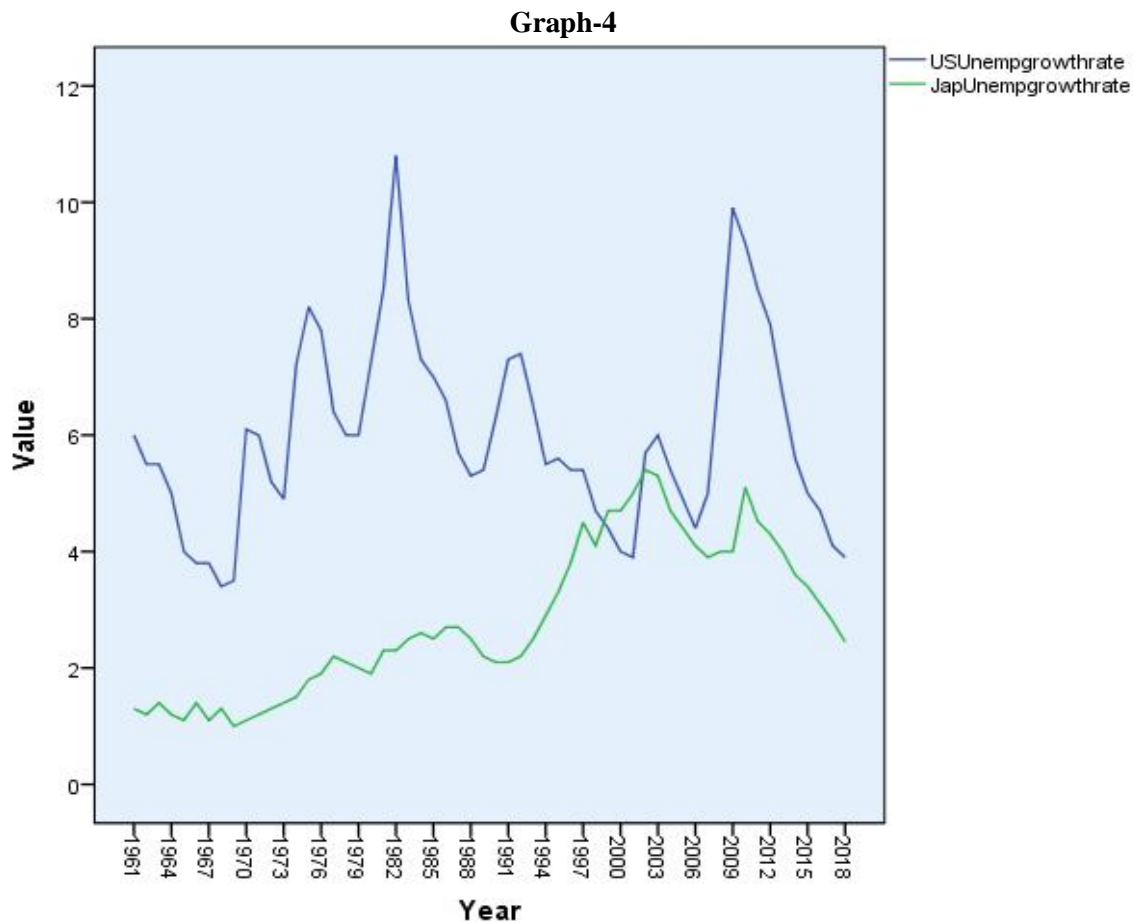
The chart above shiws the comparision between the GDP Of USA and Japan.



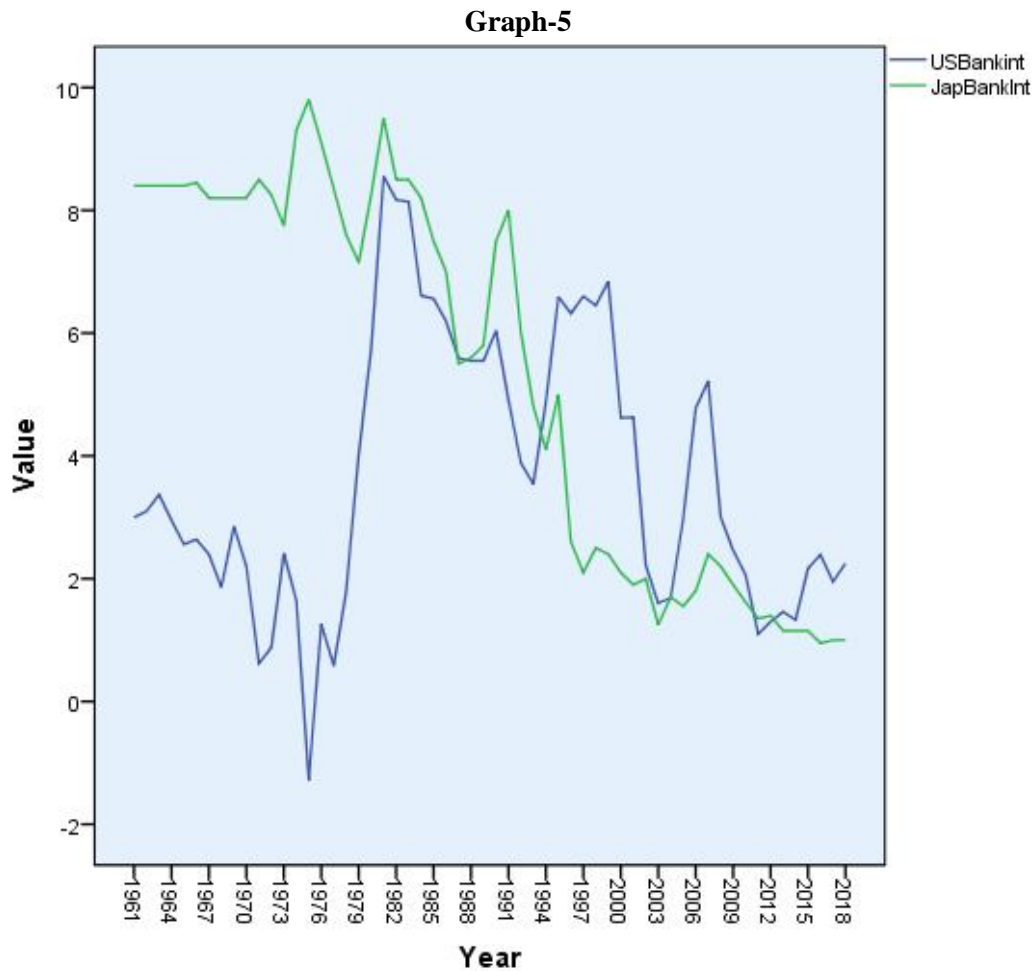
The graph above shows the comparison between the GDP growth rate Of USA and Japan



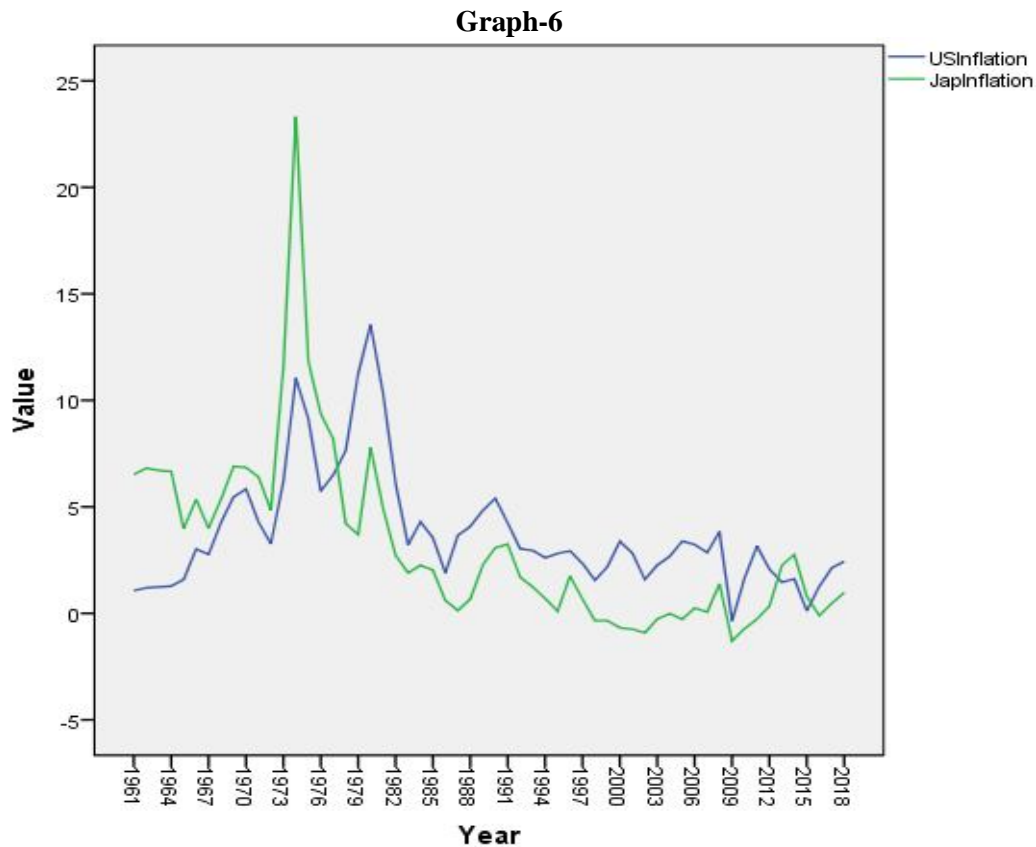
The graph above shows population growth rate of USA and Japan



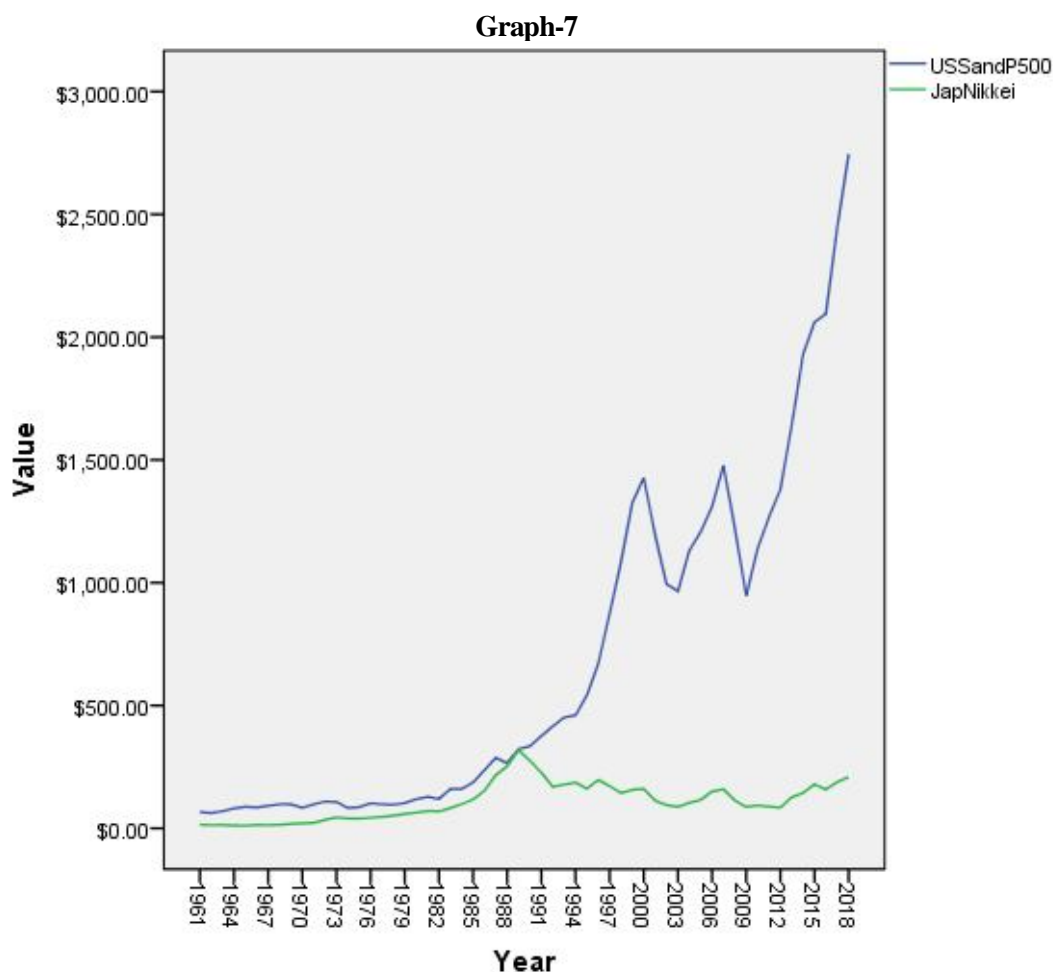
The graph above shows unemployment rates of USA and Japan.



The graph above shows unterest ratesof USA and Japan



The graph above shows inflation rates of USA and Japan



The graph above shows the performance of indices-S&P500 and Nikkei

## CONCLUSION

H1: Hypothesis was confirmed there was a negative correlation between population growth and GDP of USA -0.658 and that of Japan was -0.823, both the correlations were found to be significant at 1% level.

H2: Hypothesis was partially accepted as the relationship between bank rates and GDP in USA was found to be -0.118 however it was not significant, in case of Japan the correlation was -0.919 and was found to be significant at 1% level.

H3: Hypothesis was accepted and there was a positive correlation between National stock indexes of Japan i.e 0.653 and of USA at 0.957 both values were found to be significant at 1% level.

H4: Hypothesis was confirmed there was a negative correlation between inflation and GDP of USA -0.452 and Japan -0.709. Both the correlations were found to be significant at 1% level

H5: Hypothesis was confirmed there was appositve correlation between GDP of USA and Japan i.e. 0.893 and was found to be significant at 5% level.

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## INNOVATIVE MARKETING STRATEGIES IN AUTOMOBILE INDUSTRY IN INDIA

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### ABSTRACT

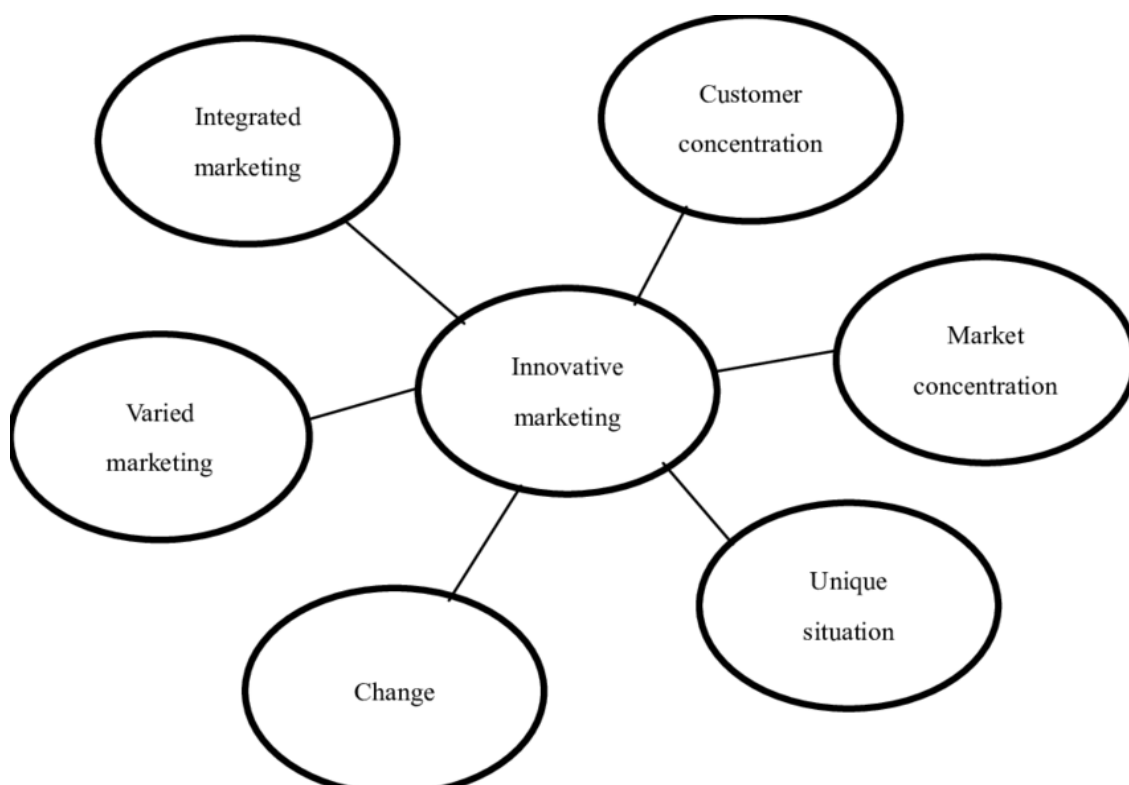
Automobile industry is one of the biggest industry that contribute the growth of economy in any nation. It includes two wheeler, three wheeler and four wheeler vehicles. Indian industry is globally one amongst the most important industries and a key sector of the Economy which with the increasing range of foreign corporations within the Indian market, the amount of employment have and will continue to increase significantly. Marketing strategies play a vital role in the penetration of the products in the markets and to grab the increasing opportunities with lot of creativity. In today's world of competition, the markets are changing continuously according to the wants of the consumers. Innovation is the way to meet the competition and it is the tool which plays a significant role to redesign the complex market strategy. New marketing strategies created a new paradigm in the marketing environment. Innovative marketing strategies are a set of creative processes and activities that introduces a product or service to the market. Indian Automobile sector is also not an exception for the innovative marketing strategies. A suitable marketing strategy is needed to advance the exposure of the product or a company and to make an organization differentiates itself from its competition by focusing on its strengths to provide better service and value to its customers. Tata , Maruthi and Mahindra are such companies in the automobile sector always grabbing the market with their market strategies and contributing a lot to the growth of automobile industry. The present paper studies on various innovative marketing strategies of Maruthi, Tata and Mahindra companies in the automobile industry in India. It also throws light on the need and importance of creative marketing strategies to sustain and be successful in the present competitive world.

**Keywords:** Innovative, market strategies, importance, automobile industry, competition

### INTRODUCTION

Innovative marketing strategies include main difference or change in the way of trade in goods and services including change in design and packing. Marketing and innovation are two inseparable words because now a days marketing without innovation is almost impossible.

“ Innovative strategy is a process where a product is marketed and communicated to the target group by the help of ideas and process which were not used earlier. It can be done through changes in the product design, launching the product in unique place, promoting through unconventional method, uniquely pricing the product etc.



**Innovative marketing includes**

**Integrated marketing:** maintaining good relationship with market intermediaries like supplies, dealers, retailers etc.

**Customer concentration**

Customer relationship, serving the needs of customers timely . Personalised selling or marketing.

**Change**

Adopting change according to the changing marketing environment.

**Situation**

Taking a situation in the market as opportunity for selling qualitative goods and services like festive seasons.

**Market concentration**

Including innovation in the marketing mix for the target customers.

Every successful market is running with innovation to day. Thinking about new products, new markets , creative way of promotion and advertising, communication and maintaining relationships with customers, marketing intermediaries, finding new sources of financial resources for business are part of market innovation. Companies are continuously striving hard to discover new ways of marketing and exploit new opportunities from the markets as today's customers are looking for novelty all around. As the competition is increasing day by day, customer is provided with large number of alternatives and it is a big challenge for the marketers to attract the customer with their product/service for the customer. In this scenario, marketers should find the new ways in their marketing mix., i.e

Product

Price

Promotion

Place (Distribution)



Source: <https://heidicohen.com/four-ps-of-marketing-mix>

These 4ps are the significant elements of marketing.

**INNOVATION IN PRODUCT:**

This is creation of an entirely new product or modifying existing product. Incorporation of innovation in the existing product enhances the value of the product by improving the quality, features. Change in design of a product appeals people with its creative design. Innovative product design makes the product look distinctively exclusive.

Examples: Dettol, iphone series, lux , perfumes etc.

**INNOVATION IN PRICE**

Making using changed pricing methods, especially when it is a new product introduction, it makes the customers keenly observe the specifications and price labels. Special offers on the products for the customers who hold the store's credit card or reward card is being an innovative way today.

Examples: gold membership cards, pharmaceutical stores like Apollo, medplus etc reward cards, special membership cards in Ratnadeep, bigbazar etc

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**INNOVATION IN PROMOTION**

Now a days markets are going with individualized promotional activities by matching the right products to the customers. There is also a scope of getting feedback by innovative marketing strategies especially incase of electronic gadgets. These promotional activities include mass media advertising in TVs, radio, online etc. individualized promotion like sending personalized messages, emails, community marketing etc.

Examples: Dominos, Peter England, White House, D-mart etc

**INNOVATION IN PLACE/DISTRIBUTION**

New channels of distribution and transaction through e-commerce today is an innovative way of distribution of products and services. Marketing or distribution of products or services to individualized customers replace mass distribution. This makes easy in usage of resources, time and also gives timely and proper feedback from the customers. Its also helps to develop good relationship with the customers by rapid response to their needs. Presentation of the products like furniture in a specially designed room according to themes give an idea about the product.

Examples : Ikea, Amazon, Automobiles etc.

**NEED FOR THE STUDY**

The present study is needed to understand the need for innovative marketing strategies to develop the global economy. Innovative marketing strategies are needed to serve the changing needs, new requirements of the customers and also improves the traditional trading. It is very important for the creative market strategies to face the price competition that dominates the sales volume. The purpose of the innovative marketing is not just serve the existing customers, but also to grab the opportunity of serving new customers and to position the brand /product/service in a better position in customer mind.

**OBJECTIVES**

1. To know the importance of innovative marketing strategies.
2. To verify marketing strategies practiced by automobile companies Maruthi, Tata and Mahindra in India.
3. To give suggestions to the automobile industry.

**RESEARCH QUESTIONS**

1. What is the importance of innovative marketing strategies?
2. What are the marketing strategies practiced by automobile companies Maruthi, Tata and Mahindra in India?
3. What are the suggestions to withstand the decline in the present automobile sector?

**REVIEW OF LITERATURE**

**According to Kharchuk , I. Kendzor , N. Petryshyn, 2014,**

Innovations are the main elements of firm's portfolio and very often determine long term strategies for companies. On the other hand innovations are associated with high consumer barriers and long time of market penetrations. Marketing strategies also enables companies foresee the time of innovation adoption by mass market and to identify customer groups which are willing to buy innovation first.

**Cummins et al. (2000)** found that the innovative selling includes all selling activities and its gain objectives are clear. In addition, the innovative marketing would be a reactive marketing is a result of the changes, which are continuously, or complementary enhancements that are based on the existing activities. The innovative behavior means that the owner or manager exploit the opportunities. The innovative marketing is considered as "doing something new with new ideas, new products or new technology and refining these ideas in response to the market demand, according to a new method."

**Kindle et al. (1996)** showed the innovation may include the new product development or the innovative developments in various aspects of marketing.

**According to (Lancaster, 2007)** The innovative marketing is constituted by the basic elements classified into the classes of modification, focusing on the customer, integrated marketing, focusing on specific niche market and positions.

**Kiran et al. (2012)** explored the innovative selling methods for tiny businesses. In this study, a survey of small businesses in India showed that the assessment of organizational strategies and properly using the marketing capabilities and making innovative ideas of marketing would produce the innovative methods within the organization that improve the potential of tiny and medium businesses.



**Kanagal (2015)** reviewed the innovation and merchandise innovation in selling methods. In this research, the innovation and organizational change and changes in the marketing strategies were discussed, in line with the interests of customers and the market in order to gain competitive advantage. The results showed the innovation in marketing strategies would create shared value for the organization and the customer, and using innovative marketing methods should be in line with organizational strategies.

**According to (owomoyela, et al, 2013),**

The aim of the event of an organization's selling strategy development is to determine, build, defend and maintain its competitive advantage. Gaikwad & Kate (2016) noted that marketing has always been around.

**According to García-Medina & Plaza Romero (2017)**

Explained that new technologies have forced companies to reconsider marketing strategies.

This is not possible to combine the two concepts of innovation and marketing together in the field of innovation, and this is considered as the

**Bottleneck for many researchers (Weizhen, 2009).**

The relationship between marketing and innovation can be called a bilateral interaction and effectiveness and making connections between the innovation and the marketing, it can be reached a sustainable competitive advantage (Oudrhiri et al., 2009)

**According to (Stokes & Wilson, 2010)**

The impact of innovative marketing strategies on competitive advantage and business performance make organizations try to match their strategies with innovative approaches and innovative changes in the marketing mix (place, product, promotion and price) to achieve their strategy. In addition to helping the organization to be sustain and gain competitive advantage, B. Sattari 27 innovative marketing techniques also cause positive rating in organization and help them while economic crisis.

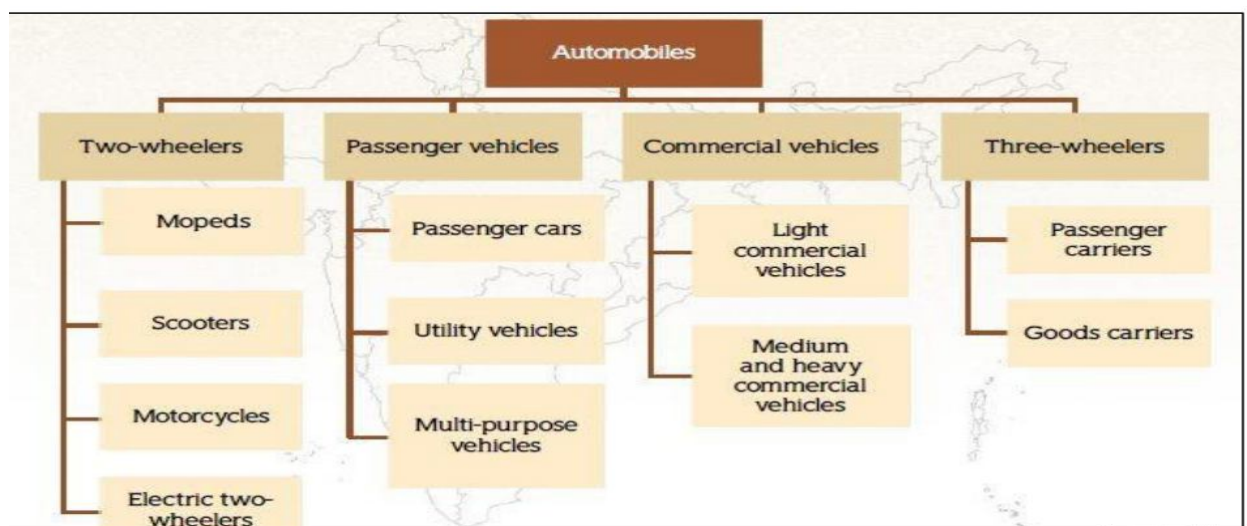
According to researches, while economic crisis, typical marketing strategies and 4 basic factors of marketing mix should be changed to increase the benefits, income and sale and also it is suggested that as an innovative method, organizations concentrate on their positive points (**Köksal & Özgül, 2007**).

### BRIEF HISTORY OF AUTOMOBILE INDUSTRY IN INDIA:

Before independence, Indian automobile industry was mainly dealing with the servicing, financing, dealership and maintenance of vehicles. After a decade late independence, manufacturing of automobiles started in India. From then, automobile industry is facing many challenges in India. Still it was successful to stand as the major contributor for the economic growth of the country. Even then the production is limited. Hindustan Motors, Premier Automobiles, Standard Motors.

The first car that plied on Indian roads was as early as 1897 and the first Indian to own a car in 1901 was Jamshedji Tata. It was in 1942, before India's independence that Hindustan Motors manufactured the first automobile in India. ... The year 1952 also marked the introduction of passenger cars in the country.

There was no much expertise or Research and Development for many years. From 1970s, the industry there were significant changes took place in the Indian automobile industry.

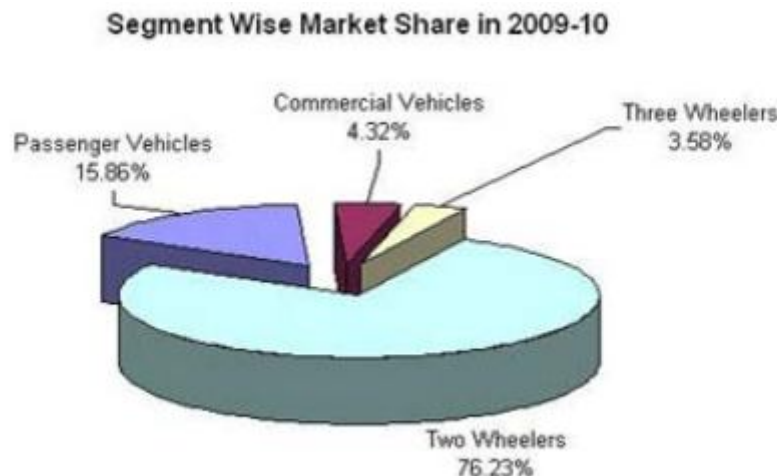


Source: SESEI journal

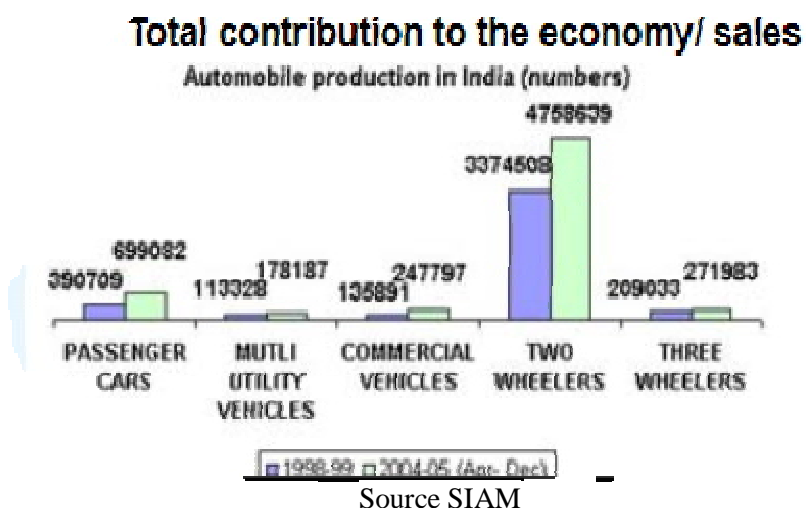
Indian automobile industry includes two wheelers, cars, trucks, buses, three wheelers which are contributing a lot for the growth of the economy. India stood as the Asia's fourth largest exporter of automobiles. This led to a great increase in the automobile production and spareparts.

Gradually Indian automobile sector became a vital part for the rapid growth economy in last decade.

According to the research of Society of Indian Automobile Manufacturers, SIAM, the results were published as under.



Source SIAM journal.



### EMPLOYMENT OPPORTUNITIES

From the last 2 decades automobile industry in India is giving rise to large number of potential job opportunities. It is creating attractive employment opportunities for the engineering, batchelors, ITI etc.

### MARKETING STRATEGIES OF MARUTHI SUZUKI, TATA AND MAHINDRA AND MAHINDRA:

Maruthi Suzuki, Tata and Mahinda are the Indian companies

#### MARUTHI SUZUKI

Maruthi Suzuki was formerly known as Maruthi Udyog. It was established in the year 1981 but the actual production started in the year 1983 with Maruthi 800 with only two competitors Hindustan Ambassador and Premier Padmini. As there are only 2 competitors, the competition was really aggressive and Maruthi Suzuki need to have innovative marketing strategies to meet the changing customer needs and preferences.

Maruthi Suzuki follows innovative strategies in the following aspects.

Brand

Promotion

Advertising

Distribution

**Brand**

Maruthi Suzuki believe in brand positioning strategy as the market leader in the Indian automobile industry.

Maruthi Suzuki's brand positioning strategy with price, comfort, milage,safety as the dimensions. The company has done an extensive research about the tastes and needs of the customers according to the demographic and psychographic segmentation. It also followed the feedback given by the customers.

**Promotion**

Maruthi followed price cutting strategy for Omni, Maruthi 800, Wagon R. In 2003 the company provided insurance with just one rupee. It attracted the people by conducting campaign 'change your Life!' The company also conducted contests to give price money to the winners. Maruthi offered the vehicles with offer price to teachers. Maruthi also got a greater market share in Rural India by conducting programmes like Gramina Mahotsava, Dance India Dance etc.

**Advertising**

Maruthi Suzuki's advertising strategy by sending the message of fuel efficiency and affordable maintainance through print and electronic media.

**Distribution strategy**

Maruthi Suzuki's distribution strategy aims at reaching the customers even in the remote areas with its large distribution network. It has given opportunity to the dealers to make more profits by car insurance, service etc. Special rewards were given to the dealers of special category.

**TATA MOTORS**

Tata Motors Limited, formerly Tata Engineering and Locomotive Company (TELCO), is an Indian multinational automotive manufacturing company headquartered in Mumbai, Maharashtra, India.

Tata Motors was founded in 1945, as of locomotive manufacturer.

Tata Motors does not follow a single marketing approach or formula but it believes that all members of the community should be served. Brand targets crowd from the rural part to the metros with its offerings varying from NANO to Jaguar Land Rover segment.

Upper middle class, High class and Affluent class in its target category.

Tata NANO for the middle class, Tata Indica and Indigo for commercial purposes and Jaguar in the high-class segment thus creating the image that there's something for everyone in its huge line of offerings.

Differentiated targeting strategy is used by Tata Motors to target the customers and satisfy their needs and wants.

**MAHINDRA AND MAHINDRA**

Ever since Mahindra's inception in the automotive industry in India in 1947, Mahindra & Mahindra has provided the consumers with powerful yet stylish vehicles.

Mahindra & Mahindra vehicles are known for their toughness, reliability and fuel efficiency. The company has become famous in 6continents and nearly 100 countries. Mahindra and Mahindra believe in innovation of new technology for the customer empowerment.

Mahindra & Mahindra has a number of trusts and foundations such as KC Mahindra Education trust and Mahindra foundation as an attempt to give back to the society.

Mahindra and Mahindra company used the new marketing strategies for promotion of vehicles by using

1. Social media

a. Facebook

b. Twitter

c. Google plus

2. TV commercials.

Using innovative videos, ads and messages, it is attracting youth and even other sectors.

**GENERALISED METHODOLOGY FOR THE AUTOMOBILE INDUSTRY**

**SWOT** is suitable to analyze the automobile industry to give an overview.

**Strengths**

1. Brand position
2. Reasonable cost of labour
3. Available raw material
4. Relationships with the customers, suppliers etc
5. Innovative strategies

**Weaknesses**

1. Bargaining power of the customer
2. Government rules and regulations like excise duty, GST
3. Permissions for the entry of outsiders as competitors

**Opportunities**

1. Rising living standards, income levels.
2. Technology in demand
3. Status symbol
4. Market expansion
5. Differentiating offers

**Threats**

1. Increased change in customer preferences
2. Increase in the cost of fuel
3. Competitors from outside
4. Economic decline
5. Impact of cabs
6. High fixed cost and investment in R & D
7. Unemployment , recession etc

**FINDINGS BY THE SWOT ANALYSIS**

1. It is found by the SWOT analysis that the Govt rules and regulations like GST , excise duty etc. are standing as barriers.
2. Competitors from outside are increasing day by day with the govt. permissions to enter.
3. Increased change in customer preferences.
4. Increase in fuel costs
5. Low R & D investments.

**SUGGESTIONS FOR FINDINGS**

1. Govt should intervene to reduce the barriers of GST etc
2. Govt can think about the future consequences before giving permissions to new entrants from outside.
3. A proper market research should be done by the companies to understand the consumer behavior.
4. Production of the vehicles should be keenly planned according to the economic conditions to avoid loss.
5. R & D investments can be increased to face the competitors from outside.

**SCOPE AND LIMITATIONS**

1. This study is based on secondary data by various sources and researches and the data till 2019 is analysed.
2. This paper may contribute for further researches.

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**CONCLUSION**

Automobile industry has a vital role to play in the global economy or the economy of any nation, this consists of commercial and other types of vehicles. If there is any decline or change in this industry, the impact will be there on other logistics, distribution, manufacturing of spare parts etc. The rural areas can be chosen as main segments for marketing as more than 70% of population live in rural areas. Rural marketing strategies can be planned and their living standards should be improved. This can be done by giving preference to people from rural areas to work in the industry. As future is uncertain, precautions should be taken to avoid loss at the time of de

cline by planned production and pricing strategies. Credit facilities should be provided to increase the demand and sales. The suggestions and measures which will be there for the PLC decline can be followed according to situations.

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**CUSTOMER SATISFACTION IN HYDERABAD METRO RAIL**

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**ABSTRACT**

*The following study tells us the satisfaction levels of Hyderabad Metro customers. The data is collected in the form of primary data through a survey questionnaire. The questionnaire was checked for reliability by using Cronbach's alpha which was 0.743. The questionnaire was given to respondents who were willing to answer the questionnaire and chi square test was used to find out the significance with respect to the various elements of customer satisfaction with regard to demographic details.*

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**INTRODUCTION**

Today world population is growing, cities are becoming more congested and as more people are getting employed, commuting from work place to their residence is becoming a very big challenge. With the proliferation of different kinds of vehicles which is still conventional that is, they are using petrol, diesel and other fuels to commute, it raises another problem of pollution. In order to overcome such complicated scenarios, the Government has taken certain steps. In growing economies, metro as a medium of transport is becoming very popular. A metro line can be described as a train which commutes between a particular distance purely on electric basis which makes it pollution free and Eco-friendly. The cost benefit of the metro helps many people to reach their destination sooner, safely and also at a cheaper price. However, when it comes to metro, a study of demographic details as well as the characteristics of passengers commuting through metro is important.

**REVIEW OF LITERATURE****1. Metro ride in Delhi is 'Second most unaffordable in the world' – Study by CSE**

According to a study by Center for Science and Environment(CSE), it is found that Delhi metro is the second most unaffordable in the world due to the ticket charge hike in the year 2017. About 14 percent of Delhi commuters' income is spent on metro rides. An unskilled daily wage laborer spends nearly 22 percent of his income on Delhi metro rides.

**2. Riyadh metro closes in on completion – Mr. Alwalidh Alekrish**

'We have gone from zero to automatic testing of the metro in just 5 years' says Mr. Alwalidh Alekrish, Deputy CEO of RDA. Riyadh's new 6 line metro is expected to commence from second half of 2020. It is

the world's biggest rail project outside China. The population of Saudi, capital Riyadh is growing at the rate of 3.5% per year with the current population as 6.9 million. There are nearly 2 cars per households and 2 million cars in Riyadh in total.

**3. 'The metro smashed the old rules': Indian women drive change – and trains -Amrit Dhillon**

In Kochin, a woman runs the ticket counter of metro station. A transgender woman sits at the enquiry desk to help people with their queries. In 4 metro stations, the mothers can go to a separate cubicle to breastfeed their babies. From cleaning posts to senior most posts except the Managing Director almost every worker is a woman. This way women can be offered with more job opportunities.

**4. Author accused of shaming Black metro employee for eating on train; book deal halted – Joel Shannon**

A publisher postponed the book's publishing date and is on the verge of cancelling it because Natasha Tynes was accused of shaming a Black woman working for the Washington Metropolitan Area Transit Authority in the metro for eating in the train. A statement was tweeted about the Tynes upcoming novel 'They Called Me Wyatt'.

**RESEARCH METHODOLOGY****Research Question**

To study the demographic details of the metro passengers.

To study customer satisfaction.

To study the brand loyalty.

**HYPOTHESIS**

H1: There will be significant difference among genders about awareness of web applications.

H2: There would be a significant difference among gender in ownership of vehicles.

H3: There would be significant difference in mode of conveyance in male and female travelers before metro project.

H4: There would be significant difference in Annual income of the travelers using metro services.

H5: There would be a significant difference in traveling experience with metro service.

## DISCUSSION

Women are less aware of the metro application or the website. Hence they should be given more knowledge about it and the interface should be increased. However, there was no significant problem in the information distribution. Earlier, men used more motorcycle instead of metro whereas women used more of public transport. Since students have no income, they use metro more because of the low pricing and comparability. Most of the metro users are students and hence they are still pursuing their studies. Apart from Hyderabad Metro, most of the people have travelled in Delhi Metro. Almost of the educated users have agreed that the metro paths are comfortable.

## CONCLUSION

H1: Hypothesis was confirmed and there was a significant difference in awareness of web based application for metro.

H2: Hypothesis was confirmed there was a significant difference in ownership of vehicles among different genders.

H3: Hypothesis was confirmed significant difference was found in mode of conveyance among men and women travelers.

H4: There was a significant difference in the income of travelers of metro.

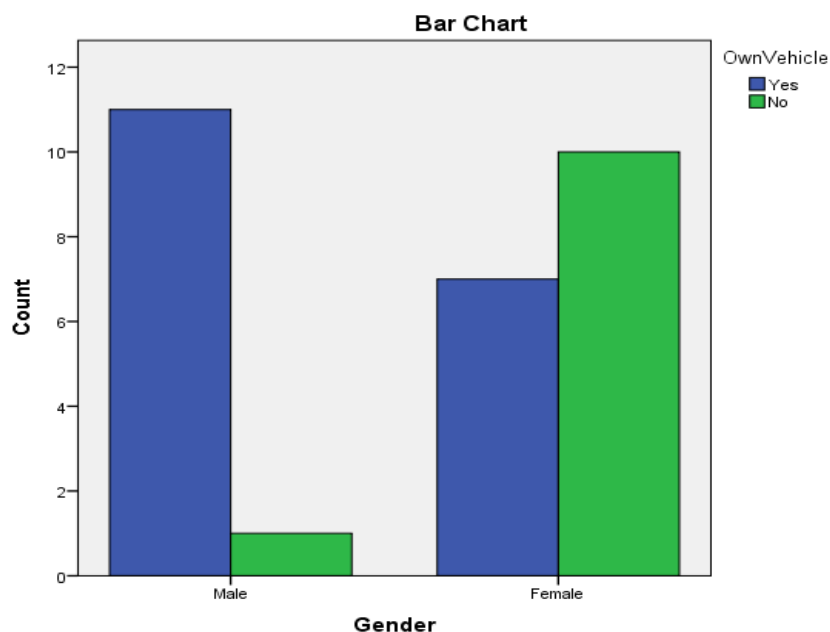
H5: Partially accepted there was a significant difference in the comfort rating of metro service.

**Table-1 shows ownership of vehicles across gender**

		OwnVehicle		Total
		Yes	No	
Gender	Male	11	1	12
	Female	7	10	17
Total		18	11	29

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.617 <sup>a</sup>	1	.006		
Continuity Correction <sup>b</sup>	5.623	1	.018		
Likelihood Ratio	8.577	1	.003		
Fisher's Exact Test				.008	.007
Linear-by-Linear Association	7.354	1	.007		
N of Valid Cases	29				

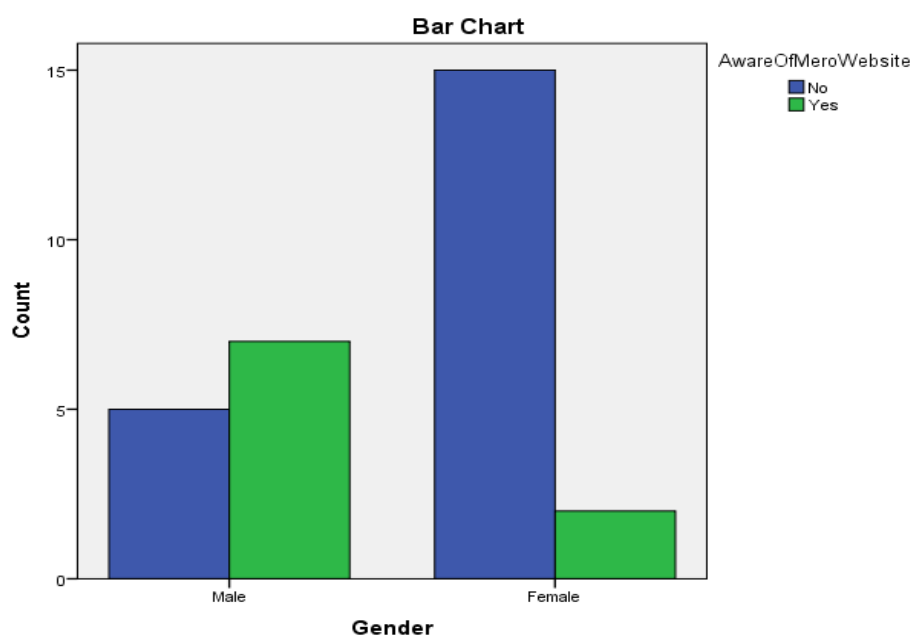
Symmetric Measures					
		Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Interval by Interval	Pearson's R	.512	.139	3.101	.004 <sup>c</sup>
Ordinal by Ordinal	Spearman Correlation	.512	.139	3.101	.004 <sup>c</sup>
N of Valid Cases		29			



**Table – 2: Shows awareness on web based metro applications and website**

		Aware Of Metro Web based apps		Total
		No	Yes	
Gender	Male	5	7	12
	Female	15	2	17
Total		20	9	29

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.128 <sup>a</sup>	1	<b>.008</b>		
Continuity Correction <sup>b</sup>	5.118	1	.024		
Likelihood Ratio	7.308	1	.007		
Fisher's Exact Test				.014	.012
Linear-by-Linear Association	6.882	1	.009		
N of Valid Cases	29				



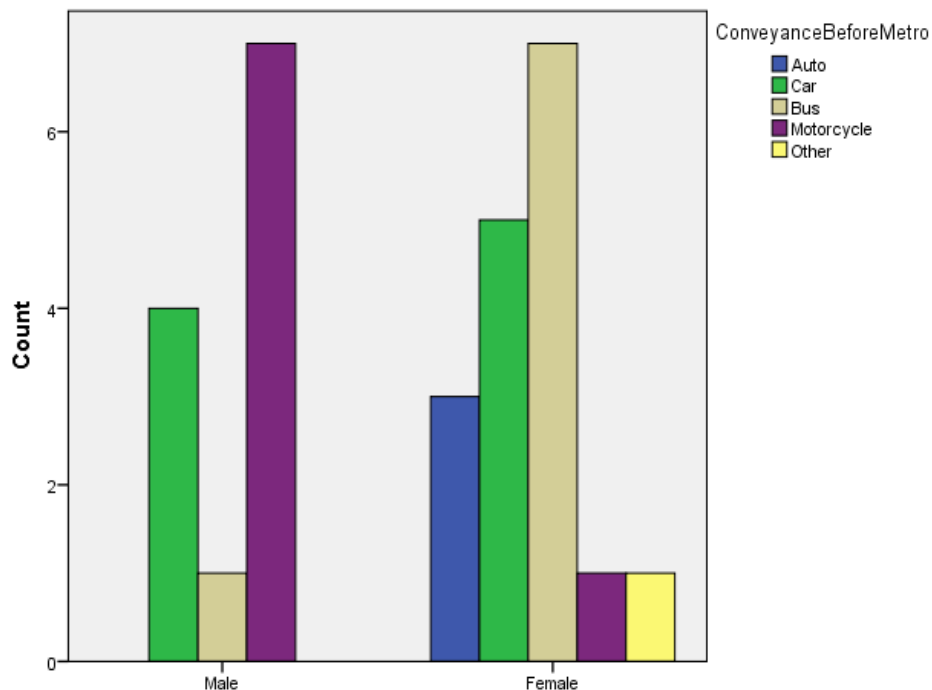


**Table – 3 Shows usage of various modes of conveyance before Metro**

		Conveyance Before Metro					Total
		Auto	Car	Bus	Motorcycle	Other	
Gender	Male	0	4	1	7	0	12
	Female	3	5	7	1	1	17
Total		3	9	8	8	1	29

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.624 <sup>a</sup>	4	<b>.013</b>
Likelihood Ratio	14.914	4	.005
Linear-by-Linear Association	4.511	1	.034
N of Valid Cases	29		

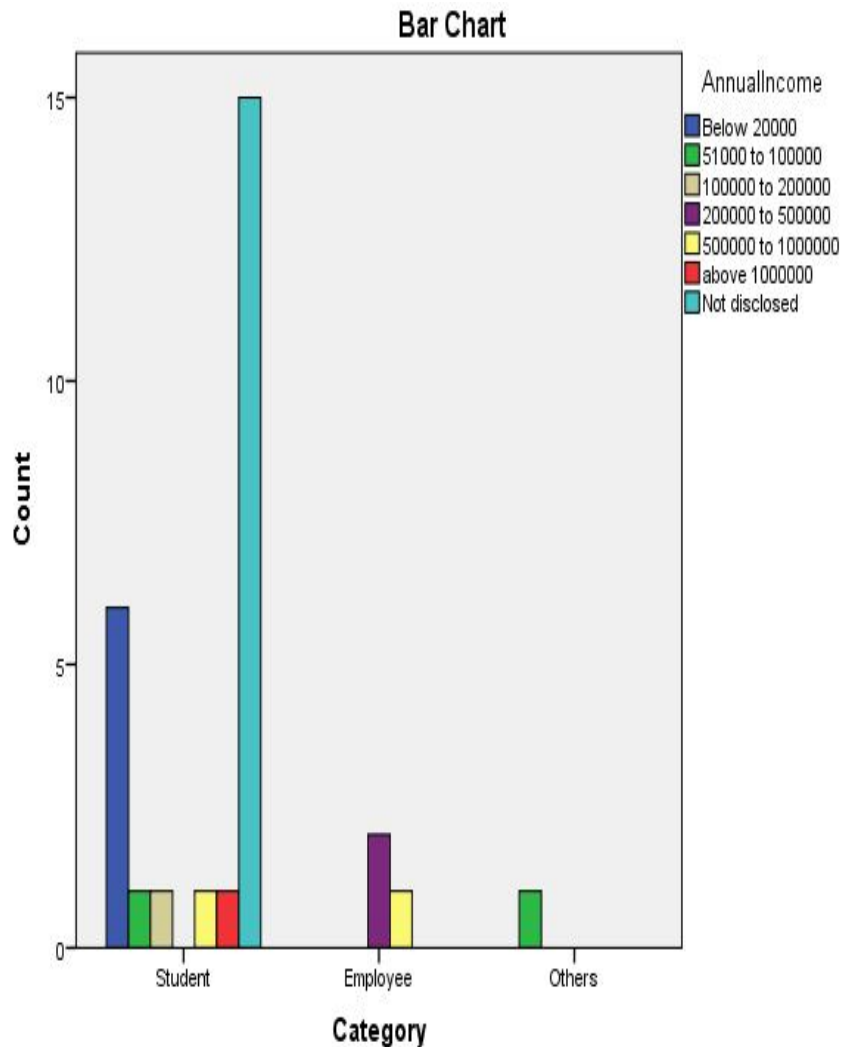
**Bar Chart**

**Gender**
**Table – 4 Shows Annual Income of Metro travelers based on their occupation**

		Annual Income				
		Below 20000	51000 to 100000	100000 to 200000	200000 to 500000	500000 to 1000000
Category	Student	6	1	1	0	1
	Employee	0	0	0	2	1
	Others	0	1	0	0	0
Total		6	2	1	2	2

**Crosstab**

		AnnualIncome		Total
		above 1000000	Not disclosed	
Category	Student	1	15	25
	Employee	0	0	3
	Others	0	0	1
Total		1	15	29

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.507 <sup>a</sup>	12	.000
Likelihood Ratio	22.223	12	0.04
Linear-by-Linear Association	.936	1	.333
N of Valid Cases	29		

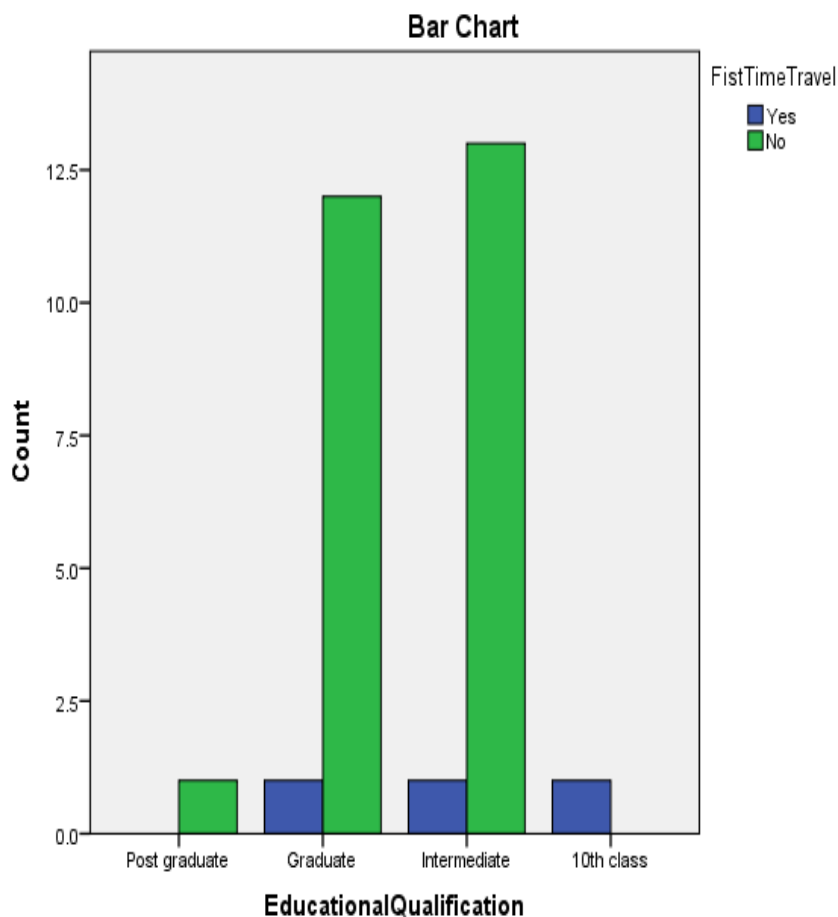


### Educational Qualification \* First Time Travel

**Table – 5 Shows Respondents traveling in other Metros across occupational categories**

		First Time Travel		Total
		Yes	No	
EducationalQualification	Post graduate	0	1	1
	Graduate	1	12	13
	Intermediate	1	13	14
	10th class	1	0	1
Total		3	26	29

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.035 <sup>a</sup>	3	.029
Likelihood Ratio	5.035	3	.169
Linear-by-Linear Association	1.942	1	.163
N of Valid Cases	29		



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**IMPACT OF DIGITAL FINANCE ON FINANCIAL INCLUSION**

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**ABSTRACT**

Digital finance and financial inclusion play a significant role in the country to protect the weaker sections and low-income people. The financial inclusion leads to expand the credit at reasonable prices to people. The impact of Financial inclusion was on individuals' businesses, insurance, remittance & payment services, financial advisory services and governments for emerging economies. Digital Finance and financial inclusion will go hand in hand in the country. The artificial intelligence, automation, data analysis, ledger technology is the part of digitalisation in the banking industry. This made operations easy in the banks to accelerate the innovative financial services. In our country the digital finance is potentially developed through mobile phones, personal computers, the internet facility. This facility saved time and made easy to maintain records in banking sector. Government was able to make cost effective decisions, attaining customer satisfaction, quick remittance of funds etc. the key area of discussion in the article is financial inclusion and digitalisation of banks, financial stability, financial risk and growth of financial institutions. The paper is developed conceptually based on research articles of embedded journals. The study of "Impact of digital finance on financial inclusion" helps to understand the policies made by government to eradicate poverty and enhance the economic growth. This will be made easy for policy making in the government.

*Keywords: Digitalisation of banks, Financial stability, financial risk and Financial inclusion*

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**INTRODUCTION**

Digital finance and financial inclusion have several benefits to financial service users, digital finance providers, governments and the economy. Since 2010, the G-20 and the World Bank have led the initiative for increased financial inclusion in developing countries to help reduce poverty levels in growing and emerging economies (GPII, 2010). Access to digital technologies allows a wider range of financial services such as online banking, mobile banking, internet banking, e-wallets, mobile wallets and credit and debit cards. This provides convenience and easy financial transactions to customer.

Digital financial services can be more convenient and inexpensive than traditional banking services allowing, the low-income and poor individuals in developing nations to save and borrow, earn a financial returns. It is vital to the public as it boosts security for their cash and its more convenient compared to keeping money at home.

Despite its advantages, digital finance and financial inclusion have not properly impregnated vast sections of population, suggesting a current gap between availability of finance, its accessibility and use.

On the other hand financial inclusion is a much cherished policy objective in India with economic policy which was driven by an underlying intent of a sustainable and inclusive growth. With reference to a profound ILO Declaration, which states that, "Poverty anywhere is a threat to prosperity everywhere". The policy makers in India, had an early realisation about the implications of poverty for financial stability, possible only through financial inclusion which is "The process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players"

**OBJECTIVES**

This paper tries to study and understand the meaning and need for digitalisation and financial inclusion. It also tries to study the role of digitalization and financial inclusion in economic growth along with the impact of digitalization on financial inclusion, the impediments in applying digitalization in financial inclusion in India.

Limitations of the study:

1. The article "The impact of Digital Finance on Financial Inclusion" is based on the sources from the net.
2. As the study is based on secondary data, the findings and conclusions are given based on the data.

**RESEARCH METHODOLOGY OF THE STUDY**

To fulfil the objectives of the present study, the following research methodology has been used: -

1. The topic was chosen to study the 'Impact of Digital Finance on Financial Inclusion'

2. **Collection of data:** The main sources of secondary data are manuals, newspapers, books, journals, articles, business magazines and other research papers.

3. **Analysis of data:** The collected data has been analysed to the objectives in the form of tables.

### **LITERATURE REVIEW**

Many economists and policy makers have been trying to establish the impact of availability and access to formal sources of finance on poverty alleviation. Beck et al (2009) observed that a well- developed financial system accessible to all, reduces information and transaction costs, influences savings rates, investment decisions, technological innovation and long run growth rates. The importance of financial Inclusion to national economies evident from the support extended by individual governments and international bodies around the world.

K C Chakrabarty , Deputy Governor of the Reserve Bank of India says Financial inclusion is the road that India needs to travel toward becoming a global player. Financial access will attract global market players to our country and that will result in increasing employment and business opportunities. Inclusive growth will act as a source of empowerment and allow people to participate more effectively in the economic and social process.

According to Michelle (2016) Digital financial services is vital to the public as it boosts security for their cash and it's more convenient compared to keeping money at home traveling with the money. However, the provision of digital finance involves the participation of different players such as banks/financial institutions, mobile network operators, financial technology providers, regulators, agents, chains of retailers and clients. Digital DOI 10.18502/kss.v3i13.4218 Page 390 2nd ICIEBP finance mechanisms also need improvement of infrastructures to make the services user-friendly, secure, and cost effective manner.

It is estimated that globally about 2.9 billion people are excluded from access to financial services ( World Bank, United Nations 2006). According to the National Sample Survey Organization about 51.4% do not access credit, either from institutional or non-institutional sources. Further, despite the vast network of bank branches, only 27% of total farm households are indebted to formal sources.

C. Rangarajan, Ex-Governor RBU and Chairman, Committee on Financial Inclusion, “ The country has moved on to a higher growth trajectory. To sustain and accelerate the growth momentum, we have to ensure increased participation of the economically weak segments of the population in the process of economic growth. Financial inclusion of hitherto excluded segments of the population is a critical part of this process of inclusion.”

### **FINANCIAL INCLUSION- NEED AND IMPORTANCE**

The key to bridging the social gap and attaining well distributed, robust and sustainable economic development is financial inclusion. The average level of prosperity among its population and the degree of equitable distribution of wealth will largely be determined by the scale of inclusive growth attained, as India pursues its vision of becoming an economic forge in the coming years. Ensuring a range of appropriate financial services available to every individual and making him/her understand and access the services through financial inclusion. The services include basic, no-frills banking account for making and receiving payments, savings products suited to the cash flows of poor households, money transfer facilities, small loans, overdrafts and insurance (life and non-life). Inclusive financial system is considered as the top priority and is instrumental in achieving equitable growth.

While India has taken several steps to promote financial inclusion, there is still an important proportion of the population without even access to fundamental financial services. Consequently, financial inclusion is not only an economic imperative for India, but also a socio-political imperative. Poverty, unavailability of banking and other financial services, complex procedures for availing financial services, financial illiteracy, traditional cultural values and lack of faith in banking system are the impediments for financial inclusion.

The first step towards financial inclusion was the Nationalization of banks to supplement institutional finance. Government strengthened financial delivery through nationalized banks and cooperatives by increasing the number of branches from 8,321 in the year 1969 to 68,282 branches at the end of March 2005. The second phase in the strengthening financial inclusion was through various reforms and change in regulatory norms during 1990's. Introduction of self help groups (SHG's) and bank linkages and Kisan credit cards, turned to be a good success especially for women.

The financial inclusion agenda was galvanized in India in the early 2000s, following the release of a wide range of results on the absence of financial inclusion and its direct correlation with poverty. Various studies have shown that exclusion from the banking scheme leads to the country's GDP loss of 1%.

Indian policymakers are well aware of the ramifications of leaving an enormous section of the population out of the development process and are therefore developing appropriate financial inclusion policies.

Faster implementation of financial inclusion plan is seen after 2010 -11. New rural branches are opened by commercial banks, increased coverage of villages, set up ATMs and digital kiosks, deployed Business correspondents, opened no frills accounts and provided credit through KCC's and GCCs.

Parameter of financial inclusion	March 2010	March 2016	March 2017
Number of Bank branches in villages	33,378	51,830	50,860
Number of Business Correspondents (BC's)	34,174	5,3,229	543,472
Number of other forms of banking touch points	142	3,248	3,761
Total number of banking touch points	67,694	586,307	598,093
Number of BSBDA* (in millions)	73	469	533
Deposits in BSBDA (Amount in Rs. billions)	55	636	977

Group of banks	Number of new savings bank accounts opened (in millions)	Deposits accumulated (in Rs. millions)	No of debit cards issued (in millions)
Public sector banks	255.3	652182.50	192.00
Regional rural banks	50.7	137170.30	36.80
Private sector banks	09.9	22681.30	08.20
<b>Total</b>	<b>316.6</b>	<b>812035.90</b>	<b>238.00</b>

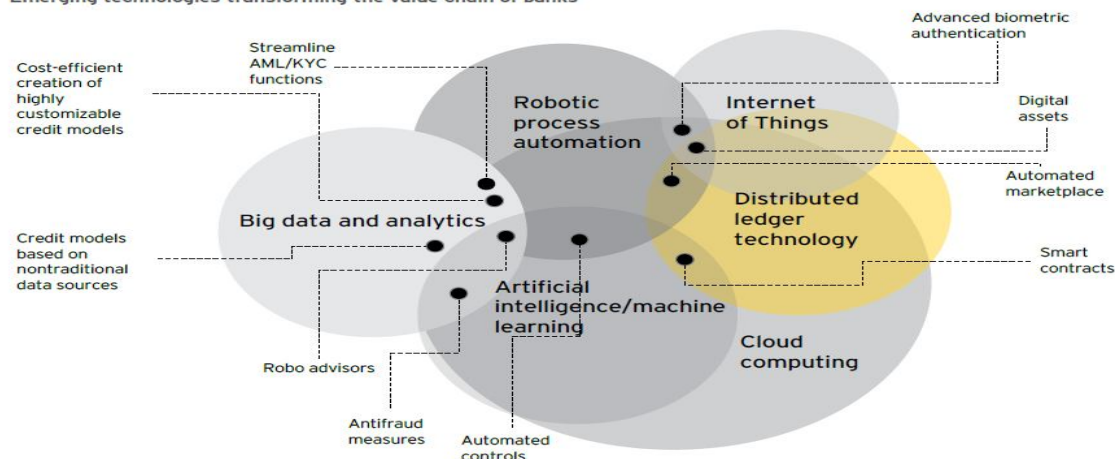
In the last few years, banks have expanded their presence and differentiated with Financial Inclusion policies and innovations in providing better access to appropriate financial products and services with regulatory norms through digitalization and digital financial services.

## DIGITAL FINANCE

India is on the verge of a digital revolution, proliferating new technologies and increasing the use of mobile data and smart phones. With the greater push from the government and the advent of new and innovative technologies, the financial sector continues to build on rapid adoption. The transformation includes viable digital alternatives across the value chain for banks, non-bank financial firms and insurance companies. Indian banks embrace emerging innovative technologies to reduce operating costs in the face of increased supply, pressure and the need for capital to deliver superior customer service. The rapid innovation by Fin Tech companies in areas such as payments, alternate lending and wealth management are also driving disruption in the sector. The digitalization is driving the new generation banking, which is bringing out the tremendous potential in India. The country's banking infrastructure – technology and regulatory framework – has rapidly progressed. To deepen and broaden the banking services in the country, the Reserve Bank of India has been steadily promoting a digital agenda.

Cloud computing, big data analytics, block chain / distributed ledger technology, internet of things (IOT) , robotic process automation ( RPA) and artificial Intelligence (AI) are the key technology -led trend that are collectively driving the digital transformation.

Emerging technologies transforming the value chain of banks



Source: EY Report, "The digital bank: tech innovations driving change at US banks," 2016

While there is no standard definition of digital finance, it includes all products, services, technology and/or infrastructure that allow people and businesses to access online payments, savings and loan facilities without having to visit the banking branch or without dealing directly with the financial service provider. In the urban India, the internet has emerged as a widely recognised distribution channel for the banking industry are discovering its effectiveness compared with other channels.

In developing countries financial services made available via digital platforms is to contribute to poverty reduction and to contribute to the financial inclusion objectives. There are three key components of any digital financial service : a digital transactional platform, retail agents, and the use by customers and agents of a device – most commonly a mobile phone – to transact via the digital platform (CGAO, 2015).

Digital financial inclusion: A digital financial platform enables the unbanked masses to convert their physical cash into digital/electronic money. Digital financial inclusion can be categorised into two types ie., assisted and self service. While financial transactions avail agent networks especially for cash-in and cash-out services are considered assisted DFI, payments and transfers made through use of own mobile phone are called self service DFI.

#### **For the DFI to function efficiently, the following infrastructure is needed**

- Connecting the customer/agent to the core banking through a transaction platform for electronic deposit, withdrawal and transfer.
- To record customer transaction details
- A CSP/ agent who passes on/receives customer transaction from the transaction platform. The agent converts cash into electronic money and vice versa.
- The agent is also involved in enrolling a customer into the financial system and complying with know Your Customer (KYC) requirements.
- Digital delivery channels such as point of sale, mobile phones and computer kiosks which facilitate customer authentication and real-time transactions.
- Internet connectivity which helps the digital delivery channel connect with the transaction platform for customer authentication and transaction on a real time basis.
- A system for capturing and authenticating the identity of the customer
- A vital account for enabling digital payment connectivity
- A payment platform that connects customers with other service providers and different platform
- Methodologies and a set of rules that enable payment and settlement across platforms

#### **Digital finance and financial inclusion on economic growth**

Economic development is a long journey, but digital finance solutions can radically speed the progress and at a relatively affordable cost. Safeguarding the savings of people, which helps households and small business in efficiently managing cash flow, smoothening consumption and formation of working capital, finance the business needs of small businesses and support owners in investing in assets and increasing the scale of operation of business. Digital finance brings a host of benefits to the government and economy as a whole by reducing leakage in public expenditure.

The notable number of fiscal 2016 shows that India's financial inclusion score 58.0 on a scale of 100. Total deposit accounts in India raised to 164.6 crore and total credit accounts with banks is 19.6 crore, total bank branches 1.35 lakh, total life insurance accounts 34.4 crore, deposit accounts opened under Pradhan Mantri Jan-Dhan Yojana ( As on February 14, 2018) is 31 crore and 1.23 crore total NPS subscribers show that the rate at which the economic growth with digital financial inclusion.

Cause	Impact	Effect
Pradhan Mantri Jan Dhan Yojana	Led to 60 crore new deposit accounts or twice the number opened between fiscals 2010 and 2013. Half of the 42 crore new deposit accounts opened between the fiscals 2015 and 2016 were under Jan Dhan	DP scope improved to 78.3 in 2016 from 60.2 in 2013

	Yojana.	
Focus on financial inclusion	Over 2 crore new credit accounts opened during the two years ended fiscal 2016	CP score inched up to 56.0 in fiscal from 45.7 in fiscal 2013 and caught up in the recent.
Insurance between fiscals 2013 and 2016. Three schemes	Wide agency network benefited insurance penetration in the south and the west.	West registered an IP score of 67.0 very close to 72.2 for the south. The east registered an IP score of 49.1, higher than the north 44.3
1APY	Over 75.2 lakh subscribers were added to the National Pension System( NPS) between fiscals 2013 and 2016. Three fourths of this pertained to the non-government seg	NPS coverage catapulted almost 3 times to 18.7 in fiscal 2016.

**Conclusion:** The paper provides a detailed information on the impact of digital finance and financial inclusion on economic growth. Digital finance through FinTech providers has positive effects for financial inclusion in emerging economies and the convenience that digital finance provides to individuals with low and variable income which is more valuable than the higher cost they pay for financial services through regulated banks. Despite benefits there are a few challenges that the digital finance pose for financial inclusion which can be eliminated with the improvement of technology.

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## EMPOWERING THE MANAGERS BY EXTENDING THE CAPABILITIES TO MANAGE THE OCCUPATIONAL STRESS THROUGH INFORMATION AND COMMUNICATION TECHNOLOGY

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### ABSTRACT

*Many studies explore the ways in which information technology can bring about improvements in people's lives by considering aspects of how it is used, applied in various communities and countries and how it affects certain key economic indicators such as growth. The manufacturing sector embraced the use of technology to serve its customers faster and also to do more with less. Emerging technologies have transformed manufacturing from paper production and manufacturing to digital and network services, and broadband Internet is cheap, which makes data transfer easy and, above all, technology has changed the accounting and management system for all factories. And it is now changing the way how Manufacturing companies are delivering products to their customers. In the development of Indian Economy, Manufacturing sector plays a very important and crucial role. Today the Manufacturing industry is stronger and capable of withstanding the pressures of competition. Internationally accepted prudential norms have been adopted, with higher disclosures and transparency, Indian Manufacturing industry is gradually moving towards adopting the best practices in accounting, corporate governance and risk management. This paper focuses on how information technology (IT) is empowering the middle level manager by extending the capabilities to manage the occupational stress of individual managers. The paper suggested measures to managers to manage job stress in the workplace by using information technology in industries. The mental workload has been considered as a consequence of highly computerized system use has been discussed in the light of various automated complex task scenarios.*

*Keywords: Employee, Job Stress, occupational stress, Technology, manufacturing industry, manager, mental workload, Empowerment.*

### INTRODUCTION

Presently, we are living in an 'information empowered society', encapsulated with various modern sophisticated technologies both at work place and home. Technology is spreading both vertically and horizontally throughout different organizations, also among those who have limited resources to adapt to it. "STRESS" has become so familiar word that experts from HRD, management fields and yoga experts give much stress on defining stress and managing stress. Indeed, stress has been woven into the fabric of life today. No person in this universe is free from some amount of stress. In fact, anything that makes us tense, angry or frustrated is stress. Stress is common in all strata of society and all age groups though the intensity, magnitude and visual symptoms differ from individual. A certain amount of stress is, however, desirable individual; to give required stimulation to overcome obstacles that may prevent a person in achieving his ultimate goal. At times, we even invite mild stress to avoid monotony and progress some motivation for a given activity. DR. G. Wilkinson in his paper in the British Medical Association Publication has defined stress through the following equation:

**Levels of stress = Environmental stressor + stress Response + Significance of Event**

Stress is "wear and tear" our bodies experience as we adjust to our continually changing environment. Stress has a physical and emotional effect on us, and it can create positive or negative feelings. Stress comes from any situation or circumstance that requires behavioral adjustment. Any change, either good or bad, is stressful, and whether it's a positive or negative change, the physiological response is the same. Stress can be disruptive to an individual as any accident. It can lead to poor performance on the job, excessive use of alcohol or other drugs, poor attendance or even overall poor health. Levi (1996), Symptom of stress cause individuals considerable suffering, significantly affects absenteeism and productivity levels within the organizations. Effective labour-management relations should be in place to help in achieving consensus and solve problems. This is to a certain degree will prevent stress, which might arise from conflicts (GAO, 2001).

Technology is becoming one of the most in demand job markets. "Employment of computer and information technology occupations is projected to grow 12 percent from 2014 to 2024, faster than the average for all occupations" (U.S. Bureau of Labor Statistics, 2014). These occupations are expected to add about 488,500 new jobs, from about 3.9 million jobs to about 4.4 million jobs from 2014 to 2024 (U.S. Bureau of Labor Statistics, 2014). Jobs in technology are increasing at such a high rate that soon there will be more jobs than qualified people to fill the positions (Robaton, 2015).

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**STRESS AND HUMAN PERFORMANCE**

Stress has been defined as that which is appraised as harmful, threatening, or challenging, and research into stress received a great deal of attention in the latter half of the 20th century (Cox & Griffiths, 1995). This is probably due to the fact that more people have realized the important role which stress plays in physical and psychological health, and its consequent impact on performance. Wortman and Loftus (1992) demonstrate strong evidence of a connection between stress and lowered immune system function, although it is not clear whether this is due to a direct effect on the immune system or indirect results of depression, poorer health habits etc. It has been reported that perceived stress and perceived ability induce arousal in human increases in a linear fashion and that the relation of arousal to performance is curvilinear (McGrath, 1976). In last few decades, some cognitive psychologist have studied stress as emotional and motivational factors like intense noise (Singh, 1978; Singh, Dwivedi & Sinha, 1979, 1980), failure feedback, electric shock (Singh, 1975; Dwivedi & Singh, 1977, 1978), time of day (Singh, 1993), incentives, sleep deprivation, mental workload, and personality factors viz., introversion-extraversion (Singh, Tiwari & Singh, in press; Sharma & Singh, 1999, 2002), and job anxiety on human performance. Stimulant drug like caffeine also reported to increase cortical arousal and to decrease workload as indices of stress, resulting improvement in vigilance performance. (Tiwari, Singh & Singh, 2007; Singh, Tiwari & Singh, 2006a, 2006b). Trayambak Tiwari, Anju L. Singh and Indramani L. Singh

**TECHNOLOGY-INDUCED STRESS AND HUMAN PERFORMANCE**

Computer-assisted stress is studied by many researchers. In the context of automated systems, Matthews and Desmond (1995) assume that automated systems, stress tends to have three effects: it increases capacitance capacity, imposes executive control on selective attention, and disrupts adaptive mobilization of efforts. Metzger and Parasuraman (2001) found similar effects on leadership behavior as the workload increased. Furthermore, Wickens, Strokes, Barnett and Heman (1991) examined the effects of stress on experimental decision-making. They found three major effects of stress: (1) a decrease in sampling, (2) a reduction in limited resource capacity of working memory, and (c) when time is reduced, and speed accuracy is balanced in performance outcome.

**IT PROMOTES INNOVATION**

Myers and Marquis (1996) describe innovation as "a complex activity that starts from conceptualizing a new idea to a solution to the problem and then to the actual use of economic or social value." Kanter (1983) views innovation as "the process of introducing any new ideas to solve problems in use. The West and Farr (1990) define innovation broadly as "involving intentional introduction and application within the role, group, or organization of new ideas, processes, products or procedures in the relevant adoption unit designed to benefit the individual greatly. Our review of IT literature leads us to a conclusion that the role of information technology in promoting innovation is much underrepresented in the literature because of the focus on its efficiency enhancing properties. IT is an important but neglected means of facilitating the innovation process. This is because IT moderates many aspects of the process of bringing "new problem-solving ideas into use" given that it determines the way information is stored, transmitted, communicated, processed, and acted upon. Organization facilitates innovation by improving the initial base of knowledge to draw from when employees engage in problem solving and decision making. This creates a larger and richer pool of codified knowledge for any given employee to draw from, reducing the cost of information search. However, the availability of knowledge or information alone will not lead to innovation; it is the ability to use knowledge creatively, which is the key to fostering innovation and creating a competitive advantage (Leavy, 1998) Prahalad and Hamel (1990), Recognizing that knowledge is often inextricably linked to human resources and the way individuals and groups interact, the information synergies possible through IT will only be realized when the firm is able to move further and actually utilize knowledge in its optimal location within the organization. This implies that organizations must transcend the cycle of knowledge as described by Prahalad and Hamel (1990) and reallocate knowledge resources in practice to where they can add higher value to the organization whenever needed.

**CONCLUSIONS**

IT tools and Human resources have significant organizational effects. Providing better services to executives, serving as a pipeline linking personal policies and personal processes across organizations, facilitating personnel management in the company, providing important data for strategic personal decision making, enabling rapid access to information and analysis of human resources assistants and reducing the cost of work in performing personal activities. Extension of automation technology use in working environments will continue well into the modern era. In most cases, the criteria for applying automation to new systems have been technological feasibility and cost. Moreover, it seems to have an impact on individual's resources as moderators of stress. A literature review and analysis of findings have shown that the role of modern technology as a source of stress and human performance is not straightforward. For decision and action automation however, the empirical research pertaining to situation awareness, complacency, and skill degradation suggests that high levels of

automation should be implemented only for low-risk situations. More clearly connections between technology and stress can be found when looking studies of job requires. Change is always a stressful situation and as technology changes not only the tools to work with but often the way work is organized, it is likely to increase job demands. As literature reveals, the role of technology as a stressor is not only directly emerge from the actual use of automation technology, but also it appears indirectly from changes in demands of the task and working environment. Enabling faster processing and transformation of information, modern technology exposes employees now a day also by an ever increasing flow of information. Studies also found that excessively high levels of mental workload can lead to errors and system failure, whereas low load can lead to complacency and eventual errors.

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**A SWOT ANALYSIS OF INDIAN RURAL MARKETING AND ROLE OF SOCIAL INCLUSION**

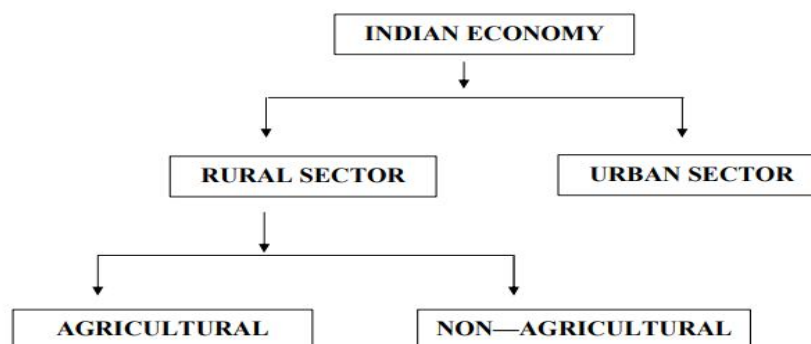
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**ABSTRACT**

India is a largest economy which is greatly agriculture based and consists of more than 70% of rural population. Indian economy is majorly divided into two parts. Rural and urban. Rural sector is again divided into agricultural and non agricultural.



Under agriculture there is crop cultivation, under non – agricultural there are animal husbandary, fisheries, poultry, village industries, handlooms etc. Rural India is attracting the marketers more. In the increasing competition, the saturated urban markets are now thinking about new potential markets. Due to all these reasons, rural marketing has got its importance and is a great opportunity attracting many companies. Rural marketing has become the latest mantra of most of the corporate companies like HUL, colgate palmolives, Britannia, LG, Coca cola etc.

Though the rural marketing is a better choice for most of the companies, there is a problem of social exclusion existing in many of the rural areas. Hence there is need to have social inclusion in the rural marketing to develop the rural areas equally.

Government initiated many schemes and activities for social inclusion because the role of social inclusion for growth of rural sector has vital importance. Financial inclusion is a step towards social inclusion in rural markets. There are many activities designed to promote social inclusion through rural marketing like fairs, melas, group meeting, AVP vans, media vehicles, field demonstration etc. are few strategies to mention through which people will be participating together to discuss about goods and services.

The present paper studies about the Rural Marketing in India. It explains about different rural marketing strategies that include social inclusion and contribute to the economic development.

This paper also provides the SWOT analysis of Rural marketing in India. It also provides information to other researches.

**Keywords :** rural marketing, strategies, social inclusion, competition, economic growth, development

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**INTRODUCTION**

Rural India got many changes after globalization. The villages got good communication and trade with the urban areas. Therefore in rural marketing, the trade transactions take place between rural areas and urban areas in the form of agriculture market products, handicrafts, dairy, decoration items etc. There are several companies which got good market share in the rural areas. As these rural markets are giving them good profits, companies are taking much care about their business in these area with new marketing strategies. As a part of it, companies including the government, started many developmental programmes to increase the standard of living of the rural people and also for the prosperity of their own businesses. Aiming to make all the people participate in the marketing and purchase process, companies are coming up with innovative programmes to include the people who are even socially excluded in villages.

In this context, there is a need to make the SWOT analysis of rural markets and also the need for concept of social inclusion, activities that promote the social inclusion. Social inclusion in this scenario can be called as the corporate social responsibility as these are the markets where the marketers going to communicate and continue their businesses with profits.

The role of social inclusion is very much needed to make all the people enjoy their identity without any discrimination. This is also important for the development and economic growth of rural India. Social exclusion is being seen in many situations in rural areas like labour markets, social discrimination, decision making or opinion expression about important matters related to rural area, family in many other public places. This is even vulnerable in some villages like in caste discrimination, knowledge or income discrimination which also effect the purchase decisions of those people.

Solving of such problems and promoting social inclusion through new methods will bring good will to the companies .

### **RURAL AREA**

A rural area is an open swath of land that has few homes or other buildings, and not very many people. A rural areas population density is very low. Many people stay in a town, or urban area. Their homes and businesses are located very close to one another.

### **MARKETING DEFINITION BY AMERICAN ASSOCIATION OF MANAGEMENT**

Marketing is that the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

### **RURAL MARKETING**

Rural promoting could be a method of developing, pricing, promoting, and distributing rural specific product and services resulting in desired exchange with rural customers to satisfy their desires and needs, and also to achieve organizational objectives.



### **Examples of rural market leaders in India**

1. Hindustan Lever
2. Amul Coca Cola India
3. Colgate
4. Eveready Batteries
5. LG Electronics,
6. 6.Philips,
7. 7.BSNL
8. 8.Life Insurance Corporation
9. Britannia
10. Hero Honda etc.

## SOCIAL INCLUSION

Social inclusion is that the method of improving the terms on that people and teams participate in society—improving the power, chance, and dignity of these underprivileged on the basis of their identity.

## FACTORS DETERMINE SOCIAL INCLUSION

According to the definition of Social Inclusion, it improves the

### Ability

### Opportunity

**Dignity** factors of the disadvantaged.

### Ability

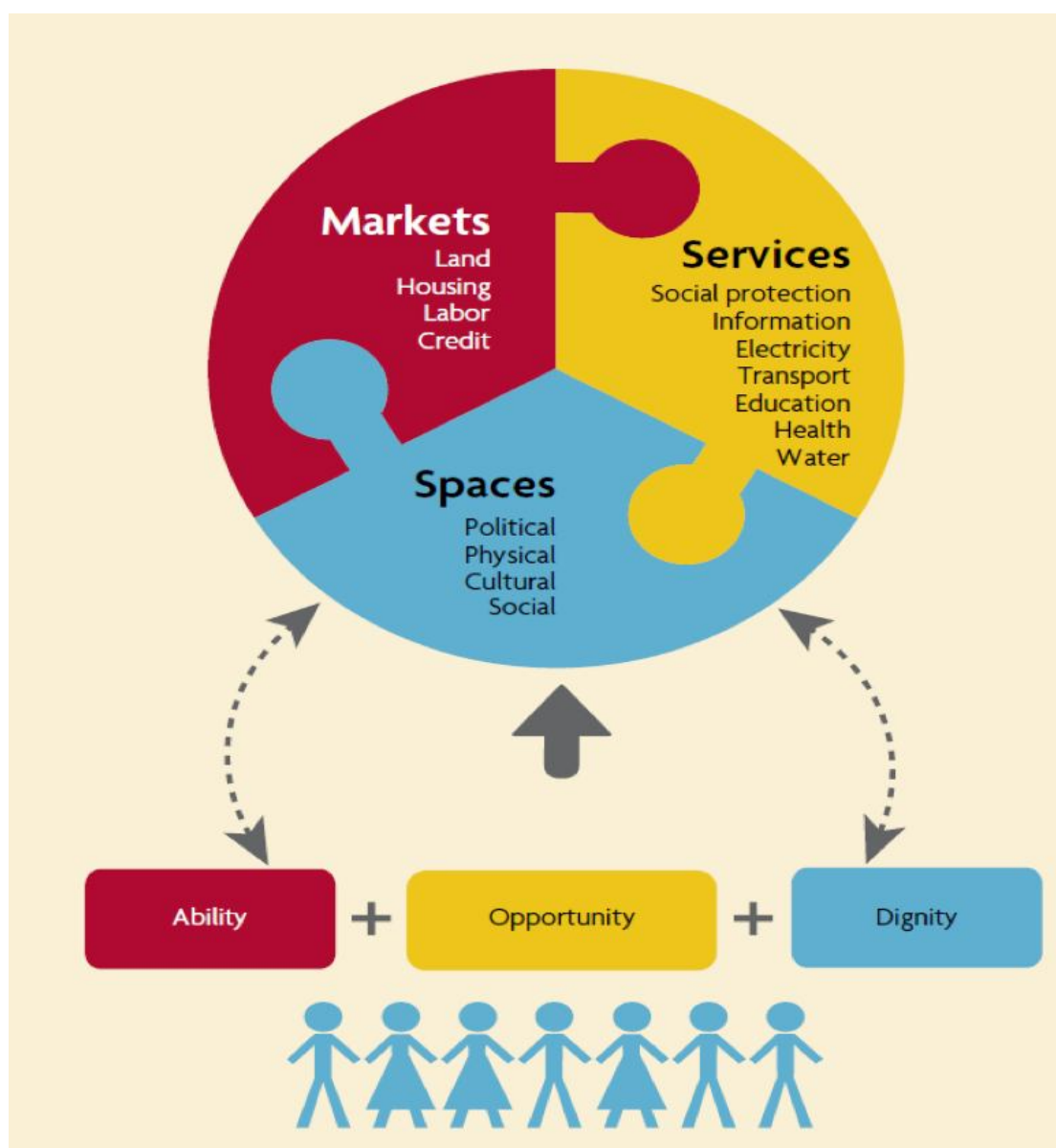
The ability of the rural people can be indicated by the academic knowledge of the people, skills, language and communication of the people living in the rural areas.

### Opportunity

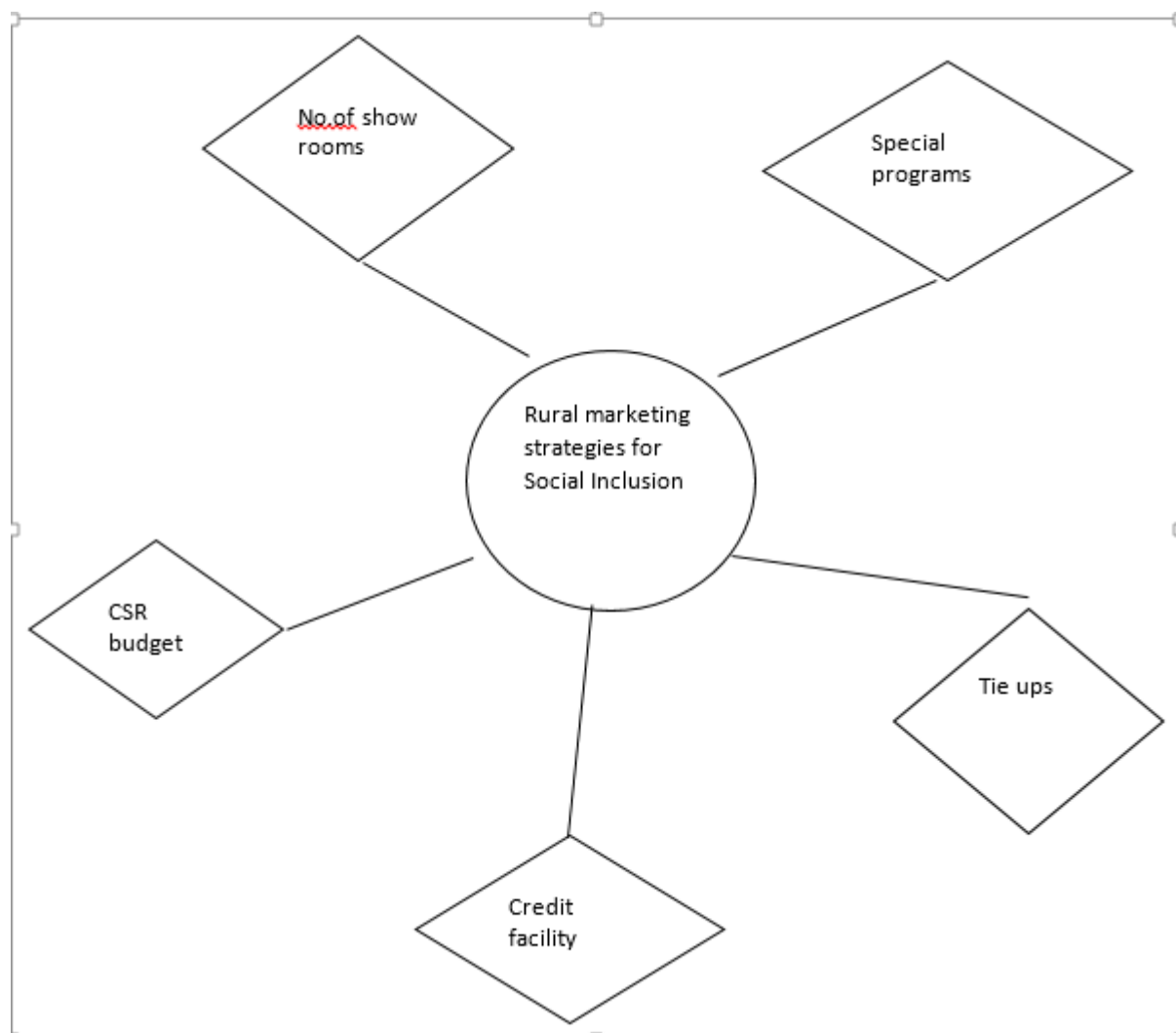
The job opportunities, income levels, decision making ability in important issues, chance of utilizing the opportunities provided by the govt and other business organizations.

### Dignity

The acceptance of the people in different positions in the society, getting their basic needs satisfied, participating in various occasions of the villages, poverty, disability, age, gender, income level etc are the indications of exclusion of dignity.





**RURAL MARKETING STRATEGIES FOR SOCIAL INCLUSION****1. Establishing number of show rooms**

Companies like Dabur, Tata motors etc are opening many show rooms in rural areas to increase their market share by providing benefits to the rural people especially to include them socially by the rural marketing strategies by conducting fairs, community gatherings etc

**2. CSR budget**

Today all the manufacturing and service oriented organizations are increasing their CSR budget as the companies are the CSR is important for the long run sustainability in the rural markets.

Examples of CSR in India

**Tata Group**

The Tata cluster conglomerate in Republic of India carries out numerous CSR programmes, most of that are community improvement and poverty alleviation programs. Through assist teams, it's engaged in women empowerment activities, financial gain generation, rural community development, and different social welfare programs. In the field of education, the Tata Group provides scholarships and endowments for numerous institutions.

The cluster conjointly engages in healthcare programmes, like the facilitation of kid education, protection, and creation of awareness of AIDS. Other areas embody economic authorization through agriculture programs, setting protection, providing sports scholarships, and infrastructure development, such as hospitals, research centers, educational institutions, sports academy, and cultural centers.

**Ultratech Cement**

Ultratech Cement, India's biggest cement company is concerned in welfare work across 407 villages within the country going to create sustainability and self-sufficiency. Its CSR activities specialise in health care and family welfare programs, education, infrastructure, environment, social welfare, and sustainable livelihood.



The company has organized medical camps, protection programs, sanitation programs, school enrollment, plantation drives, water conservation programs, industrial training, and organic farming programs.

### **Mahindra & Mahindra**

Indian automobile manufacturer Mahindra & Mahindra (M&M) established the K. C. Mahindra Education Trust in 1954, followed by Mahindra Foundation in 1969 with the aim of promoting education. The company primarily focuses on education schemes to help economically and socially underprivileged communities.

Its CSR programs invest in scholarships and grants, livelihood training, healthcare for remote areas, water conservation, and disaster relief programs. M&M runs programs like Nanhi Kali that specialize in education for ladies, Mahindra Pride Schools for industrial training, and Lifeline Express for healthcare services in remote areas.

### **ITC Group**

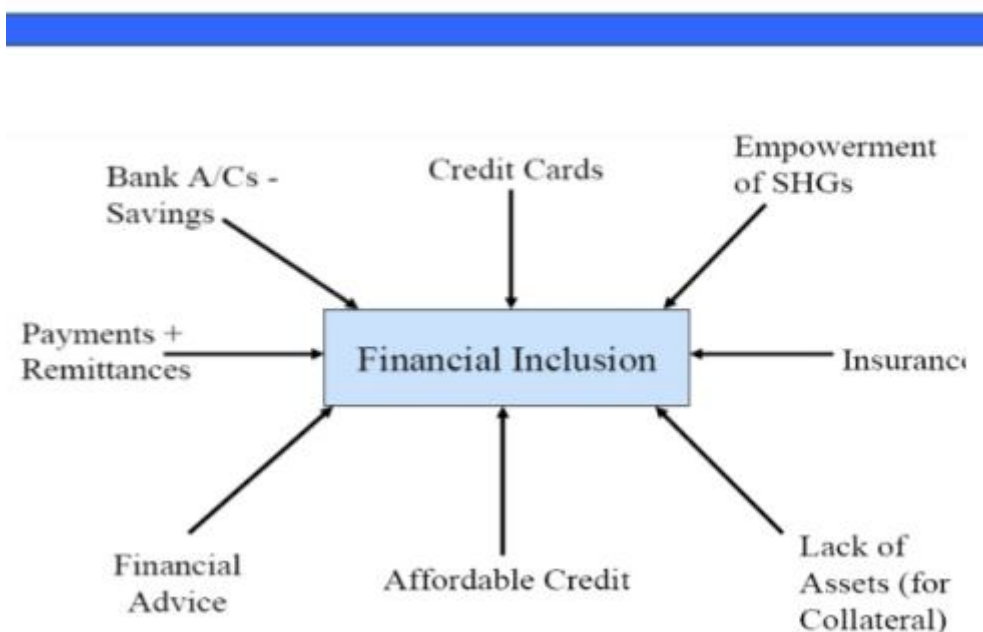
ITC Group, a conglomerate with business interests across hotels, FMCG, agriculture, IT, and packaging sectors has been that target creating property living and setting protection programs. The company has been ready to generate sustainable livelihood opportunities for 6 million folks through its CSR activities.

Their e-Choupal program, that aims to attach rural farmers through the web for procuring agriculture product, covers 40,000 villages and over four million farmers. It's social and farm forestry program assists farmers in changing wasteland to softwood plantations. Social empowerment programs through micro-enterprises or loans have created sustainable livelihoods for over 40,000 rural ladies.

(Aug 2019).

Financial inclusion and credit facility:

## **Possible Rural Financial Inclusion**



### **NEED FOR THE STUDY**

The purpose of the study is to understand the importance of rural marketing and identifying its challenges, issues and opportunities by making SWOT analysis. Explains the relation, role of social inclusion in rural marketing. This study gives an idea about the social inclusion development programmes and the need to conduct them by the companies in rural areas to have good rural market share.

### **OBJECTIVES**

1. To provide SWOT analysis for India rural marketing.
2. To observe the role of social inclusion in rural marketing.
3. To gives suggestions and conclusion for the rural marketing in India.
4. To provide information for further researches.

**RESEARCH QUESTIONS**

1. What are the strengths and weaknesses of rural marketing in India?
2. What is the role of social inclusion in rural marketing?
3. How to conclude the present position of rural marketing in India?

**REVIEW OF LITERATURE**

According to **Dr. C.Narasimha Murthy and Dr.A. Shankaraiah (1994)**, in ‘**Rural Marketing Opportunities and Challenges**’ gave conclusion that ‘Rural Marketing scene is changing steadily in India. It offers more opportunities and benefits to business man than before. But there are many problem areas in rural marketing which must be carefully tackled and appropriate strategies are to be designed to tap rural market potential.

According to **Prof.J.K.Vasavada**, in his study , ‘ **A study of Rural Market in India**’ **opportunities and challenges**, there is no doubt that the rural India offers tremendous opportunity for any company to tap. However , corporations face several challenges in coping with the agricultural markets.

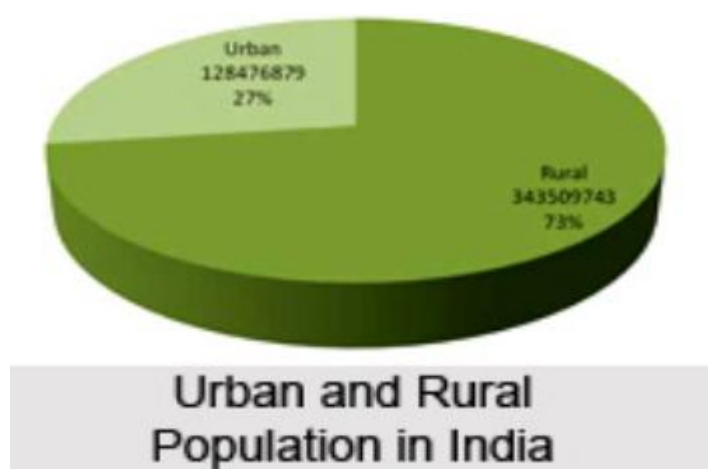
According to **Dr.T.V Malik, J.Jothi Krishnan**, concluded in their article, ‘**Rural Marketing Strategies, Issues and Challenges**’ that Rural Marketing is a developing concept and as a part of any economy has untapped potential, marketers have realized the opportunity results improvement in infrastructure and reach promise a bright future for those intending to go rural. Any Macro level Strategy for these markets ought to specialise in convenience accessibility and affordability.

According to **Dr. Deepak Bhandari and Dr. Gaurav Khanna** in their article “**Research Article on Rural Marketing - A Study in Jodhpur District** “ **2016**.

Rural marketing, the vast spectrum of courses to be followed require special care and attention with respect to the product, its quality, packaging, brand, pricing, advertisement, personal selling and channel of distribution. The strategy of rural marketing has to be appropriate appreciating fully the scattered character of rural markets, and the need for a different communication mix on account of the lower level of education and environmental differences. All this calls for concerted and co-coordinated action on the part of both the government and the industry. The government role lies primarily in developing the infrastructure, e.g. A good network of roads in the interiors of rural India, speedy arrangement for better light, water and irrigation facilities, financial and technical assistance in setting up the industries in villages, and distribution of their products. The government’s role will be equally important in conducting rural market surveys

**METHODOLOGY**

The strengths and weaknesses of the rural marketing will be analysed and the suggestions can be provided to the findings for weaknesses and threats.

**SWOT ANALYSIS OF RURAL MARKETING****STRENGTHS**

1. Presence of more than 70% population in India is from rural areas which create a big market share for the companies.
2. Increase in buying capacity of the consumers.
3. Increased literacy rate.

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**WEAKNESSES**

1. The rural market is seasonal market
2. Lack of infrastructure and logistics.
3. Cost of distribution may be for some remote areas.
4. Less employment opportunities.

**OPPORTUNITIES**

1. Big market size.
2. Untapped rural markets offer great potential for the established products.
3. Available natural resources like water, organic products, open place, greenery etc.

**THREATS**

1. Due to increased competition in rural marketing side, there is a threat of substitute products when the products are new to the customers.
2. Increased migration of rural people to the urban areas.

**FINDINGS**

1. There is a lack of infrastructure and logistics in the rural areas.
2. Competition is increasing in the rural areas because they are being attractive with big market share.
3. Employment opportunities are less in rural areas compared to urban areas due to the presence of companies, organized sector in the form of factories etc in the urban areas.
4. There is a problem of substitute products by the rivalry when the consumers are not aware of new products.
5. People are migrating to urban areas from rural areas due to employment opportunities and good education to their children.

**SUGGESTIONS**

1. The rural people should make use of the social inclusive activities and financial inclusive activities provided by established companies which are having big market shares in rural areas and also by the govt.
2. As the rural marketing is being very optimistic and attractive now a days, people should increase the awareness about the products and services by going through online and media sources.
3. The companies which are having big markets in rural areas like Tata Motors, Amul, Britannia etc should always be alert and understand about the competitors and their substitute products if any with periodic surveys.
4. The companies are required to conduct market research to know the updates about consumer behavior and competition in the rural markets.
5. The Corporate Social Responsibility is gaining greater importance now a days. Social inclusion is also to be taken as the social responsibility by the companies with various strategies like credit facility, CSR budget, creating awareness about education facilities and loans, various programmes to develop the life style of the people.
6. Providing free education and giving scholarships like Colgate, HUL Fair and Lovely etc. to make the people employable.
7. Companies like CYIENT are providing infrastructure facilities for govt schools, Wells Fargo, Delloite people paints the walls of the schools in rural areas, to motivate education of rural children.
8. The marketing companies need to increase their social inclusion programmes to create awareness and to have sustainable market share which inturnincreases the economy of the nation.

**CONCLUSION**

Rural marketing is taking a paradigm which is being very attractive to all the companies whether manufacturing or service oriented. This is due to the reason that there are more than 70% of people living in rural areas. This gives a great opportunity to have major market share. There are some issues and challenges in rural areas which are standing as roadblocks for the rural markets like low literacy rate, less employment ,presence of disadvantaged groups, lack of infrastructure, lack of financial abilities of the rural people etc.

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The companies should take these challenges as opportunities to bring a new paradigm in villages by promoting social inclusion so that they can have the goodwill which helps them to sustain for a long time in the rural markets. They have to conduct many CSR programmes and try to remove the social exclusion by joining their hands with the local govts. this is very important to make the rural areas as great opportunities and also contribute to the economic development.

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**FINANCIAL PERFORMANCE ANALYSIS OF HERO MOTOCORP LTD-AN ANALYTICAL STUDY**

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**ABSTRACT**

*The Indian automobile industry is closely linked to country's gross domestic product (GDP) growth rate and accounts for 7.1% of the GDP. The two-wheeler sales in India has grown at a CAGR of 8% during FY14-FY18 period with FY18 witnessing a 14.8% YoY growth. India's two-wheeler manufacturers rolled out 23.1 million units during 2017-2018. India has recently overtaken China to become world's largest two-wheeler market and there are more than 15 players in existence. Hero MotoCorp Ltd is India's largest two wheeler manufacturer, maintaining an overall market share of 36.0% in the domestic two wheeler market and 50.7 % within the motorcycle segment. This research paper attempts to study and analyze the overall financial performance of Hero MotoCorp Ltd, for the specific period of five years from 2014- 2015 to 2018-2019 using ratio analysis. The idea is to evaluate the liquidity, profitability and efficiency position of Hero Moto Corp Ltd and give suitable suggestions to the company for improvement in its financial position. The study can bring a process of development of operational aspects in the entire industry apart from creating interest in the respective companies of the industry. It was found that the financial performance of Hero MotoCorp Ltd is relatively steady and reflects minimal volatility in the profitability and liquidity. It is suggested that the company has to design new pricing strategies, so that demand for products, inventory cost structures and operational efficiencies and can all influence a balance between assets turnover and profit margins.*

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**INTRODUCTION**

Financial performance analysis is the process of determining the operational and financial characteristics of a firm, from accounting and financial statements such as the balance sheet or profit and loss statement. One of the most common methods used for the financial analysis is the ratio analysis, which can be evaluated on the basis of past, current and projected performance. The goal of ratio analysis is to determine the efficiency and performance of the firm's management. Hence in this paper, an attempt has been made to study the financial performance of a two wheeler company with select financial parameters to identify the strength, weakness areas of the company and also in understanding how management of finances plays a crucial role in the growth of a company.

**REVIEW OF LITERATURE**

Dharmendra s. Mistry (2012) in his study on, "determinants of profitability in Indian automotive industry", he analyzed profitability of six selected Indian automobile industry for a period of five years (2004-2009). The samples were selected from three Indian passenger vehicle companies and three two wheeler companies on the basis of performance, position, sales and paid up capital. The study found that Debt equity ratio, Inventory turnover ratio and size were the most important determinants of profitability. As concluded from various analyses of various determinants of profitability, it is clear that the firms having big size are earning good return on capital employed. As the size of the firm is the strongest factor in determining the profitability.

Ray (2012) , in his study "Analysis of performance of Indian automobile industry" tries to evaluate the performance of Indian automobile industry in terms of various financial indicators, sales trend, production trend, export trend etc. for the period of 2003-04 to 2009-10. The result suggests that the automobile industry has been passing through turbulent phases characterized by enhanced debt burden, low utilization of assets, and above all, huge liquidity crunch. The key to success in the industry is to improve labour productivity, labour flexibility, and capital efficiency.

Mohan Kumar M.S, Safer Pasha M, Bhanu Prakash T.N (2015) in their research, "Profitability analysis of selected cement companies in India" have analyzed five cement companies whose securities should be listed in Indian stock exchange for the period of 9 years from (2005 to 2014). For analysis they have used Mean, Standard deviation, Co-efficient of variance and compound annual growth rate. After analyzing the profitability of different cement companies during the study period it is found that Ambuja cements shows satisfactory profitable position compare to other companies.

Loriya Chirag Thakarshibhai (2014) in his research, "A study of profitability analysis of selected public sector and private sector banks of India" analyzed the profitability performance of 10 public and private sector banks of India for the year 2009 to 2014. The study concludes that public sector banks return on capital employed found poor as compared to private sector banks.

Aarti Garg, Anju Bala (2016) in their study, “Profitability analysis of automobile sector” has analyzed five automobile sectors for the period of eleven years using ratio analysis. The findings suggest that the profitability of Maruti Suzuki and Ashok Leyland from selected companies is satisfactory and of Lumax and TVS motors is not satisfactory in certain aspects.

Dr.A.Ramya, Dr.S.Kavitha (2017) in their research “ A Study on Financial Analysis of Maruthi Suzuki India Limited Company Ltd “analyzed the profitability and liquidity position from 2010-11 to 2014-15 and observed that the company has better profitability and financial position with all the respective ratios having increased during the study period.

### NEED FOR THE STUDY

Though several research studies have focused on performance analysis of various industries including automobile industry, few have done research exclusively on two wheeler industry that too of Hero Motors Corp especially with the recent year's data. Hence there is a need for the study. It is pertinent to assess the performance of a two wheeler company to plan its production, and development of its future prospects.

### OBJECTIVES OF THE STUDY

The present study is based upon the micro approach to analyze performance of Hero Motors Corp Ltd. So the main objectives of the study are:

- i. To assess the profitability and efficiency position of Hero Motors Corp Ltd.
- ii. To assess the liquidity and solvency position of Hero Motors Corp Ltd.

### SCOPE OF THE STUDY:

The study of the financial performance of Hero Motors Corp has been restricted for a period of five years from 2014- 2015 to 2018-2019.

### RESEARCH METHODOLOGY

Ratio analysis is a popular technique designed for performance appraisal for of an organization. Financial ratios enable us to identify the company's unique strengths and weaknesses and focuses on calculating ratios for measuring the performance. In the light of the above in this study, select financial ratios and variables have been used to examine the objectives of the study.

### Sources of Data

The data used for the analysis is compiled from the secondary data collected and collated from the annual reports, various data base, journals, websites and magazines.

### Frame work of analysis

In the present study of financial performance of Hero Moto Corp Ltd, in terms of liquidity and solvency, profitability and financial efficiency, various accounting ratios have been analyzed. Net Profit Margin, Gross profit margin, Operating profit margin ratios were computed to measure the profitability position, Current Ratio, Quick Ratio and Proprietary Ratio were computed to measure the liquidity and solvency position and Assets Turnover Ratio and Stock Turnover Ratio have been calculated to measure the efficiency position of the company under study.

### ANALYSIS AND IMPLICATIONS

#### Analysis of Profitability Performance

The most common measure of a company's performance is profitability. Profit refers to the total income earned by the enterprise during specified period of time, while profitability refers to the operating efficiency of the enterprise. Profitability of Hero Moto Corp Ltd has been measured using the following select financial variables:

**GROSS PROFIT RATIO**-Gross profit ratio is the ratio of gross profit to net sales. The ratio reflects the margin of profit that a concern is able to earn on its trading and manufacturing activity. It is the most commonly calculated ratio and the higher the ratio the profitable the company is.  $\text{GROSS PROFIT} = \text{Gross Profit} / \text{Net Sales} \times 100$

**Table-1: Analysis of GROSS PROFIT RATIO(%)**

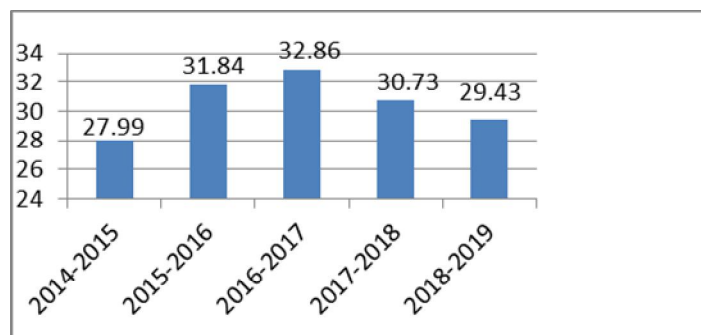
YEAR	GROSS PROFIT (Rs)	SALES(Rs)	RATIO(%)
2014-2015	7704.15	27518.00	27.99
2015-2016	9031.37	28359.91	31.84
2016-2017	9258.60	28169.54	32.86

2017-2018	9708.57	31589.51	30.73
2018-2019	9750.05	33124.53	29.43

Source: Computed

**INFERENCE:** The above table shows the gross profit ratio position of Hero Moto Corp Limited. The gross profit ratio ranged and increased from 27.99 to 29.43 percent during the study period 2014-15 to 2018-19, leading with its highest value of 32.86 % during the period of 2016-17.

#### GROSS PROFIT RATIO %



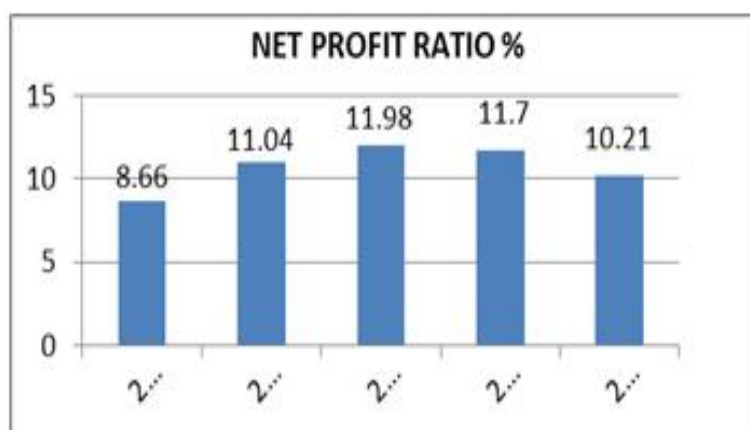
**NET PROFIT RATIO** Net profit ratio (NP ratio) expresses the relationship between net profit after taxes and sales. This ratio is a measure of the overall profitability net profit is arrived at after taking into accounts both the operating and non-operating items of incomes and expenses. Higher the ratio greater is the efficiency of the company .Net Profit Ratio = Net Profit / Sales\*100

**Table-2: Analysis of NET PROFIT RATIO (%)**

YEAR	NET PROFIT(Rs)	SALES (Rs)	NP RATIO(%)
2014-2015	2385.64	27518.00	8.66
2015-2016	3132.37	28359.91	11.04
2016-2017	3377.12	28169.54	11.98
2017-2018	3697.36	31589.51	11.70
2018-2019	3384.87	33124.53	10.21

Source: Computed

**INFERENCE:** The above table shows the net profit ratio position of Hero Motocorp Limited. The net profit ratio is in the range from 8.66 to 10.21 percent during the study period 2014-15 to 2018-19, leading with its highest value of 11.98% during the study period of 2016-17.



**OPERATING RATIO** The operating ratio is a financial term defined as a company's operating expenses as a percentage of revenue. The operating ratio can be used to determine the efficiency of a company's management by comparing operating expenses to net sales. It is calculated by dividing the operating expenses by the net sales. The smaller the operating ratio, the greater the organization's ability to generate profit and higher is the operating profit ratio and vice versa.

Operating ratio = Operating Cost / Sales \* 100 {Operating Cost =COGS + operating expenses}

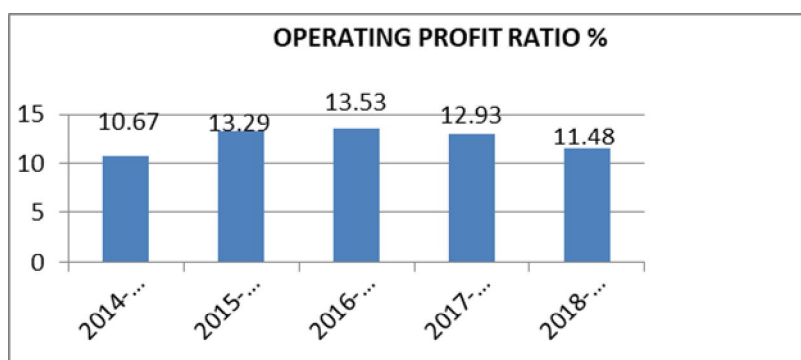
Operating profit ratio = 100 – operating ratio

**Table-3: Analysis of OPERATING RATIO & OPERATING PROFIT RATIO (%)**

YEAR	OPERATING COST	SALES	OPERATING RATIO(%)	OPERATING PROFIT RATIO(%)
2014-2015	24583.09	27518.00	89.33	10.67
2015-2016	24593.69	28359.91	86.71	13.29
2016-2017	24358.38	28169.54	86.47	13.53
2017-2018	27505.90	31589.51	87.07	12.93
2018-2019	29322.46	33214.53	88.52	11.48

Source: Computed

**INFERENCE:** The above table shows the operating ratio position of Hero MotoCorp Limited. The operating ratio was ranging from 89.33 % (operating profit being 10.67%) to 88.52 % (operating profit being at 11.48%) during the study period 2014-15 to 2018-19, leading with its lowest value of 86.47%% (operating profit being highest of 13.53%) during the year 2016-17.



Source: Computed

#### Analysis of Liquidity and Solvency Performance

Liquidity indicates the ability of the company to meet its short term financial obligations in a timely and effective manner i.e within a period of one year. Liquidity of Hero Motors Corp has been measured using the following select financial variables:

**CURRENT RATIO** The current ratio measures a company's ability to pay short-term obligations or those due within one year. An ideal current ratio is 2:1 and it is an indication of a company's ability to meet short term debt obligations; the higher the ratio, the more liquid the company is. The current ratio compares all of a company's current assets to its current liabilities.  $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$

**Table-4: Analysis of CURRENT RATIO**

YEAR	CURRENT ASSETS (Rs)	CURRENT LIABILITIES ( Rs)	Current RATIO
2014-2015	5282.13	3883.42	1.36:1
2015-2016	5935.09	4048.82	1.46:1
2016-2017	7453.18	4093.33	1.82:1
2017-2018	8848.18	4343.32	2.03:1
2018-2019	8115.64	4130.36	2.00:1

Source: Computed

**INFERENCE:** The above table shows the current Ratio of Hero Motocorp Limited. The ratio ranges from 1.36 to 2.00 during the study period 2014-15 to 2018-19, leading with its highest value of 2.03 during the study period of 2017-18 which is meeting the ideal current ratio of 2:1.



Source: Computed

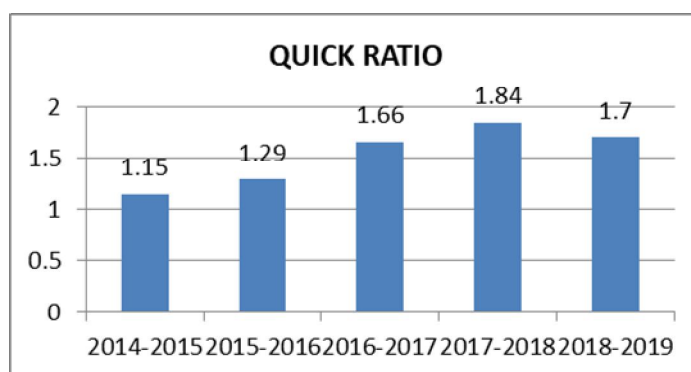


**QUICK RATIO** The quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets. An ideal quick ratio is 1:1 for the firm.  $\text{QUICK RATIO} = \text{Quick Assets} / \text{Current Liabilities}$ . The formula for Quick Assets = Current Assets – Inventory

**Table-5: Analysis of QUICK RATIO**

YEAR	CURRENT LIABILITIES	QUICK ASSETS	QUICK RATIO
2014-2015	3883.42	4466.64( 5282.13-815.49)	1.15:1
2015-2016	4048.82	5262.11(5935.09-672.98)	1.29:1
2016-2017	4093.33	6796.87(7453.18-656.31)	1.66:1
2017-2018	4343.32	8024.60(8848.18-823.58)	1.84:1
2018-2019	4130.36	7043.27(8115.64-1072.37)	1.70:1

**INFERENCE:** The above table shows the quick ratio position of Hero Motocorp Limited. The quick ratio ranged from 1.15 to 1.70 during the study period 2014-15 to 2018-19.



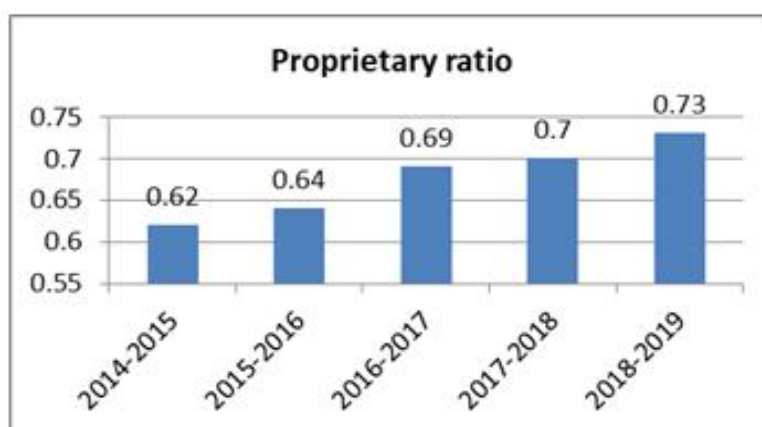
**PROPRIETARY RATIO:** Also known as the equity ratio, it is one the long term solvency ratio and is the proportion of shareholders' equity to total assets. A high proprietary ratio indicates that a company has a sufficient amount of equity indicating a strong financial position of the company and greater security for creditors. A low ratio indicates that the company is heavily depending on debts for its operations.

$\text{PROPREITARY RATIO} = \text{Shareholders funds} / \text{Total Assets}$

**Table 6- Analysis of PROPRIETARY RATIO**

YEAR	SHAREHOLDERS FUNDS (Rs)	TOTAL ASSETS(Rs)	RATIO
2014-2015	6541.33	10521.7	0.62
2015-2016	7944.75	12340.7	0.64
2016-2017	10111.3	14694.3	0.69
2017-2018	11768.9	16738.8	0.70
2018-2019	12857.1	17641.2	0.73

Source: Computed



**INFERENCE:** The above table shows the proprietary ratio position of Hero Moto Corp Limited. The proprietary ratio ranged from 0.62 to 0.73 during the study period 2014-15 to 2018-19 leading with its highest value of 0.73 during the period of 2018-19.

**Analysis of Efficiency Performance**

*Efficiency ratios* called activity ratios measure a company's ability to use its assets and manage its liabilities effectively in the current period or in the short-term. The manner at which the management is efficient is measured using the following select financial variables:

**STOCK TURNOVER RATIO (INVENTORY TURNOVER RATIO)**

The Inventory turnover is a measure of the number of times inventory is sold in a year. It measures the company's efficiency in managing its *stock* of goods.

STOCK TURNOVER RATIO = Cost of Goods Sold / Average Inventory

Average inventory =(Opening inventory +Closing Inventory) /2

**Table-7: Analysis of STOCK TURNOVER RATIO (Times)**

YEAR	COST OF GOODS SOLD	Average Inventory	Stock Turnover ratio
2014-2015	19,753.91	742.52	26.60
2015-2016	19,314.90	1,080.72	17.87
2016-2017	19,037.28	664.64	28.64
2017-2018	21,834.64	739.95	29.50
2018-2019	23,317.72	1,484.16	15.71

Source: Computed

**INFERENCE:** The above table shows the stock turnover ratio position of Hero Moto Corp Limited. The stock turnover ratio declined from 26.60 to 15.71 times during the study period 2014-15 to 2018-19, leading with it's highest value of 29.50 during the study period of 2017-18



**ASSETS TURNOVER RATIO:** Assets turnover ratio measures the company's efficiency to generate sales from its assets. Higher the ratio reveals that the company is generating sales from its assets efficiently. Lower the ratio also indicates that there is some issue at the management level or production level. ASSETS TURNOVER RATIO = Net Sales / Total Assets

**Table-8: Analysis of ASSETS TURNOVER RATIO(Times)**

YEAR	NET SALES	TOTAL ASSETS	RATIO
2014-2015	27,518.00	10,521.70	2.61
2015-2016	28,359.91	12,340.69	2.29
2016-2017	28,169.54	14,694.26	1.91
2017-2018	31,589.51	16,738.80	1.88
2018-2019	33,124.53	17,641.19	1.87

Source: Computed

**INFERENCE:** The above table shows the asset turnover ratio position of Hero Moto Corp Limited. The asset turnover ratio declined from 2.61 times to 1.87 times during the study period 2014-15 to 2018-19 and has been declining gradually during the study period.



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**SUMMARY OF FINDINGS**

- From the above analytical study and findings of the performance analysis of Hero Corp Ltd , it has been observed that , though there were marginal fluctuations in the growth of gross profit margin and net profit margin during the period of study from 2014-15 to 2018-19 , but the company's overall profitability remained quite stable.
- The management of the company to control its operating expenses and maintaining operational efficiency was consistent reflected in declining operating ratio.
- The company was able to maintain adequate working capital and liquidity during the period of study and the company's ability to meet its short term obligations with its quick assets has been favourable, which was reflected in increasing trend of current ratio and quick ratio.
- Regarding the long term solvency, it has been observed that Hero Motor Corp is increasing its shareholders funds in its financial structure in every consecutive year, demonstrated in increasing proprietary ratio during the period of study.
- However regarding the activity ratios, the company's inventory turnover ratio and assets turnover ratio, both have been in decreasing trend during the period of study.
- Also 2016-2017 has been the most promising year for the Hero motors company, with all profit margins being high since in that particular year, with design innovations targeting youth, there was a launch of two new attractive models at affordable prices for urban and rural consumers.

**SUGGESTIONS AND CONCLUSIONS**

From the study of performance analysis of Hero Moto Corp Ltd, it can be concluded that the company has an overall satisfactory performance in terms of profitability and liquidity. Increase in sales and the efficient management adapting to changes, have enabled to run towards success. Though the company appears to have adequate working capital, it is however suggested, that the company should work, to maintain consistently an ideal current ratio of 2:1 in the future. The company is having good reserves and reputation, which will lead to excellent progress in the fore coming years. However, the fact that the company is increasing its shareholders funds every year in its financial structure is clearly indicating there are not taking advantage of the debt, which is a cheaper source of finance and where the cost of debt is lower. So it is suggested for long term solvency and financial stability, that the company should balance between debt & equity because equity can become expensive in the long run.

Finally, it has also been observed that the company is holding its inventory over a longer period of time which is evident in its fluctuation and decreasing trend of inventory turnover ratio in the study period. Also the company's efficiency in utilization of its assets to generate sales revenue has been decreasing. Management should work to focus on effectiveness and efficiency of both managing inventory and managing assets in relation to sales, to maximize its profitability. It is also suggested that the company has to design new pricing strategies, so that demand for products, inventory cost structures and operational efficiencies can all influence a balance between assets turnover and profit margins. All the above analysis helps Hero Moto Corp Limited to identify the strength, weakness of the company and finally helps to maximize the intrinsic value of the company.

**LIMITATIONS OF THE STUDY**

- The data which is collected for the present study is entirely secondary in nature.
- There are limitations inherent with the secondary data.
- The study is also restricted to one company though it is the largest player and also to the limited period of five years from 2014-15 to 2018-19.

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**WORK MOTIVATION AND JOB SATISFACTION- A STUDY ON SBI AND ICICI BANKS.**

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**INTRODUCTION**

In India the processes of liberalization and globalization have set in since the early 1990s. During the last one and half decades the Indian economy witnessed rapid growth and rising capital inflows by adapting itself to the latest technology in communication, information and other sectors. This has increased the need for knowledgeable and motivated workforce as important drivers for growth.

Motivation is the key to organizational effectiveness and is a predictor for performance and job satisfaction. The gurus of workplace motivation vouch for motivators beyond money- money is not what makes the world go. It is the realization of personal need satisfaction. Man works to satisfy his higher order needs need to be recognized, to be appreciated, and to feel a sense of achievement in whatever he does. All employers want their people to perform to the best of their abilities and they take great pains in ensuring that they can provide all the necessary resources and a good working environment in order to keep their employees motivated. Yet motivation remains a difficult factor to manage because employee's aspirations and targets do not always match with what their employers can provide.

**STATEMENT OF THE PROBLEM**

There has been a lot of study in the area of 'Motivation and Job Satisfaction' still it remains unexplored to some extent and yet a general understanding has not been developed when it comes to studies conducted at different times and in different work environment. Employee motivation and satisfaction even after some 50 years of research continue to be one of the problems and challenges facing organisations today. Motivating the workforce of an organisation to work more effectively towards the organisation's goals is perhaps the most fundamental task of management. Employee motivation is an innate force shaped and maintained by a set of highly individualistic factors that may change from time to time, depending on the particular needs and motives of an employee. Findings show that the factors that motivate employees are the same ones that contribute towards their satisfaction in the workplace and subsequently conclude that motivated employees are generally also satisfied with their work.

Numerous researchers investigated the relationship between work motivation and job satisfaction in diversified professions but very few studies have contributed to study in banking sector. Banks play a role of considerable economic significance as intermediaries in mobilizing public savings and channelising the flow of funds for productive purposes, keeping on the process of the economic growth of the country. Furthermore factors such as liberalization, privatization and globalisation, have led to the substitution of public ownership by private ownership paving way for emergence of new private and foreign banks.

All organizations, whether public or private, need motivated employees to be effective and efficient in their functioning, in addition to the other factors. Employees who are motivated to work energetically and creatively toward the accomplishment of organizational goals are one of the most significant assets to the organizational success. Consequently, the challenge for organizations is to ensure the sustainability of the motivation and satisfaction of their employees. Job satisfaction and Performance of employees are powerful tools for the long-term success of the organizations and banking sector is no exception to it.

Hence the study aims to present the factors contributing towards employee motivation and satisfaction in commercial banks. Since all the banks, irrespective of their ownership (category), compete in the same market, it is deemed appropriate to analyse leading banks, one from public sector and one from private sector bank. The study is confined to understand "Motivation and Job Satisfaction in SBI and ICICI Banks".

**OBJECTIVE**

The specific objective of the study is - To examine the relationship between the perceived motivation and employee perceived satisfaction in SBI and ICICI Banks.

**SAMPLE FOR THE STUDY**

The questionnaire was specifically designed to accomplish the objectives of the study. The data was collected from a sample of 300 respondents. 150 from SBI and an equal number was considered from ICICI bank which is deemed to be sufficient for the present study. The data was collected with the aid of a structured questionnaire. Random sampling method at convenience basis was adopted.

**COLLECTION OF DATA AND DIMENSIONS ANALYSED IN THE STUDY**

The first section collected was on personal information of respondents. It includes variables such as age, sex, experience, professional status, education, salary and so on. The second section contained the items, and was divided into two parts. Part1 measures work motivation. Motivational orientation was quantified with the help of its nine factors viz. Work content, payment, promotion, recognition, working conditions, benefits, personal, supervisor and general. The modification yielded an  $r = 0.74$  Cronbach Alpha. Part 2 measures job satisfaction, the overall reliability co-efficient of the instrument yielded an  $r = 0.73$  Cronbach's alpha.

Job satisfaction of the respondent's was studied by adopting factor analysis. The job satisfaction as per factor analysis comprised of four factors. Factor 1 comprises of four, salary satisfaction, fringe benefits, working climate and satisfied with current job which is labeled as satisfaction from pay and benefits. Factor 2 comprises of four namely, job content, social status, help customers, and satisfy customer needs which is labeled as satisfaction from the job itself. Factor 3 comprises of five, self actualized, job security, dignity and respect, satisfied with colleagues and sense of achievement which is as satisfaction and pride. Factor 4 comprises of five, promotion opportunities, career development, recognition by boss, satisfied with the boss and choice to leave. The factor choice to leave is reverse scored due to its polarity. Accordingly it is labelled as satisfaction from career. The following table presents the summarized table of variable factors

**FACTOR LABELS**

Factor	1	2	3	4
Label/ Name	Satisfaction from Pay and Benefits	Satisfaction from Job Itself	Satisfaction and Pride	Satisfaction from Career
	Salary Satisfaction	Job Content	Self Actualized	Promotion Opportunities
	Fringe Benefits	Social Status	Job Security	Career Development
	Working Climate	Help Customers	Dignity and Respect	Recognition by Boss
	Satisfied with Current Job	Satisfy Customer Needs	Satisfied with Colleagues	Satisfied with the Boss
			Sense of Achievement	Choice to Leave

**Data Analysis:** The Statistical Package for the Social Sciences (SPSS) 11.5 version was used for all statistical calculations.

**HYPOTHESIS OF THE STUDY**

**Hypothesis** - There is no relationship between perceived motivation and perceived job satisfaction.

Job satisfaction links closely to work motivation. It may be viewed, at one level, as an outcome of being able to succeed in acting in accordance with one's motivation. In this sense, satisfaction arises not from performance of the job per se, but from the ability to have a need or motive satisfied. It is assumed that high levels of motivation will have both psychological and behavioral consequences: the psychological consequences include job satisfaction and organizational commitment; whereas the behavioral effects include higher output, lower absenteeism and lower likelihood of leaving the job.

**RELATIONSHIP BETWEEN MOTIVATION AND JOB SATISFACTION**

Employee motivation is an innate force shaped and maintained by a set of highly individualistic factors that may change from time to time, depending on the particular needs and motives of an employee. Findings show that the factors that motivate employees are the same ones that contribute towards their satisfaction in the workplace and subsequently conclude that motivated employees are generally also satisfied with their work. Though there is a low positive association between motivation and job satisfaction the relationship varies significantly depending upon number of factors which influence employee's behavior at work.

**LITERATURE REVIEW**

Motivation is the key to organizational effectiveness and is a predictor for performance and job satisfaction. The gurus of workplace motivation vouch for motivators beyond money- money is not what makes the world go. It is the realization of personal need satisfaction. Man works to satisfy his higher order needs need to be recognized, to be appreciated, and to feel a sense of achievement in whatever he does. All employers want their people to perform to the best of their abilities and they take great pains in ensuring that they can provide all the necessary resources and a good working environment in order to keep their employees motivated. Yet motivation remains a difficult factor to manage because employee's aspirations and targets do not always match with what their employers can provide.

People do not change changing places; they remain same individuals whether at work place or at home. So understanding individual person related needs can give better insight to managing human motivation. Job satisfaction and motivation reinforce each other, strengthen each other and promote each other. If the employee is satisfied on job performance he tends to be motivated and vice-versa. Frankl (1984) suggests that motivation reflects people's search for meaning and that job satisfaction may reflect the degree to which people have found meaning in their work. Sylvia and Hutchinson (1985) prophesies that true job satisfaction is derived from the gratification of higher- order needs i.e. social relations, esteem, and self actualization rather than lower- order needs. The identification of need structure of the employees, role of various motives in individual.s satisfaction and performance in the organization as well as in the group performance is mandatory for effective working of the individual as well as the organization.

Roy and Raja (1974) reviewed a number of studies on motivation and concluded that for supervisors and middle- level managers, promotion is an important incentive as well as a dissatisfier. Recognition is another job factor causing both satisfaction and dissatisfaction. Reasons which contribute to dissatisfaction are lack of adequate organizational policy and administration, lack of technically competent and sympathetic supervision, unfriendliness of superior and lack of opportunity for growth. First line supervisors value income, promotion, job security and working conditions most. Middle level managers value advancement, type of work and earnings. Senior managers, on the other hand value feeling of worthwhile accomplishment, recognition of good work done and decision making authority.

Motivators, or satisfiers, are those factors that cause feelings of satisfaction at work. These factors motivate by changing the nature of the work. They challenge a person to develop their talents and fulfill their potential. For example adding responsibility to work and providing learning opportunities to a person to work at a higher level can lead to a positive performance growth in every task a person is expected to do if the possible poor results are related to boredom of the task they are supposed to accomplish. Motivators are those that come from intrinsic feelings. In addition to responsibility and learning opportunities also recognition, achievement, advancement and growth are motivation factors. These factors don't dissatisfy if they are not present but by giving value to these, satisfaction level of the employees probably going to grow.

Bogardus (2007) when hygiene factors are maintained, dissatisfaction can be avoided. When opposite, dissatisfaction is most probable to occur and motivation can't take place. Hygiene factors, or dissatisfiers, are those that the employee expects to be in good condition. As motivators are those that in present cause satisfaction, hygiene factors are those that don't cause satisfaction but if they are lacking, it causes job dissatisfaction. Salaries or wages must be equivalent to those salaries that other people in the same industry or geographical area get. The status of the person must be recognized and maintained. Employees must feel that their job is as secured as it is possible in the current economical situation. The working conditions should be clean, sufficiently lit and safe in other way. Sufficient amount of fringe benefits like health, pension and child care must be provided and compensation in general equivalent to the amount of work done. Policies and administrative practices such as flex hours, dress code, vacation schedules and other scheduling affect workers and should be run efficiently. These factors relate to the content of the work and if they are in proper form, it tends to eliminate job dissatisfaction. Ellis (2005).

Crites (1985) has aptly distinguished between job satisfaction and job attitudes. He observes, .If it is some specific aspect of the job such as duties and tasks or working conditions, then the concept which is defined would be job attitudes.. If it is the overall job in which the individual is presently employed, then the concept would be job satisfaction According to Keith Davis and John W. New (2002), Job Satisfaction is a set of favorable or unfavorable feelings and emotions with which employees view their work. It is an affective attitude a feeling of relative like or dislike towards something. Toby Marshall Egan, Baiyin Yang, Kenneth R. Bartlett (2004) examined the effects of organizational learning culture and job satisfaction on motivation to transfer learning and turnover intention. This study examined the relationship of organizational learning culture, job satisfaction, and organizational outcome variables with a sample of information technology (IT) employees in the United States. It found that learning organizational culture is associated with IT employee job satisfaction and motivation to transfer learning. Turnover intention was found to be negatively influenced by organizational learning culture and job satisfaction.

According to research done by T. A. Judge and R. Ilies (2004) on Job Satisfaction, People who tend to be positive and cheerful most of the time do indeed tend to express higher job Satisfaction than ones who tend to be Down and Gloomy. They also added that Job Satisfaction depends primarily on the match between the outcomes individual value in their jobs and their perceptions about the availability of such outcomes-especially for those facets of the job that are highly valued. W.R. Boswell, J.W. Boudreau and J. Tichy (2005) have given

the concept of Honeymoon Effect and Hangover Effect in relation to Job Satisfaction. According to them, Honeymoon effect is the tendency to enjoy high level of satisfaction on new jobs that they have taken in response to dissatisfaction with their old jobs, while hangover effect is the tendency for people's level of satisfaction to drop over time from when a position is brand new to when one gains more experience with it.

Donald P. Moynihan and Sanjay K. Pandey (2007) worked over the topic .Finding Workable Levers over Work Motivation.: Comparing Job Satisfaction, Job Involvement, and Organizational Commitment. The authors examine the effect of individual attributes, job characteristics, and organizational variables on three aspects of work motivation: job satisfaction, organizational commitment, and job involvement. They find that managers have varying degrees of influence over these different aspects of work motivation, with greatest influence over job satisfaction and least influence over job involvement. A number of variables are important for work motivation, including public service motivation, advancement opportunities, role clarity; job routineness, and group culture.

Motivation basically has two dimensions Anonymous (2010), one being .making employees work better, more efficiently and effectively. From the point of view of managers, the other being, enabling employees to do their jobs in the best way with enjoyment and desire. From the point of view of employees, Motivation and Job Satisfaction has been considered to be affected by economic variables and this fact cannot be denied but are not sufficient enough to have a prolonged effect. However, it is seen that appeal to the motivating economic tools and expecting from them more than needed does not seem to result in success very much. Therefore, in planning rewarding, encouraging economic tools should be employed in accordance with employees' needs. In fact, there are ways of increasing employees' work motivation and satisfaction other than monetary tools Moncrief (2010).

Yasemin Oraman (2011), worked to evaluate the effective dynamics of work motivation and job satisfaction of textile employees. It analyzes the effectiveness of psycho-social, economic, organizational and managerial tools over individuals' motivation in terms of maintaining the motivation and job satisfaction of the employees in the business. He came out with the conclusions that economics tools by employee are positively and significantly related to the level of motivation increase perceived by the employee. Second regression model plays an important role in determining the level of job satisfaction except economic and psychosocial tools and has a positive effect on increasing employee motivation with implementations carried out to increase employee satisfaction at work.

## MOTIVATION AND JOB SATISFACTION OF THE RESPONDENT'S

In the present study, Motivation has been treated as an independent and Job Satisfaction as dependent variable. The objective is to examine the relationship between the perceived motivation and employee perceived satisfaction in SBI and ICICI Banks. To study the nature of relationship correlation has been adopted. As the coefficient of correlation tells only that there is a relationship between the two variables but it does not clarify the kind of relationship existing between the two variables. Therefore, regression analysis was carried out to examine the kind of relationship existing between Motivation and Job Satisfaction.

Hypothesis: There is no relationship between perceived motivation and perceived job satisfaction of employees working at SBI and ICICI banks.

Correlations			
		Motivation	Job Satisfaction
Motivation	Pearson Correlation	1	0.474**
	Sig. (2-tailed)	.	.000
	N	300	300
Job Satisfaction	Pearson Correlation	0.474**	1
	Sig. (2-tailed)	.000	.
	N	300	300

\*\* Correlation coefficient significant at the 0.01 level (2 tailed)

Model Summary			
Model	R	R Square	Adjusted R Square
1	0.4740459	0.224719541	0.22211793
a Predictors: (Constant), Motivation			

To understand the extent and the nature of relationship between the variables i.e., Motivation and Job Satisfaction the Karl Pearson's coefficient of correlation was calculated, the value of r is 0.474, it is evident



from the Karl Pearson's coefficient of correlation that there is a weak to moderate degree of positive correlation between the Motivation and Job Satisfaction. Though it is significant at 0.01 level it indicates that there is not much correlation (linear relationship) between motivation of employees and job satisfaction of employees. Further the regression model reveals that  $r$  Square is 0.22 which is 22%. Thus 22% of the variation in the value of Motivation is accountable to Job Satisfaction and the rest may be depending on some other factors which are not considered in the present study. The Beta value confirms a positive correlation though weak relationship between the dependent and independent variables.

Employee motivation and job satisfaction cannot be isolated, but they complement each other and respond to different organizational variables. Employee and job satisfaction depends on people's insight and behavior at the work place which is driven by a set of intrinsic, extrinsic needs and by their view of numerous job-related and organization related attitudes. Literature review finds that the relation between motivation and job satisfaction exists but the results are not significant for all the studies. Khalid and Irshad (2010), in their comparative study of job satisfaction in public and private sector banks concluded that the relationship between dependent and independent variables is causal as the regression value is  $r$  is 0.38. (38%)

Saleem, Mahamood and Asif (2010), in their study effect of work motivation on job satisfaction in telecommunication services concluded that there was a positive relationship between the motivation and job satisfaction and overall the employees were quiet satisfied with their jobs and had their interest in their job. The conclusions were arrived though the  $p$ -value is less than 0.05 (0.042) and the value of  $R$  square is too low (0.069) the value of beta (0.264) which is showing the positive relationship between the dependent and independent variables but not a strong relationship.

According to the results of a study there is a positive relationship between work motivation and job satisfaction though  $r$  value is less ( $r=0.563$ ). These findings are consistent with previous researches such as Brown and Shepherd (1997) who reported that motivation improves workers' performance and job satisfaction. The result also agrees with Chess (1994), reported that certain motivational factors contribute to the prediction of job satisfaction. Results suggest that managers feel motivated by a good work environment with colleagues, interesting assignments, feedback as well as compensation as money, can satisfy basic needs such as food and security but also more sophisticated needs such as the need for recognition and influence (Locke, 1999). Therefore, financial compensation is assumed to play a significant part when people choose jobs, stay in jobs and are motivated in jobs. The possible explanations of these findings are when the managers basic and higher order needs are fulfilled at work, the employee will have a positive attitude towards job that will eventually lead to job satisfaction.

Most of experts consider that the issue of motivation is essential for human activity and also for understanding and explaining behaviour and especially organizational behaviour. Therefore, this issue is frequently addressed. Due to the complexity of the phenomenon, some aspects cannot be captured or explained exactly. Employees are always the vital resource of the organization. And at times, they are often neglected at their jobs which lead to their failure to perform. Thus the organisations need to understand what motivates people and how they get satisfied from their job that leads to organizational performance. Based on the above contributions on motivation and job satisfaction and highlighting the results of the study it can be concluded that motivation and job satisfaction are positively related but the relationship varies significantly depending upon number of variables.

#### **LIMITATIONS OF THE STUDY**

1. A study of this kind relies heavily on the information available with the organizations to be studied. The banking sector being huge, the research scope is confined to study the employee work motivation and job satisfaction at SBI and ICICI banks only.
2. The study is confined only to the twin cities of Hyderabad and Secundrabad.
3. The major limitation of the study is the research focuses on the comparative study of one bank each from public and private sectors and other banks belonging to the same sectors have not been considered.
4. The study may have excluded some of the factors that are key determinants of motivation and job satisfaction. To this extent there may be a limitation to the study.
5. Subjectivity in the feedbacks collected cannot be ruled out.
6. While collection of the data many respondents were unwilling to fill the questionnaire due to lack of time. They were reluctant in answering the questionnaire.

## GOVERNMENT, A HELPING HAND FOR MSME: NOW ANYONE CAN DO BUSINESS!

Tarani Gopi and Cherish Rohi

## ABSTRACT

As we all know, today's generation is more focused on being independent rather than working in some MNCs etc. The research focuses on the schemes, measures, acts, policies introduced by the government to encourage the budding entrepreneurs of the country. According to the Periodic Labour Force Survey (PLFS) of the National Sample Survey Office (NSSO), the unemployment rate of the country for year 2018 was 5.3% in rural India and 7.8% in urban India, resulting in overall unemployment rate of 6.1%. The highest unemployment rate was witnessed among urban females at 10.8% followed by males in urban India at 7.1%, rural males at 5.8% and 3.8% in rural females. The main reason for unemployment possibly came out to be demonetization (2016) of large banknotes which resulted in the fall of Indian Economy. India has long been a cash economy and nearly 95% of transactions were conducted in cash, with nearly 90% of merchants unable to accept any other form of payment. Present government is focusing on solving the problems of unemployment by aggressively promoting entrepreneurship development schemes, acts, measures and policies. In this paper, effort is made to highlight the schemes provided by the government in promoting MSMEs in our country. Schemes like Make in India, Start-up India etc. have been introduced to increase the productivity and enhance the quality of individuals in the country. T-hubs and various smart cafes have been established for empowering start-ups to scale faster, creating a strong network of stakeholders and accelerating innovation for enterprises around the world. The T-hub is a first-of-its-kind public-private partnership and will allow its members to share office space with other budding companies. Many acts were enforced by the government to help establish MSMEs wide across the nation, The MSMEs development Act, 2006 helped MSMEs in protecting their financial interests and have secured investment return policies. And concerning the existing MSMEs, the government reinforced the IPR Act through decades to protect the ownership rights. As a remarkable growth from recent events, IT Minister K.T. Rama Rao announced that Hyderabad has surpassed Bangalore in IT office space occupation as per the latest figures released by the IT industry.

**Keywords:** MSMEs, Entrepreneurship, Unemployment, Government, Start-ups.

## INTRODUCTION

MSMEs play a very crucial part in any country's economy. And for the MSMEs, government make a huge contribution to make them run effectively and efficiently. The MSMEs, government and country's economy are the three terms interdepend on one another. The base of Micro, Small, and Medium Enterprises (MSMEs) in India is the largest in the world after China. The sector provides a wide range of services and is engaged in the manufacturing of over 6,000 products – ranging from traditional to hi-tech items. Given the government of India's latest 'Make in India' push, along with a significant jump in the FDI flows, the Indian MSMEs sector is poised for rapid growth and integration with major global value chains. As per the official estimates, there are about 63.05 million micro industries, 0.33 million small, and about 5,000 medium enterprises in the country.

Rank	State	Share of total MSMEs in India
1	Uttar Pradesh	14.2%
2	West Bengal	14%
3	Maharashtra & Tamil Nadu	8%

The **Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**, governs the coverage and investment ceiling of MSMEs in India. According to the Act, there are two categories of MSMEs in the country – manufacturing and services.

- For the **Manufacturing sector**, the definition of an MSME is based on a company's capital investment in plant and machinery. The threshold limits are:

ENTERPRISES	INVESTMENTS
MICRO	<Rs 2.5 million (US\$34,040)
SMALL	>Rs 2.5 million (US\$34,040) but <Rs 50 million (US\$680,875)
MEDIUM	>Rs 50 million (US\$680,875) but <Rs 100 million (US\$1.3 million)

- For the **Services sector**, the definition of an MSME is based on a company's investments in equipment. The threshold limits are:

ENTERPRISES	INVESTMENTS
MICRO	<Rs 1 million (US\$13,617)
SMALL	>Rs 1 million (US\$13,617) but <Rs 20 million (US\$272,350)
MEDIUM	>Rs 20 million (US\$272,350) but <Rs 50 million (US\$680,875)

The MSME sector has been hit hard by demonetisation and by the haphazard implementation of GST. The key achievements, measures taken and the proactive nature of the government led by the Prime Minister Narendra Modi are as follows:

**Access to credit:** Launch of the 59-minute loan portal to enable easy access to credit for MSMEs; two-percent interest subvention for all GST registered MSMEs, on fresh or incremental loans.

**Access to markets:** Public Sector Companies have now been asked to compulsorily procure 25 percent (out of which 3 percent is reserved for woman entrepreneurs), instead of 20 percent of their total purchases, from MSMEs.

**Technological upgradation:** On technological upgradation front, keeping into account the importance of tool rooms as a vital part of product design, Modi announced that 20 hubs, and 100 spokes in the form of tool rooms will soon be introduced across the country.

□ Importance of small scale and cottage industries in India are as follows:

- 1) Equitable distribution of national income
- 2) Elimination of regional disparity
- 3) Utilisation of locally available resources
- 4) Modernisation; technological and quality upgradation
- 5) Promotion of entrepreneurship and self-dependence

## LITERATURE REVIEW

Every research needs ideas to boost its reliability and statement of facts, many research papers float around us, just at our hands reach.

Byamala Devi. NuneSrinivas (2014) stated that legal systems in India, constricts the growth of young entrepreneurs, and estimating the marketing conditions has become a serious task. All political, cultural, social factors residing in the country have proven to be barriers in becoming a entrepreneur, which brings an disregard to the corporate society. Even factors like education affect this system. All these have been addressed in the past by the government in different ways, but have failed to make an impact when it comes to making a difference.

As mentioned by DarshanRanpura, C.B Rathod (2014), in their issue of article on SMES'S, it is an extreme responsibility of the government, to provide alternative financing to the small scale sector, and dig up ways to stream finance easily to the companies in reproach. The article also stresses upon the need to upgrade the production potential, and export orientation. The country's economic growth was influenced by the MSME's, which resulted in rising rates of production & exports which have proven to be healthy for the country's GDP overall which is why the government needs to be under immense pressure, to develop this industry.

SurendarGade (2017) in his article on Economic growth, had mentioned a key element generated by the presence of MSME's; which was to provide employment, and ultimately self dependency, And had shown keen interest towards self dependency, as it is the only way which can be a cure for devaluation of Indian Rupee. The article responds by letting us understand the effect and growth promoted by MSME's regarding the economy of the country.

Sotiris Skandalis (2014) in his article on problems and prospects of MSME's, had shed light on the undertakings and underlying factors hindering the growth, and focused on the gaps present which needed prior attention. Lack of technical knowledge, lack of skilled manpower, and inadequate manufacturing methods were proven to be the guilt factors. The present government has started taking baby steps towards this problem, and has approached the general public through schemes that motivates individuals to gain knowledge and acquire experience.

J. Anuradha (2014), on her article on Era of globalisation, had allowed us to approach the problems faced by small and medium scale industries in a different way. The article takes into consideration the presence of other larger industries in the same geographic location, extreme competition from larger industries, was known to be

due to withdrawal of subsidies. Total quality management was the other hindering factor, which silenced the rate of growth of an industry.

### **NEED OF THE STUDY**

MSME's have been regarded as the main tool for the country's economic growth and promoting equitable development. Since they constitute around 6% of the manufacturing GDP, 24% of the GDP solely based on service activities, and contributes up to 45% of the exports in India. It is quintessential for the government to focus on this sector to bring a paradigm shift in the country's economic standards. As the government brings changes to the constitution, it is important to understand its workings and incorporate them into our business world. So to understand the way it works better, this research paper stresses upon creating awareness of schemes by the government, Due to growing demands, and technological improvisations, the population has shifted their mind sets to own a business rather than to work in one. Previously most of the individuals looked for a job in a decent MNC, or preferred a government job, but now through government acts and schemes, individuals in the country are motivated and empowered to start their own business, This study focuses on promoting entrepreneurship across the nation, and bring to light the efforts of the government in helping the individuals to create new industries, better serve the country. And boost its productivity.

### **OBJECTIVES OF THE STUDY**

- ☐ To understand the importance of start-up's & entrepreneur development, for the economic growth of the country.
- ☐ To study different EDP's (entrepreneur development programme) & schemes promoted by Central & State Governments.
- ☐ To create an awareness of existing schemes & highlighting its importance.
- ☐ To enhance access to markets for entrepreneurs
- ☐ For facilitating a more conducive business environment for MSMEs

### **SCOPE OF THE STUDY**

This study is focused on the secondary data, which is primarily focused on the Telangana State Government, and all its undertakings in the recent time frame, regarding the growth of MSME's. This study sheds light on all the schemes initiated by the government which helps in overall growth of a business. It exposes the young and talented entrepreneurs in the state to the new ways of expansion through help of the government which remained unaware until now. As the subjects bleeds throughout the country, this paper focuses on the undertakings in Telangana State. And to further elaborate the expansion rate of this industry in various areas.

### **METHODOLOGY**

**PRIMARY DATA:** It is the information collected through original or first-hand data research. This includes surveys & group discussions, and allows us for an in-depth understanding of the original purpose of data collection. Methods of primary data collection vary based upon the goals of the research, as well as the depth of the information being sought.

**SECONDARY DATA:** As this research is based on a descriptive study, which translates to acquired data being based on secondary data. Secondary data refers to the public information that is collected by others, which includes government statistics & company websites, where data that is collected is a result of another research. So this data is a product of many other research patterns and different individual understands.

### **LIMITATIONS OF THE STUDY**

Since the data is based on secondary data, the data attained cannot be verified as the reliability of the source is general public, which generally cannot provide the complete picture but rather only an opinion. But it can be extended through further study using primary data collection techniques which acquire data through interviews and questionnaire methods, for which the performance remains constant and the viability of the success rate of schemes induced by the governments can be tested. Data collected is not always viable, it tends to represent a general thought rather than the absolute truth, as data is the main source for all undertakings, any unethical data can become a limitation for any study.

### **DATA ANALYSIS**

There are lot of opportunity areas for MSMEs in India and some of which are as follows:

- ☐ Telecommunications: Domestic manufacturing of low-cost mobile phones, handsets, and devices; Manufacturing of telecom networking equipment, including routers and switches; Manufacture of

base transceiver station equipment; Mobile customer data analytics – services oriented toward analytical solutions; and Development of value-added services

- Healthcare: Manufacturing of low-cost medical devices, and medical accessories such as surgical gloves, scrubs, and syringes; Low-cost surgical procedures to reduce the cost of healthcare; Medical tourism; and Diagnostic labs.
- Electronics: Domestic manufacturing of low-cost consumer electronics, consumer durables; Nano-electronics and microelectronics;
- Village Industries: Handloom sector; handicrafts sector
- Electronic Systems Design and Manufacturing including semiconductor design, electronic components design and hi-tech manufacturing under India's 'National Electronics Mission
- Strategic electronics, as the government is keen on encouraging the domestic manufacturing of products needed by the security forces.
- Other areas that offer opportunities for MSMEs include information technology, pharmaceutical, chemical, automotive, gems and jewellery, textile, and food and agriculture.

The country is flowing with **SCHEMES** to help the young entrepreneurs to exhibit their skills and prove to be a tool for the nation's betterment. Both the State & Central Governments have bargained its way through many aspects of the MSME'S, and have successfully been able to provide support in each area through schemes like-

- **Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTSME)** is a trust established by Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) jointly to help the medium and small scale enterprises by providing assurance up to 75% of the loan undertaken to be credited back to the bank. This applies to the loans that reach up to a maximum number of 100 lakhs. This trust also provides assurances up to 85% when the principal amount decreases, and is around the meagre numbers of 5 lakhs.
- **Market Promotion & Development Scheme (MPDA)** is a combination of many other schemes which distinctively focuses on publicity, marketing, market promotion and marketing development assistance. The main goal of this scheme is for the development of Khadi as a part of economic enhancement. Market promotion is allowed at 30% on the prime cost. This scheme directly applies to the stakeholders of KVIC.
- **A Scheme for promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)** was established to increase the competitiveness among the MSME sector. & to promote entrepreneurship culture within the country, to help build individuals mentally. To provide business solutions, and create new jobs as a part of decreasing unemployment rates. This schemes aims to provide one-time grant of 100% on Plant & Machinery, or provide financial assistance up to 100 lakhs, besides land and infrastructure. It was initiated with a budget of 62.50 Cr.
- Technology and Quality Upgradation Support to MSMEs is designed to introduce the **Energy Efficient Technologies (EET's)** into manufacturing processes to bring down costs and to stay as efficient as possible, this also promotes in having a clean development standards. It brings awareness about the latest efficient methods of production. And conduct many programmes regarding efficiency, and help in funding those programmes by other individuals for up to 75%.
- Entrepreneurial and Managerial Development of SMEs through **Incubators** was introduced to provide preliminary stage funding & to filter new innovative ideas that could see the light of the day within a year of planning. Its acts as a back bone for establishing financial assistance for setting up business incubators. It mainly focuses on enhancing the structure of the business proposal from the very beginning; it provides up to 62.5 lakh, as a ceiling limit on funding for an individual business plan, which includes cost of orientation, administration, and upgrading of infrastructure.
- Based on the on-going activities and rapid developments within the state, the Telangana State Government after critical observations has introduced a initiative called "**TASK**" formerly known as **Telangana Academy of Skills and Knowledge**, in the year 2014 of which many people aren't aware of to this day. This non-profit initiative is designed to train individuals to provide high quality human resources to the growing corporate needs; it provides value to all the institutions, by offering growth in all aspects. It is a complete projectory of one's skills, and helps those skills get the right treatment and opportunities. It mainly focuses on knowledge concepts, and provides complete information for any assistance demanded.

**The Micro, Small & Medium Enterprises Development Act, 2006**

This act was established under section 2 of industries Development and Regulation Act, 1951, to be an expedient for promotion and development of the micro, small and medium enterprises. This act focuses on the manufacturing and service enterprise components of a small scale business, and enhances the growth of healthy competition among the industries prevailing.

**The Coir Industry Act, 1953**

This act was established under section 4 & 13, and was enforced on February 9 in 1954, which is solely based on establishing coir industry and giving it a framework, to build foundation and give structure and plant roots for the further development of coir industry. To help in tax formation regarding exports and imports from the country done based on coir requirements.

**The Khadi & Village Industries Commission Act, 1956**

This act came into existence on 25<sup>th</sup> September, 1956. It was brought into the constitution due to the need of assessing and establishing a commission for the khadi and village industries, to create a confined structure and to increase the scope of the village industries. This act ensures to take into considering all the key elements that go into handling a khadi and village industry, and better support them by introducing a commission for accessing its needs.

**Industry Policy Resolution (IPR) (1948-1991)**

This policy was passed by the government of India on April 30, 1948. Any action that effects the industrial sector is considered a industry policy of a country, these policies shaped the industries by segregating them based on their functionality, in its earlier stages in 1948 the government focused on dividing the industries and allocating powers, As the years passed this policy was reinforced time and time again whenever the government felt a need for change, which resulted them in creating a constitution, adopting a planning system and evolved further in the years 1980-1991, by exerting higher productivity, and promotion of exports and imports that were focused on the small scale industries.

**Institutional Support**

Many institutions were established across the nation, to help the MSME's grow exponentially, Institutions like,

**NSIC** (National Small Industries Corporation Limited) which focused on aiding and fostering the growth by supporting micro and small industries in raw material procurement and product marketing and various other areas.

**SIDBI** (Small Industries Development Bank Of India) which is keen on assisting the smaller industries by providing them stronger financial flow according to the needs. It is a wholly owned subsidiary by the IDBI, under the Special Act of Parliament.

**WASME** (World Association Of Small And Medium Enterprises), founded in 1981 to create a cohesiveness among the industries, by allowing technology transfer and act as clearing house of information.

**NABARD** (National Bank For Agricultural And Rural Development), setup in 1982 to promote rural development, to financially assist the smaller industries apart from the agricultural sector by using credit and non-credit approaches.

**CONCLUSION**

In any given situation, the population always have the upper hand in raising the standards of all the outcomes; the government is considered an external factor that determines the quality of the outcome. Many problems residing in the country regarding various factors were thoroughly examined by the Central and State Governments in order to bring a change into the society, surely it has taken a lot of time, to implement these changes right on the go, due to high population pressure and different mind sets. But based on the recent data analysis, all the efforts made by the government have been making a difference, not in the expected way but t

he slow growth is always appreciated. Awareness remains to be the main cause of failure of schemes and initiatives, but now we see that the government has started to work on that too. It is safe to say that the country is now getting on track and will be soon on its way in achieving the status of a developed country.

**SUGGESTION**

Everyone has their say in all given situations, in this case. We would like to point out to a worrying factor i.e., the government is making the efforts based on people's opinions rather than doing what's best for the public, this is resulting in the generation being a individualised one. All the efforts point towards becoming independent rather than working together. Everyone strives to be an entrepreneur but never a public icon. **"If you want to go**

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**fast then you must you go alone, if you want to go further then we must go together.”** Is a famous quote, which would help understand this situation better. Government must focus on togetherness too, rather than making the country a completely independent one, it all depends on the individual and how one approaches the business world. Another point that we would like to get your attention on is the fact that in a world where everyone’s trying to be successful and stress on to competing each other, this would only mean more to the company and less to the people using the services, the general public. Our goal is to make the nation where every individual feel, they can contribute to the country, rather than just being a competitive nation.

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## THE CRISIS IN INDIAN AUTO SECTOR

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### ABSTRACT

*my personal experiences, Introduction to the automobile industry, the scale of the field factors affecting the drop (internal factors external factors) Current market situation, present automobile industry's functions, workmen management, production control, Inventory overhead costs, labor management, salaries of permanent operators (permanent employees), demand supply process, effect on small scale / large scale industries*

*Training and development of workmen, division of labor, gap, need, contract labor, skill labors, the pros and cons faced by each workmen, problems faced by my production manager*

*And if the idea of any other module than combustion engines that is a battery car then the problems faced by production companies, a forecast on automobile industry, how to resolve this problem and conclusion*

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### INTRODUCTION

The Indian auto industry became the 4 largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2018.

The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. Automobile exports grew 14.5 percent during FY 2019.

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

To a individual as me it takes some time and effort to study this problem, and every factor included here is by my personal experience working in leading engine valve company ( RANE ENGINE VALVES LIMITED )

**Objectives :**causes and effects of regression

### RESEARCH METHODOLOGY

**Data collection :**personal experiences, stats from SIAM, budget sessions, conferences/articles by Nirmalasitaraman, Anand mahindra

### How big is the auto-sector?

Auto sector is the key driver of india's economy it constitutes 7.1 % of GDP, 49% of manufacturing GDP, and whooping 37 million jobs.

### How did the crisis actually start?

Vehicle manufacturers have the main target set to the metropolitan cities as the sales are high comparatively, and this phase has started slowly off as the metro facility, cabs, bike taxis, growing focus on electrical engines came on board every individual started using them facilities according to their feasibility they even started renting cars and the phase of regression started. People who wanted to buy vehicles in the time period of may2019, were confused with the bharaat – 6 concept ( BS-VI) and many external factors were included too.

### My personal take on the regression

I started my intern for REVL 2 weeks post budget session the average production of engine valves were down for 30 % initially and gradually decreased we have used only 70 % of machinery 50 % of the manpower and in talks with the production department the pause for this regression and inventory piling up could be avoided for a bit by the reducing GST rate from 28% to 18% or removing it for the feasibility, corporate tax should be removed for a period.

### As TEI ( TOTAL EMPLOYEE INVOLVEMENT )

I started reaching out respective department heads for knowing the effects and causes, finance department told me another important factor which was squeeze in public sector banks and low financial sources which was faced for the past 1 and a half year and replaced by the NBFC's ( non banking financial company ) and atmosphere of uncertainty and these factors bound to be the supreme affected



And head of operations stated that the confusion in claiming insurances for the BS IV engines was strangely alive in consumers mind and as expected prices hike would cause more harm

And this was stated the highest market drop after September 2001

And the numbers/ analytics caused a war room feel for the sector

And due to the de-growth maruthi Suzuki / Volkswagen had to stop production as the inventory was piling up.

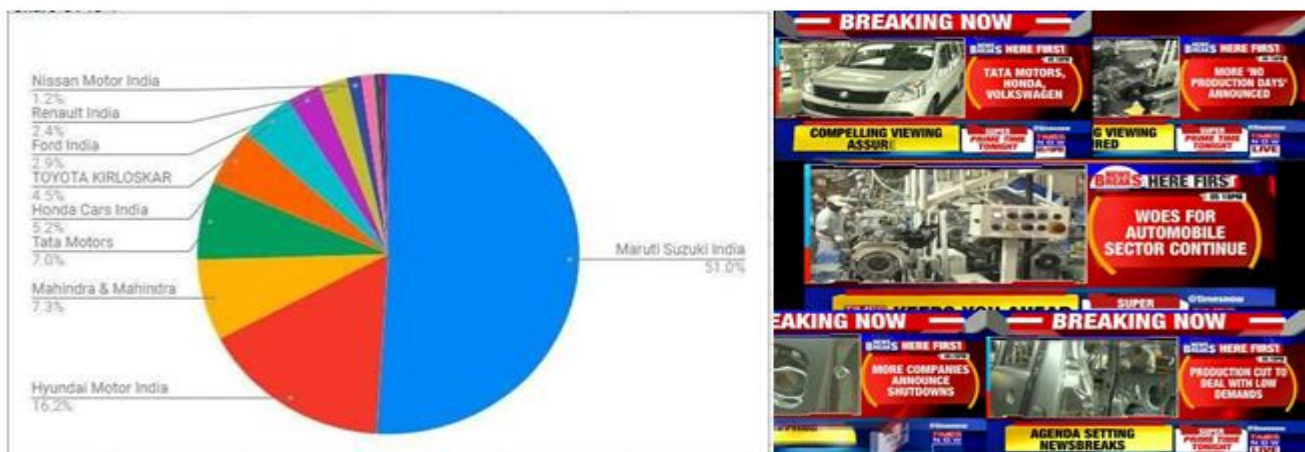
In REVL we used less machines and less manpower as the production was low

Irrespective of skilled and non skilled labour we have never declared a leave as it would be a problem if theres a change in market and no problem of labour allocation would occur

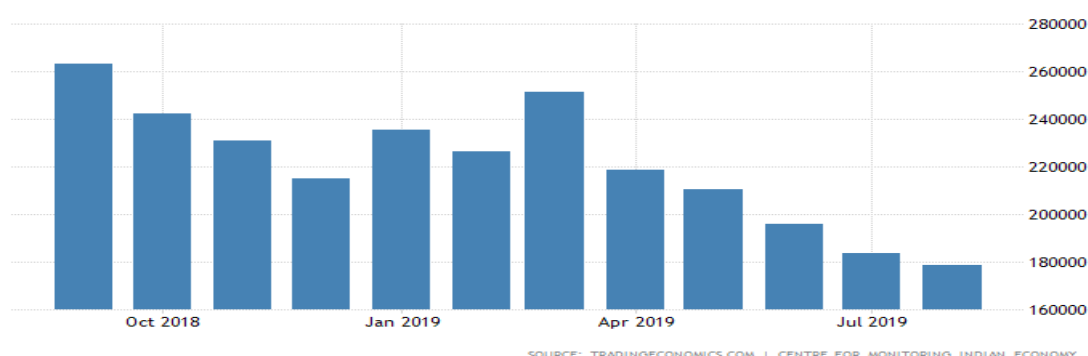
Skilled and non skilled were given training as a part of apprenticeship act and Pradhan mantrinavayuvayojana , activities as kaizen quality , internal audits were conducted and the firm for very particular with the number of manpower used on daily basis recruitment was paused but the bio datas were collected for backup. Everyday we had a meet with the GM regarding the production and maintained a limited number in valve production. My experience was wild and I ended up getting into intern when there was high uncertainty in market.



Statistics of the de-growth



Indian market share of car manufacturers and their closure



Graph of degrowth in automobiles

**How to overcome this ?**

Firstly MR. Anand Mahindra , chairman , Mahindra & Mahindra group addressed few points to pull the auto sector out of gloom (pre- budget)

- Helping out GST front
- Reducing recess or removing it
- Road tax increastion

Which should be followed for a period for a post monsoon recovery

And with the same finance minister of India ,Nirmalasitaraman preaches steps for recovery ( post budget )

- BS IV engines can be remained operational as good as any other engines
- 15 % extra depreciation on all vehicles till march 2020 ( total 30 % of depreciation )
- Icv's / combustion engines / BS IV / electrical engines will be registered normally
- Lifting ban on government employees buying new cars
- And the astonishing scrappage policy which was proposed ( not implemented yet ) old vehicles are ripped and no longer runned/scrapped and the owners are given coupons in order to buy new cars being environment concerned and sales upliftment

**CONCLUSION**

SIAM ( Society of Indian automobile manufacturers) says that 2 wheelers saw a decline in sales by 6.73 % in may 2019 compared to may 2018 Cars saw 26.03 % sales decline as of may 2019 compared to 2018 And a overall average decline of 7.97 % As the government and the sector is trying their best to overcome this degrowthHope there will be a quick recovery caused by theworst crisis caused in 20 years as auto mobile sector is the major contributor for Indias GDP.

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- **Times now**
- **Anand Mahindra** , MD M&M , talks with the economy times
- **Nirmalasitaraman** , finance minister , India ,in talks with the quint , post budget

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