*Dr. VN Brims*

# Srujan

**Peer reviewed Journal**

Vidya Prasarak Mandal's
**Dr. V. N. Bedekar Institute of Management Studies, Thane**

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Vidya Prasarak Mandal, Thane (VPM) established in 1935, a registered charitable educational trust, in the field of education. Since eight decades, it has been imparting quality education. Currently it caters more than 16000 students across 18 educational institutions. With the vision of expanding its horizons, VPM (Thane) has made collaborative agreements with International colleges. The trust has emerged as a dynamic and responsive global organisation under the visionary leadership of its founder, late Dr. V. N. Bedekar. His son Dr. V. V. Bedekar – Chairman, VPM (Thane), is now carrying forward the legacy.

## About Dr. V. N. Bedekar Institute of Management Studies (DR VN BRIMS)

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## Dr. V. N. Bedekar Institute of Management Studies, Thane

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The Editorial Board of Srujan assures all contributors of scientific conduct and protection of their intellectual capital against any abuse or misuse to advance the research interest of any other individual or group without the prior written consent of the author.

# Aims and Scope

**Srujan** is an annual multidisciplinary management journal, published with an aim to provide a print and online platform for management researchers, students and academicians to publish their original works and refer for knowledge enrichment. It is the official journal of Dr. V. N. Bedekar Institute of Management Studies. "Srujan" means Creation. This journal was conceptualized to promote research and development in management education and become a medium through which innovative ideas evolve. These ideas can then catalyze the creation of a body of a multi-disciplinary and global management thought, which can be useful to industry, government, teaching fraternity and the student world.

**Srujan** has adopted a multi-disciplinary approach to highlight the developments, innovations and intellectual research works in the extensive field of traditional and modern management, business theory and business models, intellectual contributions in management excellence and social and economic practices that contribute to business and societal growth.

**Srujan** considers original research works, surveys, opinions, abstracts, case-studies and essays that deliberate on ideas, suggestions and works that have global, national, or regional perspective.

Substantial research content in the specific verticals include, but not limited to, domains of finance, marketing, operations management, information systems, human resource, organizational theory and behavior, design thinking, project management, quality management, sustainable business management etc. will be considered for publication.

The journal is always open to ideas and suggestions in terms of content and publication. The ultimate goal is to increase knowledge, experience and the outcome and thereby a strong emphasis is laid on the quality and authenticity of the content.

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# *From the Chief Editorial Desk…✍*

I am pleased to present the sixth issue of Srujan - February, 2021 on the occasion of the annual seminar of DR VN BRIMS on the theme "***Changing Scenario of Rural Economy: Role of Research, Innovation and Digitalisation***". This issue of Srujan has nineteen research papers / articles. The papers are primarily on the theme of the annual conference and they explore the profile of the rural economy from various angles including economics of rural marketing, progress of digital platforms in the rural areas, understanding the aspirations of the rural fraternity and the changes which are taking place in terms of buying habits and the powerful impact of technology on the primary sector of the Indian economy.

Srujan also provides a platform for articles on a variety of topics which includes inter-alia hybrid learning, e-commerce, financial analysis of select industries and chosen aspect of human resource management and marketing – the role of online platforms in promoting the top line of business.

This issue of Srujan is therefore a combine of papers and articles on the theme of the annual seminar as well as different functional areas of management capturing the state-of-the-art in management as much as possible. I congratulate the editors Dr. Smita Jape, Dr. Pallavi Chandwaskar, Dr. Meenakshi Malhotra and all the members of the Advisory Committee of Srujan for their enlightened interest and indefatigable energy in making Srujan 2021 happen and also the enlightened energy and enthuse of all contributors from different walks of life to not only send their papers / articles but also accommodate the responses of peer review suggestions.

I wish to thank Dr. Vijay V. Bedekar, Chairman, VPM (Thane) and Dr. Nitin Joshi, Director, DR VN BRIMS for their unstinted co-operation and continuous encouragement in favour of Srujan.

I wish Srujan 2021 all the success and hope that the issues to follow will take Srujan to new heights of academic rigour and professional excellence. I wish Srujan readers '**Happy Reading!!!**'

**Dr. Guruprasad Murthy**
Director General
DR.VN BRIMS

# Editorial…✍

Editorial Committee of "Srujan" proudly presents the sixth volume of the journal launched during the national conference 2021 at DR VN BRIMS to its avid readers. This issue of Srujan brings a wide plethora of research papers and articles contributed from academicians, industry people, research scholars and students. This editorial section briefly showcases the scope of all the articles covered in this issue of Srujan.

The article titled "A study on Advancement in Rural Economy via Digitization" is based on the study conducted to analyse the progress in rural economy through digitalization. The second paper titled "Impact of Online and Offline Advertising on Purchase Intent for Consumer Durables" investigates the purchase intent of Indian consumer with respect to online and offline advertisements. Results show that the attractiveness of the advertisement is the most important parameter that affects the brand image and secondly celebrity endorsement affects the brand image. The analysis has been carried forward using multiple regression.

The paper on title "Financial Performance Evaluation of Indian Tyre Industry – A Comparative Study Between JK Tyre and APPLO Tyre" studied the financial performance of Indian tyre industry with special reference to JK tyre and APPOLO tyre and making a comparison of their financial performance. The findings suggests that there is an expectation of higher growth in T&B sector in upcoming future as the radicalization percentage will be improved in the future.

The paper titled "Effect of Demographics on the Effectiveness of Hybrid Learning" highlights the need for hybrid learning in the education system. This research focuses on the effect of demographics on the effectiveness of hybrid learning. Findings of the study show that age, gender, and technology affect the effectiveness of hybrid learning, however, occupation and the place where you live does not affect the effectiveness of hybrid learning.

The paper is based on a study on "Changing Buying Habits of Rural India: A Study of Consumer Behaviour Pattern in Recent Times (pandemic period)". Paper suggests those exploring the rural markets have understood the importance and significance of rural market potential and are customizing their products and services to the rural masses.

The paper titled "The Perception of Consumer Towards Online Payment System" highlights the significance of a cashless economy or shift from offline payments to online payments. In the current world of digitalization, high-end technology has erased the barriers and has provided ease to live. However, still, the number of people using the online payment system is less. This research shows that the two important parameters are gender and the trust of online payments.

The paper titled "A study of factors influencing online shopping of electronics in present scenario" is based on a study focused upon the factors influencing the online shopping of electronic products. Six factors considered in the study are price of the product, quality of the product, on-time delivery, packaging of the product, and easy return offer for the product and service recovery for defected or wrong product. Findings reveal that age group and occupation are demographic factors which influence online shopping of electronics, while product and service-related factors influencing online shopping of electronics are price, quality and service recovery.

The paper titled "The study of pre and post effect of Non- Banking Financial Company's crises in India" emphasises on role of Non-Banking Finance Companies (NBFC) those manage one fifth of credit of a India that makes NBFCs a vital part of Indian Economy. The author studies and analyses various NBFCs like India bulls Housing Finance, Dewan housing finance ltd, Shriram Transport Finance, operating in India with the help of ratio analysis of pre and post NBFC crisis. The analysis of data was done using ratios such as net profit margin, Bank borrowing to total borrowings, Current ratio, and Interest coverage ratio . the finding of study showed that DHFL company has affected most among all the three companies undertaken for study.

In the next paper "Dawn after COVID Crisis" the researcher tries to put forth his views about few questions like "Can Indian economy recover from the aftermath of this pandemic in short run? and the answer is yes in the paper researcher concludes that there are signals which are indicating a quick recovery of the economy in next 5- 6 months considering the existing momentum continues.

The next research paper title "A Comparative Study of Customer Perception and Expectation gap of Public and Private Sector Banks in Mumbai" emphasized the role of the banking sector on the overall growth of the economy and perception difference in the mind of the customer with respect to public and private sector banks. Results show that Private sector banks did better in terms of accessibility whereas Public sector banks did better in terms of reliability, accessibility, and empathy.

The next paper on "Workplace Mentoring and its Role in Promoting Employee Development" conclude that Mentoring

can give immense value to the organisation, the mentors and the mentees. However, the outcomes are more inclined towards Cognitive and Skill based learnings as compared to Emotional and Social benefits. Some of the factors that can help with the effective design and implementation of the program have been discussed in this paper.

The research paper titled "A study of the impact of Employee Absenteeism on work performance for Technocraft Yarn Division Private Limited" has analyzed the reasons behind absenteeism in Technocraft Yarn Division Private Limited. The factors into consideration are the age of the employee, nature of leave, stress level, interest in the job, working condition, management working style, and HR policy. Results show that the age of the group affects the lack of interest in the job, perception of working conditions, and nature of leave taken by the employee.

The next research paper titled, "A Study on social media influencers affecting the buying patterns of consumers in Mumbai" This research aims to study the effects that social media influencers have over the consumers buying patterns in Mumbai. The purpose of the study is to study the credibility and the influence it has over a consumer's perception of a brand.

The next research paper title "Sector-wise impact on Gross State Domestic Product of Top 3 states in India" outlined that Gross Domestic Product gives the details about the economic health and public welfare about the state and the economy. This paper examines the extent of disparity in GSDP of Indian states over some time. This study reveals that the GDP growth for India as well as for the various states in India is quite inconsistent and the 'Service sector' has the most significant contribution to the top 3 state of India.

The next paper titled "Business Intelligence: An Innovative Approach in Banking Sector" aims at elaborating on how an ideal Business intelligence system gives an organization by the use of technology to collect and effectively use information to improve business effectiveness. An ideal BI system gives an employees, partners, and supplier easy access to the information they need to effectively do their jobs, and the ability to analyze and easily share this information with others.

The next research paper "Rural Transformation through Digitalisation in India" made an attempt to understand the various digital initiatives by the Indian Government, its impact and progress. The study results reveal the spread of digitalization across various areas of rural life in India with profound Socio-Economic impact.

The paper titled "Rural Economy and role of Digital Technology" aims to focus upon how has digital technology impacted rural economy as even during the period of lockdown, many people have started working from home and many students doing their study online this has increased the usage of the internet in rural areas also as compared to urban areas. Technology helped many rural people to do their business online.

The paper titled, "Reimagining Capitalism" forver on how Capitalist societies of the developed world having transformed societies dynamically for past centuries, seem to have become dysfunctional for nearly a decade plus years.

Overall, current issue of Srujan provides rich diversity in the content as well as insights on contemporary business scenario to the readers who will find it enriching and interesting.

**Editorial Committee**

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# Content

# A Study on Advancement In Rural Economy Via Digitalization

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**Abstract:** "Digitalization" is a use of digital technologies. It is basically to make a leverage on digital technologies to create new business models, create new revenue stream and also change the entire way of performing businesses. The study is conducted on the thought to see the progress in rural economy through digitalization. It is based on how the rural economy will be developed through the digitalization i.e. by using the digital techniques. Jan Dhan Yojna (the Prime Minister's initiative to open universal bank accounts, depositing Rs1000 per family), Aadhaar (a unique 12-digit ID number for citizens) has helped rural economy. April 2016, Prime Minister launched eNAM (National Agriculture Market), an online platform.  This take part in agricultural markets online and allows farmers and traders to view all Agriculture Produce Market information and services rural people are able to monitor commodity arrivals and prices, and buy and sell trade offers. To improve the farm management digitalized land registration is done and also the mobile phones and tractor services are contributing to the same. The job seekers in different rural schemes have got a new opportunity of becoming banking correspondents' (BCs). Further target is to register shops and people in e-economy by providing effective training based on cashless transactions. Incentive of 100 is being presented to every village shop for achieving any form of payment through digital platform. Public in the village are more at ease with fingerprints system rather than other security features. However, it would assist towards higher rates of employment.

**Keywords:** Digitalization, Revenue system, Commodity arrivals, Incentives, Rural Schemes,

## Introduction

India is also known as an agricultural country, as most of the population of villages depends on the agriculture. Agriculture is the pillar of the country's economy. Agricultural sector subsidises most to the overall economic expansion of the country.The Indian village has been a self-sufficient econ-omy but as now the world is moving on so the economy has to be increased by using the new techniques. During the past 40 years, rural renovation and development have been the major push of economic planning, which has caused a swift transformation in the Indian rural economic structure. Such changes have taken place in domains, such as land reforms, agriculture, animal husbandry, supplies and marketing, village industries, village administration, etc. In rural development programmes, a farmer is able to take advantage of the modern technological facilities in his agricultural operations. They are now using modern agricultural imple-ments and high-yielding variations of seeds and fertilizers.Other welfare services were introduced, such as opening up of schools using online study mode, primary healthcare centres with better digitalized equipment, improving the means of transport and communication, and spread of media services to rural areas, etc.

## Objectives

- Main purpose of the research was to study how the rural economy is increasing.

- To identify the people's perspective of how the digitalization will help in increasing the rural economy.

## Review of Literature

Digitalization means applying digital technology to improve the business which will also help to remove the economy. Digitalization can be used in communicating, interacting and transacting with customers, suppliers and employees.

Through digitalization the agriculture has undertaken a several revolutions to profitability levels. The latest, "digital agricultural revolution" could help civilization to survive and prosper long into the future. Digital agriculture offers new opportunities. The rise of digital agriculture could be the most transformative and troublesome for all the industries, because digital agriculture not only will change how farmers farm their farms, but also will transform basically every part of the "agrifood" value chain. Behaviour of the farmers will be get affected by digital agriculture andalso retail companies market, price and sell their products will be get affected.

Even in the educational systems and attainment must keep pace with the process of digital transformation. Mostly youth who are digitally connected, means that teachers must own appropriate digital skills and education must adapt to accommodate expectations of future generations. Most students in developed countries or even in the metros they have grown-up online, using advanced technologies that require advanced digital skills and will expect their learning and education environments to be at the same levels. Adoption of digital technologies has made education more openthan before. Introduction of digital tools such as online

videos, mobile apps and challenge-based games in the process of formal and non-formal education have boosted the process of achieving e-literacy among the youth population, especially those in rural areas. In schools, introduction of computer and IT courses and teachers teaching through artistic methods using digital tools is becoming reality, not only in developed but also developing countries. Also in the research the how the India's rural population will go digital to help the economy is shown:

- Better-quality access to credit and new income streams are driving consumption in rural India.

- Digital technologies, such as AI and blockchain, are being used to offer products in rural places.

- A collaborative model that unites physical and digital will unlock opportunities for comprehensive growth.

Development in consumption across developing economies is predictableto come largely from rural places. In India, consumption per capital in rural areas, is scheduled to grow by 4.3 times in just 10 years; compared to 3.5 times in urban areas, according to report by Bain & Company and World Economic Forum.

India will always will remain a young nation, with anaverage age of 31 by 2030, and a large part of this young population will be in rural place.The rural economy subsidizes about **46%** to the national income, despite increasing urbanization in the last era.

Most of the rural working population is typically the "Earn and Pay" part, largely excluded from formal employment opportunities and expectable cash flows.

They earn their income in cash and therefore prefer to spend and release their accountabilities in cash itself. Moreover, given the lack of sufficient banking conveniences in rural areas, cash still continues to be the preferred mode of transaction in the rural areas by the rural public.

Things are changing on the ground.Mainlyagricultural, the rural economy is getting progressively more expanded, with the non-agricultural sector contributing to about **two-thirds** of household incomes.

Those who are living in rural areas in India are no longer isolated from the urban areasas before, due to improved internet access. The combination of youth, education and thenumerous income generation opportunities is leading the rural aspirations, and establishing itself in new consumption choices.

The government and supervisors have rolled out several policy and financial advantages aimed for wide-ranging rural growth. **Aadhaar**, a unique biometric identifier, zero balance **Jan Dhan** savings bank accounts, direct transfer of *social benefit payments,* and the digital payment

infrastructure **BHIM** are just some of them.

In 2014, almost **53%** of adults in India had a bank account, according to the Global Findex. With the government's push towards Jan Dhan bank accounts, this number has been increased to about **80%** in 2018.

Increase in access to credit for the *unbanked* and the *under-banked* under the **MUDRA** (*Micro Units Development and Refinance Agency*) programme is another ingenuity that provides credit at lower rates to small finance institutions and non-banking financial institutions, which in turn spread credit to Medium, Small & Micro Enterprises. India has the world's largest rural population which is of 893 million people.

**Emerging technologies**

Digital technology and improved infrastructure are key parts. New digital technologies such as big data analytics, cloud computing and artificial intelligence (AI), are increasingly organised to offer products outsidethe cities and in rural areas. At the same time, improved access and multiple income generation streams are driving consumption.

The financial requirements of rural customers diverse depending on geographical, work-related and cultural factors, local customs and goals.The first step is to enable digitalization of rural incomes. This will encourage digital payments, improve competence, increase speed of payments, reduce cost of expense, improve security, and increase transparency.

For rural customers the human interactions, asponsored model will help them get increasingly comfortable with digital. As with the help of the human interactions the rural people will be able to get more information.

*Safeguarding* digital payments and digital identities are also important at the same time. Putting in place consumer protection rules is very important to safeguard it from fraud, especially women in rural areas and low-income groups, who are most likely to be financially inexperienced.

The dynamic between physical and digital financial services companies is shifting. Fintechs can put new technologies to work in order to shrink distances, expand customer segments, offer customized experiences, and bring in efficiency.

One of the key enablers is the growing internet penetration, expected to grow from 25% in 2016 to 55% by 2025.

Rural India is expected to vault urban India and constitute nearly half of all Indian internet users by 2020. Digitalization can facilitate some of the key needs of rural India including e-governance services, banking and financial

services, educational and healthcare services, mobile/DTH recharge, e-ticketing services, online shopping, etc

**Research Methodology**

- The survey was acquired from random respondents. Based on which we can draw an observation that the rural economy is increasing. The sample size is N=65. Random sampling technique is used select the sample. Google form was designed to collect the data from the respondent. It was a primary data collection.

Finding and Results

This research involves open and close type question. The conversation between researcher and respondent was done through Google Form method. Following is data collected.



How many people prefer digital mode?
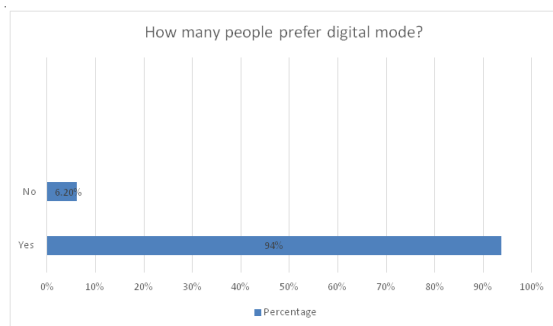
**Analysis:**Out of 65 people, 94% use digital mode and 6.20% does not use digital mode, the majority sample size uses digital mode as it is very convenient and user friendly



To what extent the digitalization has boosted itself in last five years in Rural India
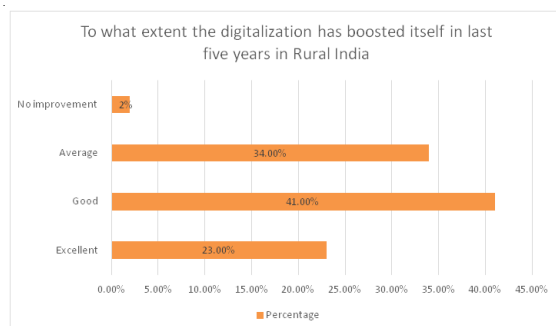
**Analysis:** According to the collected data, 23% people feel the digitalization has boosted themselves in rural areas in past five years. 41% people think that digitalization is good in rural areas. 34% people feel as an average growth has taken place in digitalization sector in rural places. And 2% feels that no improvement is done in sector of digitalization, overall from the above graph we can interpret that surely the rural areas have developed and will further grow in all sectors.



What is the effect of digitalization in farmer's life?
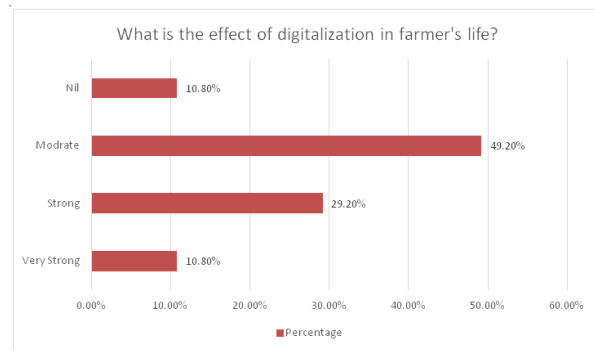
**Analysis:** 10.80% people agree that digitalization is very strong and has positive impact on the farmer's life. 29.20% agreed digitalization has strong effect on farmer's life. 49.20% agree to moderate effect on farmer's life. 10.80% agrees that no effect is there in farmer's life, the importance of digitalization must be educated to all as it would play a major role in the enhancing the farmer's life.



How often is digitalization helping for shopping in rural areas as compared to past?
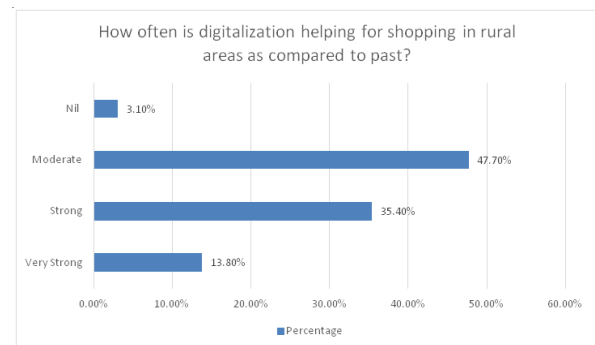
**Analysis:**According to the 13.80% people think that digitalization is helping shopping sector in rural areas as compared to past years. And 35.40% people are in favour of "strong". 47.70% feels that moderate digitalization is helping. Whereas, only 3.10% people think there is nil digitalization. Educating and encouraging the rural residents will boost the economy of that particular area and in turn of the country.



Which factors are important more for online shopper?
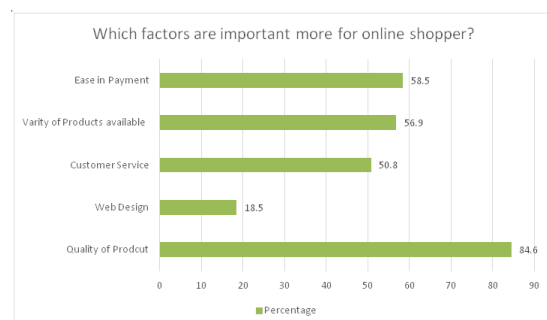
**Analysis:**According to the data, for 84.6% people quality of product is highly important. Only for 18.5% people web design is important. For 56.9% people customer service matters while shopping online. 58.5% people feel that ease in payment is the important factor for them while shopping online.

How much is the improvement in Rural Economy due to digitalization?

| | Percentage |
|---|---|
| Needs Improvement | 16.9 |
| Average | 21.5 |
| Good | 41.5 |
| Excellent | 20 |
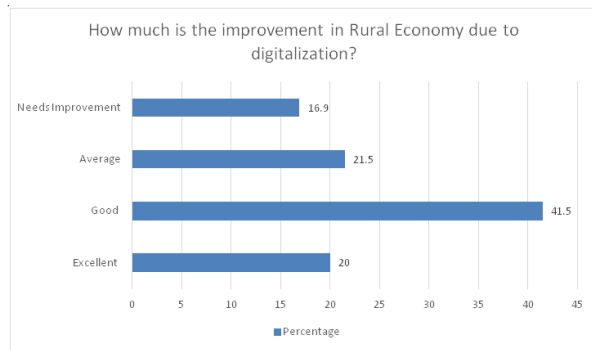
**Analysis**: From the data collected, 20% people feel that there is excellent improvement in rural economy due to digitalization. 41.5% people agreed that there is good improvement in rural economy due to digitalization. 21.5% people feel that there is average improvement. 16.9% people feels that there is need of improvement in rural economy due to digitalization.



Enhancment of digital mode in rural areas in pandemic

| | Percentage |
|---|---|
| Be stagnant | 21.5 |
| Decline | 7.7 |
| Escalate | 70.8 |
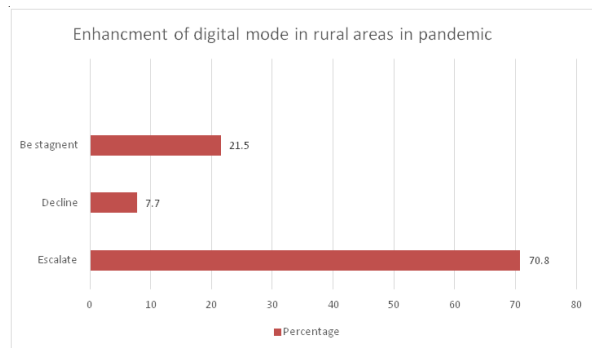
**Analysis**: According to the data collected, 70.8% people feels that enhancement of digital mode in rural areas in pandemic will escalate whereas 7.7% public feels there will be decline in digital mode. And 21.5% people feels there will be stagnant stage in digital mode. As during the pandemic be it rural or urban the residents preferred the online mode of shopping due to reasons such as lockdown and also to avoid any physical transactions, interior of the rural area the availability of basic requirements were non chargeable as well.



What kind of difficulty faced while using digital mode?

| | Percentage |
|---|---|
| Other | 53.8 |
| Post Customer Serivce | 20 |
| Payment | 21.5 |
| Shopping | 4.6 |
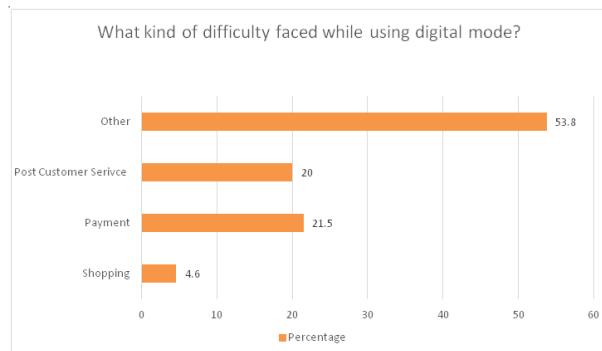
**Analysis:** According to 4.6% people face difficulty while shopping. While payment 21.5% people feel difficulty. Post customer service 20% people face difficulty and 53.8% people mentioned their difficulty in "other" category which may include either the quality of product, brand availability or product availability, non - deliverable areas and also due to certain personalised reasons.

**Conclusion**

In conclusion, the advancement in the rural economy via digitalization and the ways in which that can be done is given, BHIM, JAN DHAN YOJNA etc.The perception of the people regarding digitalization and how digitalization is changing the economy of the rural areas such as how shopping sector is being used in rural areas. Even in rural areas public has started using digital mode.

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# Impact of online and offline Advertising on Purchase Intent for Consumer Durables

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**Abstract: Purpose:** The purpose of this paper was to identify whether the two-sided nature of advertising i.e., online advertising and offline advertising of consumer durables on the purchase intent of Indian consumer

**Design/ methodology/ approach:** Using the statistical tool which is regression using MS EXCEL we have identified the relationship between the dependent variables and the independent variables in accordance with the title of the research paper

**Findings:** The paper shows the nature of not only online advertising but also the offline advertising of the consumer durables. The paper shows how the advertising in both online and offline media for consumer durables creates an impact on the purchase decision for an Indian consumer. Both online and offline advertising has its own prominence towards the different age groups along with the type of consumer durables being advertised.

**Originality/ value:** Previous studies on advertising were mainly focused on either online or offline advertising also to the certain extent few of them as only considered the consumer durables along with the purchase intention. In this context, it is proven that the advertising (both online and offline) is a critical factor in the publisher's decision whether to provide it online or offline in relationship with the consumer durables.

**Keywords:** Advertising, online advertising, offline advertising, consumer durables, Indian consumers.

## Introduction

Consumer is a person who buys goods and services. The consumer is especially one that acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.Consumers are people or organizations that purchase products or services. The term also refers tohiring goods and services. They are humans or other economic entities that use a good or service.Furthermore, they do not sell on that item that they bought. They are the end users in the distributionchain of goods and services. In fact, sometimes the consumer might not be the buyer. For example,young children are the end users of toys, but their parents buy them. Therefore, in the market fortoys, the buyer and consumer are often different people.

India's consumer market is riding the crest of the country's economic growth. Driven by a youngpopulation with access to disposable incomes and easy finance options, the consumer market hasbeen throwing up staggering figures. The Indian durable market in 2009-10, has grown by 8.6% overthe previous year.The consumer durables sector, estimated to be around Rs 76,400 crore in FY'19, logged a growthrate of about 10 per cent, largely helped by long and harsh summer, which lifted sales of compressorbased cooling products such as AC and refrigerators. The consumer durables industry returned to asteady growth path in 2019 after almost two flat years but might not be able to repeat the feat in thecoming year as broader market indicates economic slowdown. The industry, however, continued toface challenges in segments like TV panels and microwave, which failed to deliver a notableperformance during 2019. The consumer durables industry, which received several incentives in2019 from the government in form of reduction in customs duty on import of TV panels (open cells),among others, expects the ratio of localisation and backward integration to increase and contributemore towards Make-in-India. Television industry in India reached an estimated Rupees 787 billion in2019 and is projected to reach Rupees 955 billion by 2021. Shipment of TVs in India increased 15per cent annually to reach the highest-ever level of 15 million units in 2019. White goods industry in India is highly concentrated. In washing machines and refrigerators, the topfive players have more than 75 per cent of the market share, while in air conditioners and fans, it isaround 55-60 per cent. On the other hand, kitchen appliances segment is fragmented with top fiveplayers having a 30-35 per cent market share.

The advertising is basically the activity of making the product or services known about and persuading people to buy them. Advertising is the attempt to influence the buying behaviour ofcustomers or clients with a persuasive selling message about products and/or services. In business,the goal of advertising is to attract new customers by defining the target market and reaching out tothem with an effective ad campaign.Advertising is a means of communication with the users of a product or service. Advertising isalways present, though people may not be aware of it. In today's world, advertising uses everypossible media to get its message through. It does this via television, print (newspapers, magazines,journals etc), radio, press, internet,

direct selling, hoardings, mailers, contests, sponsorships, posters,clothes, events, colours, sounds, visuals and even people (endorsements).

Digital advertising in 2019 witnessed a 26% increase over 2018 to reach Rupees 13,683 crore, even as overall advertising witnessed a sober 9.4% growth, as per the latest report by theDentsu Aegis Network. The report pointed out that digital continues to grow and will grow at 27% inthe current year to reach Rs 17,377 crore by the end of 2020 and cross Rs 50,000 crore mark by theend of 2025, growing at a CAGR of 27.4%

Incidentally, the biggest spenders on digital media are BFSI (42%), consumer durables (38%) and Ecommerce(37%).FMCG, which spend majority of their ad budgets on TV, spends a large share of their digital mediabudget on online video (36%), while E-commerce, consumer durables spend a mostly on the paidsearch and the social media. The report forecast that spends on TV is expected to grow at 10% in 2020, and its share will remainsteady while that on Print media is expected to grow at 3% with this share declining to 27% fromcurrent29%.Overall, the Indian advertising industry was at Rupees 68,475 crore by the end of 2019, and isexpected to grow by 10.9% to reach Rupees 75,952 crore by the end of 2020. It is expected to growat 11.83% CAGR to reach a market size of Rupees 133,921 crore by 2025.

Online advertising is a marketing strategy that involves the use of the Internet as a medium to obtainwebsite traffic and target and deliver marketing messages to the right customers. Online advertisingis geared toward defining markets through unique and useful applications. Since the early 1990s there has been an exponential increase in the growth of online advertising,which has evolved into a standard for small and large organizations. Online advertising is alsoknown as Internet advertising or Digital Advertising. Online advertising is one of the most effectiveways for businesses of all sizes to expand their reach, find new customers, and diversify theirrevenue streams. Online advertising refers to using websites and other venues as an advertisingmedium. In other words, adverts on the Internet. In online advertising, promotional messages appearon the screens of online laptops, desktops, tablets, smart TVs and smartphones. This type ofadvertising has existed for about 25 years i.e. ever since Internet started becoming popular.

Offline advertising is the traditional media such as outdoor advertising, print media (for examplenewspapers, magazines, flyers and brochures), television advertisements and radio ads. While offlineadvertising is typically more difficult to target particular demographics, it still has a place alone or inconjunction with online advertising.Offline advertising targets consumers through channels that are considered more traditional, suchas newspaper ads for local restaurants, radio spots purchased by car dealerships, and direct mail, likemailing coupons and flyers to consumers' homes.

**Literature Review**

Ha & McCann (2008) described about explaining difference between online and offline media environment and concept of audience is replaced by users. Distinction between media and consumer-centred analysis was done. Focus on intrusiveness of ads were present and online ad clutter and perceived ad clutter levels were identified. Voorveld (2011)stated about combining online advertising with advertising in offline media can result in more positive response than using only one medium. Since both the mediums online and offline are combined results will automatically be higher. Effectiveness of simultaneous exposure to online and radio advertising were identified in the study.Study by Lewis & Reiley (2014) found that 1.6 millions customers measures positive casual effect of online advertising for a major retailer. The experiment also provided a specification check for observational difference-in-difference and cross sectional estimators. The study has also provided ability to demonstrate effectiveness of online advertising on in-store purchase.

Gupta & Gupta (2011)discussed that integrated profile may be generated based at least in part on obtained historical offline and online consumer related behaviour information relating to person. Online or offline advertisements are than targeted to the person based at least in part on the profile. In some embodiments, profiles for each person are generated using a machine learning technique or model that utilizes historical online and offline consumer related information relating to other users.Ha (2003)described about the study comparing the advertising on the websites supported by offline media and on the dot .com media that have online presence. The study also described that portals ads are more diversified than those of TV website. The advertising formats shown in the portal sites and TV sites in this study are quite similar to the industry-wide ad format pattern presented by Jupiter Media Metrix, which calculated the popularity by online impression (Pastore 2002). In Jupiter Media Metrix's study there were more banners than small ad formats, such as micro-bars and buttons. Large ad formats, such as rectangles and skyscrapers, were the least likely to be used by portal sites and TV sites.

Asseoff *et al.* (2013)studied the use of virtual currencies as reward to plink consumer members. Also since the virtual currencies are purchased in bulk reduced rates from issuer's , using virtual currency for consumer rewards may allow the operators of Plink and/or its merchant members to provide larger rewards to consumer members would expect. Moreover, the Plink advertising system disclosed herein provides for exchange between virtual currencies and/or allowing consumer members to determine

customized allocation among a plurality of virtual currencies.Ferber& Schleider (2015) discussed about a profile of user obtained based at least in part on the identified connection. The present teaching relates to methods and systems for advertising. Specifically, the present teaching relates to methods and systems for targeted advertising and conversion measurement.Another study by Ha (2004)examined how brand trust is affected by the web purchase related to security, privacy etc. not all e-trust building programs guarantees success in building brand trust. As consumers become more savvy about the internet, the author contends they will insist on doing business with web companies they trust. The findings of the study shows that the brand trust is not built on one or two components but is established by interrelationships between complex components.Davis *et al.* (2017) described the aim of the study is the effect of the consumer's perception of their offline and online gendered behaviour on online utilitarian shopping motivation and purchase intention. Gender has significant effect on purchase intentions online. Significant effect on gender (online) for males but not overall for females have been identified. The analysis has 2 stages: Confirmatory factor analysis(CFA) and Structural equation modelling (SEM).

Rai (2013)illustrated that the advertisement motivates the consumer to purchase/ materialize the purchase of durables. Every human community develops a system by which it provides and distributes goods and services. In today's advanced societies as the development goes on, this system is becoming very complex due to wide range of available goods in all fields. To understand this system fully, it is required to study a person's entire lifetime experiences on the consumption of economic goods. It involves study of almost every activity towards consumables in which humans are involved.Amandeep*et al.* (2017) analysed that through advertising both electronic and print media more audience can be reached and can have more impact on them. Various factor affecting consumer buying process with respect to advertisement has been identified. People have different liking and choice. This could be because of the varied experiences and backgrounds of individuals. Past experience of the person subjected to advertising may determine the impact the advertising will have on him or her. This preference is referred as consumer behaviour. The study impact of Advertising on Consumer Purchase Decision with reference to Consumer durable Goods in Oman, this paper tries to study certain constructs like Ad recall, Ad persuasiveness, attitude towards Ads, Ad attractiveness and purchase intention. Undoubtedly, Ad recall, Ad persuasiveness, attitude towards ads, Ad attractiveness, and purchase intension are the different factors making up Ad effectiveness.

Kulshreshtha (2017)examined Indian consumers' decision making regarding consumer durable goods. As far as spending of Indian consumers is concerned the changed pattern in buying habits of consumers is observed. In context of role in purchasing consumer co-relate and connect themselves with the society and celebrities who endorses the product. This may be the reason consumer hesitate to purchase the product which harm the environment or if any celebrity endorses it, who eventually earns bad name or defamed. It is worth noticing that the market has changed significantly, basically due to the rapid change in consumer behaviour. The evolution of computers, internet has made the today's consumer more aware and analytical. This development has increased the complexity for the manufacturers in terms of wants and needs of consumers. This study analysed the relevance of brand, price, advertisement, celebrity endorsement and country of origin for consumer preference during purchasing process. The research explored that out of the several attribute i.e., brand, price, types of advertisement, celebrity, consumer preferred local products, ready to pay higher amount, influenced with Moral appeal, give high credit to celebrity with honest and positive image and have patriotic attachment too while making purchase decision.

Luniya & Verghese (2014) described that due to increase in disposable income there is shift in consumer spending pattern. Indian durable industry has witnessed a heavy growth rate in past few years. With the change in lifestyle of the consumers, durables are perceived as utility product rather than luxury goods. So, the aim of this study is to find out the determinants of consumers preference for purchasing home+ appliances in Bhilai city. Some determinants like price, brand, mode of payment, location & after sales service has been analysed by using multivariate analysis. A sample of 80 consumers was taken for conducting the survey. This research will contribute to the durable industry especially to home appliance while developing strategies to reach the consumers mind and surviving in the competitive market.Srivastava (2017)studied the presence of nostalgic advertising on Indian television and its execution with respect to disclosure, PLC etc. This research uses a content analysis of 700 TV advertisements aired between January-December 2013 from top five Indian TV channels based on their rank according to Gross Viewership in Thousands. This study is also one of the first to provide a comprehensive framework on nostalgic advertising. The interrelationships among variables such as product category, process of emotional appeal, degree of information disclosure and stage in PLC has not been investigated earlier, in the context of nostalgic advertising. Moreover, this study is the first attempt to present a snapshot of TV ads in India.Olbrich & Schultz (2014)discussed the understanding of research engine in 2 ways i.e., firstly as analyse the comparative effectiveness of campaign parameters and secondly examine effect of print ads on search engine advertising. The click-through rate and the bid amount contribute to lesser extent to explaining the financial target

variance.

Pickering (1978) studied about forecasting the demand for durables. The study aims to describe overall patterns of results in more general terms and to draw them together by focusing specifically on what they suggest about the nature of individual behaviour and decisions regarding consumer durables.Heald (1970)provided background to the current literature on buying intentions and described some recent research on the subject. The study states traditional shortterm econometric forecasting models for durables generally represent expenditure as a function of disposable income, relative price, an index of hirepurchase control, and an estimation of the total stock of durables. Discusses US experience in depth, with literature examples.Martinez*et al.*(1998)applied an empirical application carried out with respect to the adoption of various consumer durables that are frequently found in the majority of households, whilst the demographic and socio-economic characteristics of the individuals who make up each adopter category are used in order to differentiate their behaviour.Lervikas (1976)analysed the different purposes of market segmentation with particular references to its purpose explaining the diffusion of new consumer durables. Using a simulation model called SIMDEK to forecast the general pattern and growth of a new durable and its stabilization in demand after its introduction to a new market.Mason (1970)distinguished between individual initial sales and statistical initial sales and also between individual replacement sales and statistical replacement sales. He stated that consumers are not really affected by economic conditions, except in so far as they may postpone their purchases – particularly in the replacement sector.

Whitelock *et al.*(2013)identified theoretical foundations, future research directions for theory building in this particular research area. The three key theoretical perspectives (networking capability, image transferability, and personal extensibility) provide strong potential for better understanding the advantages and disadvantages of social media use for advertisers. They are also useful for identifying important research gaps that need to be filled in the future.Belanche *et al.* (2019)identified advertising effectiveness in Instagram and Facebook, the two most important social media platform.The results indicate that Instagram Stories not only enhances consumer attitude toward ads but also increases perceived intrusiveness, compared to Facebook Wall. Millennials are more disturbed by Facebook Wall ads than non-millennial users. A triple interaction effect reveals that non-millennial men are more loyal toward Facebook Wall ads, whereas millennials of both genders and non-millennial women are more loyal to ads on Instagram Stories.Liu *et al.*(2019)discussed about the banner ads which are usually placed in a particular news website. The result of the experiment shows that the proposed approach performs better than traditional approach.Yang *et al.*(2017) analysed that internet provides huge opportunities

to the business enterprise. This study aims to investigate consumer attitudes toward advertisement while they are watching online videos on YouTube.

**Research Methodology**

The research paper study was based on survey plan. The main objective of the survey was to collect appropriate data, which work as a base for drawing conclusion and getting result. Research methodology is the way to systematically solve the research problem. Research methodology not only talks of the methods but also logic behind the methods and used in the context of a research study and it explains why a particular method has been used in preference of other methods.Data collection for this report was prepared after collecting relevant data from the target sample and past data was arranged from the various studies conducted in last few years.

Primary data is data that is collected by a researcher from first-hand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources. The data were collected by sending questionnaire to the respondents. For this purpose structured questionnaire were prepared in such a way that all necessary data would be collected.Secondary data refers to data that is collected by someone other than the user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records etc.Information regarding the project, secondary data was also required. These data were collected from various past studies, books available and online sources available related to the project topic.

The data collected form the people to test the impact of online versus offline advertising in relation with consumer durables. The factors identified were attitude towards ads, trustworthiness of ad, celebrity endorsement and attractiveness of advertisements. At the end all these factors are connected to only one decision that people are satisfied with online or offline advertising platforms as per their choice when it comes to purchase of consumer durables. Responses on all the questions were selected to choose the option between strongly agree to strongly disagree. I used the Liker scale for response noting. Strongly disagree is coded as 1, disagree as 2, neutral as 3, agree as 4 and strongly agree as 5. Then to know which factors are affecting the impact of online versus offline advertising in relation with consumer durables I applied multiple regression to test it which helps to find the factor and what co-relation exist between them. Regression analysis helped to find the more accurate and precise results. This research also deals with comparative study of which factors mostly affect online and offline advertising in relation with consumer durables and which factor should be focused while developing strategies which will persuade consumers to purchase

consumer durables. In this study I had done individual analysis of each factor precisely.

**Sampling Method**

Descriptive research (sampling)

**Sample Size**

141 Respondents is the total sample size, out of which 64 responses were received for offline advertising and 77 responses were received for online advertising

**Type of Study**

Quantitative study

**Statistical Tool**

Regression using MS EXCEL

Hypothesis are as follows:

H.1) Attitude towards advertising significantly influence the brand image for online advertising.

H.2) Attitude towards advertising significantly influence the brand image for offline advertising.

H.3) Trustworthiness of online advertising significantly influence the brand image for online advertising.

H.4) Trustworthiness of offline advertising significantly influence the brand image for offline advertising.

H.5) Celebrity endorsement of online advertising significantly influence the brand image for online advertising.

H.6) Celebrity endorsement of offline advertising significantly influence the brand image for offline advertising.

H.7) Attractiveness of online advertising significantly influence the brand image for online advertising.

H.8) Attractiveness of offline advertising significantly influence the brand image for offline advertising.

**Data Analysis and Findings**

H.1 , which shows the relationship between attitude towards advertising and brand image, for online advertising the following regression table is studied.

| Regression Statistics | |
| --- | --- |
| Multiple R | 0.89081 |
| R Square | 0.79354 |
| Adjusted R Square | 0.79079 |
| Standard Error | 0.45712 |
| Observations | 77 |

**Regression analysis for hypothesis 1**

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Intercept | 0.17287 | 0.22149 | 0.7804 | 0.4375 | -0.2684 | 0.6141 | -0.2684 | 0.6141 |

H.2 , which shows the relationship between attitude towards advertising and brand image, for offline advertising the following regression table is studied.

**Regression analysis for hypothesis 2**

| Regression Statistics | |
| --- | --- |
| Multiple R | 0.82571 |
| R Square | 0.6818 |
| Adjusted R Square | 0.67667 |
| Standard Error | 0.56889 |
| Observations | 64 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Intercept | 0.95555 | 0.25722 | 3.71493 | 0.00043818 | 0.44138 | 1.46972 | 0.44138 | 1.46972 |

H.3 , which shows the relationship between trustworthiness of advertising and brand image, for online advertising the following regression table is studied.

**Regression analysis for hypothesis 3**

| Regression Statistics | |
| --- | --- |
| Multiple R | 0.8881 |
| R Square | 0.78873 |
| Adjusted R Square | 0.78591 |
| Standard Error | 0.46242 |
| Observations | 77 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Intercept | 0.43319 | 0.20961 | 2.06669 | 0.04221594 | 0.01563 | 0.85076 | 0.01563 | 0.85076 |

H.4 , which shows the relationship between trustworthiness of advertising and brand image, for offline advertising the following regression table is studied.

**Regression analysis for hypothesis 4**

| Regression Statistics | |
| --- | --- |
| Multiple R | 0.87772 |
| R Square | 0.77039 |
| Adjusted R Square | 0.76668 |
| Standard Error | 0.48325 |
| Observations | 64 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Intercept | 0.3783 | 0.24512 | 1.54331 | 0.1278441 | -0.1117 | 0.8683 | -0.1117 | 0.8683 |

H.5, which shows the relationship between celebrity endorsement of advertising and brand image, for online advertising the following regression table is studied.

**Regression analysis for hypothesis 5**

| Regression Statistics | |
| --- | --- |
| Multiple R | 0.90579 |
| R Square | 0.82046 |
| Adjusted R Square | 0.81806 |
| Standard Error | 0.42628 |
| Observations | 77 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 0.50354 | 0.18602 | 2.70686 | 0.0084062 | 0.13296 | 0.87412 | 0.13296 | 0.87412 |

H.6, which shows the relationship between celebrity endorsement of advertising and brand image, for offline advertising the following regression table is studied.

**Regression analysis for hypothesis 6**

| Regression Statistics | |
|---|---|
| Multiple R | 0.80285 |
| R Square | 0.64458 |
| Adjusted R Square | 0.63884 |
| Standard Error | 0.60124 |
| Observations | 64 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 1.15404 | 0.26103 | 4.42116 | 4.02998 | 0.63226 | 1.67582 | 0.63226 | 1.67582 |

H.7, which shows the relationship between attractiveness of advertising and brand image, for online advertising the following regression table is studied.

**Regression analysis for hypothesis 7**

| Regression Statistics | |
|---|---|
| Multiple R | 0.90874 |
| R Square | 0.82581 |
| Adjusted R Square | 0.82348 |
| Standard Error | 0.41988 |
| Observations | 77 |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 0.97428 | 0.15872 | 6.1383 | 3.6 | 0.6581 | 1.2904 | 0.6581 | 1.2904 |

H.8, which shows the relationship between attractiveness of advertising and brand image, for offline advertising the following regression table is studied.

**Regression analysis for hypothesis 8**

| Regression Statistics | |
|---|---|
| Multiple R | 0.93073 |
| R Square | 0.86625 |
| Adjusted R Square | 0.8641 |
| Standard Error | 0.36882 |
| Observations | 64 |

| | Standard | | | | Lower | Upper | Lower | Upper |
|---|---|---|---|---|---|---|---|---|
| | Coefficients | Error | t Stat | P-value | 95% | 95% | 95.0% | 95.0% |
| Intercept | 0.4159 | 0.17528 | 2.37276 | 0.0207711 | 0.06552 | 0.76628 | 0.06552 | 0.76628 |

## Findings

- The findings of the study shows us that brand image which is dependent variable has positive relationship with the independent variables such as attitude towards advertising (online/offline), trustworthiness of advertising (online/offline), celebrity endorsement of advertising (online/offline) and attractiveness of advertising (online/offline) .

- According to the data the change in the dependent variable Brand Image is 79% affected because of independent variable Attitude towards advertisement, in case of online advertising.

- According to the data the change in the dependent variable Brand Image is 67% affected because of independent variable Attitude towards advertisement, in case of offline advertising.

- According to the data the change in the dependent variable Brand Image is 78% affected because of independent variable Trustworthiness of advertisement, in case of online advertising.

- According to the data the change in the dependent variable Brand Image is 76% affected because of independent variable Trustworthiness of advertisement, in case of offline advertising.

- According to the data the change in the dependent variable Brand Image is 81% affected because of independent variable celebrity endorsement advertisement, in case of online advertising.

- According to the data the change in the dependent variable Brand Image is 63% affected because of independent variable celebrity endorsement advertisement, in case of offline advertising.

- According to the data the change in the dependent variable Brand Image is 82% affected because of independent variable Attractiveness of advertisement, in case of online advertising.

- According to the data the change in the dependent variable Brand Image is 86% affected because of independent variable Attractiveness of advertisement, in case of offline advertising.

## Discussion And Implication

- The online advertisements should focus more on building trust and creating awareness about consumer durable's and make an appeal to old age group

- The offline advertisements should focus more on attracting young generation group

- The goodwill of combining both online and offline advertisements will help consumer durable brands to achieve its consumers.

- The consumer durables like smartphone are attracted to youth easily therefore online advertising should be more in this case

- The consumer durables like refrigerators are attracted to housewives and old age group easily so television ads, print ads, out-of-home advertising etc. can be used

- The consumer durable brands can attract consumers by offering various discounts on the product so that the purchase decision can easily be made by the consumers

- The competitors brands in consumer durable should analyse its competitors strength and also develop its strength more effectively to capture the market against the competitors

- YouTube ads and Television ads both are easily attracted by all types of consumers, so the brand should advertise more on these platforms

- Since the consumer durables are used for more than 3 to 4 years the quality of the durables should be prominent in order to satisfy the consumers and attract more consumers.

## Conclusion

- The Brand Image has positive relationship with all the Independent Variable studied, in case of both online and offline advertising.

- Also the independent variable such as Attitude towards advertisement, Trustworthiness of the advertisement, celebrity endorsement of the advertisement and Attractiveness of the advertisement plays an important role as every variable contributes in it in some way or the other way, in case of both online and offline advertising.

- This study shows that people of young age group prefer online advertising and people of old age group prefer offline advertising, however both the advertisings are equally important.

- There is intense competition between both online and offline advertising. Now-a-days most of the consumers are attracted towards online advertisements, the online

advertisements should also focus to each and every age group with an amazing impact.

- The upgradation is necessary in every field and in everyone's life, in the coming years there will be more positive attraction towards the online advertising, hence online advertising should be relevant and truthful.

- Since majority of the people spent their time on social media platforms like YouTube, Facebook, Instagram etc. they come across the online advertisements more.

- Since old age group spent their time mainly in front of televisions, reading newspapers etc. they come across offline advertising more often

- The main thing is that the advertising of consumer durables should be relevant to the consumer and secondly the online and offline advertising mediums is to be decided, however majority of high end brands of consumer durables like LG, Samsung etc. advertise its products on both online and offline mediums.

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# Effect of Demographics on the Effectiveness of Hybrid Learning

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**Abstract:** Hybrid learning has become the need of the hour. Professional courses these days have been shifted to Hybrid Learning as it gives an opportunity to the professionals to upgrade themselves with the changing times. The biggest advantage of hybrid learning is that it is a mixture of Personal Contact Programmes and Online Programmes. It gives a greater flexibility to the working professionals who cannot indulge into personal contact programmes due to erratic work schedules. Moreover, Hybrid Programs do not have a fixed ratio of Personal Contact Programmes and Online Programmes. It differs from programme to programme. Due to high adaptability in hybrid learning it has been preferred by many working professionals these days all across the globe. All reputed and best of the universities are offering hybrid courses these days because of the demand and convenience factor in hybrid learning. This research focus on the effect of the demographics on the effectiveness of hybrid learning. Results shows that age, gender and technology effect the effectiveness of hybrid learning.

**Keywords:** *Hybrid Learning, perception, benefits, demographics.*

## Introduction:

Need for education is increasing with time. People wish to learn new things every day. As rightly said by Alwin Toffler, 'The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn'. The thought process of the learners with education provided have been working very hard in understanding the (N & E) needs and expectations of the learner. There have been many approaches to words making learning outcome driven. Some of the approaches which have been globally followed include:

a. Distance programme

b. Doubt Solving

c. Technology Driven

d. Hybrid Learning

This research work is specifically focusing on Hybrid learning. Alternatively, hybrid learning is also termed as blended learning. Ger Driesen (2016), mentioned that though the terms blended learning and hybrid learning are alternatively used they do not mean the same. According to him the combination between the online learning and off-line learning is called as blended learning. Hybrid learning focuses on having right mixture between the different possibilities of learning. It doesn't matter whether it is online or off-line.

## Benefits of Hybrid Learning:

Hybrid Learning enhances the process of teaching for teachers, alters boredom and difficulties for the learner and fosters the learning process. The process of Hybrid Learning has direct effects on three areas of teaching: a. The Learner b. The Teacher and c. The Learning-Process. The benefits of hybrid learning have been furnished by 'Teach Thought Staff' and 'Digital Marketing Institute'. With regards to learner's benefit a lot of research has been done in the past which have been summarised as below:

- Effective and healthy competition facilitated through high quality interaction among peers and colleagues.

- Fosters technical skills in students making them tech savvy and highly suitable from rewarding jobs that require technical expertise.

- Their increased ability to communicate and interact using different kinds of modes.

- An opportunity to get to know their courses, their syllabus and the resources involved which ultimately leads to proper understanding of their subject.

- A boon to working and commuting students as it makes course and learning schedules flexible in nature.

- A diverse range of content makes things interesting for the learner.

There is a reason why children books have colourful pictures and drawings in them. When compared to pages filled only with text, pages filled with text and pictures tend to draw the converged attention of children. These drawings or pictures act as catalysts in imparting the knowledge or the information of the text in a better way. It follows the simple rule of learning. If it is interesting, it is more likely to attract students. While pictures and colours can attract kids towards reading and learning, audio clips, video files, PowerPoint presentations and lectures through video conferencing keep higher class students or adults engaged. This method of teaching and learning is much different and much efficient than traditional or physical classroom learning. - Hybrid learning involves interesting methods of learning. It makes communication and two-way process that also involves students. Thus, students willingly take active

participation. Hybrid learning allows the use of the internet to research about topics and explore to find areas of interests. In a process as such, students stay engaged, focused and also learn through active participation. E-Learning allows students to take charge or responsibility of their own learning.

**Literature Review:**

Students perception according to Elsayed et al. (2011) towards active learning style is that they have positive impacts on students' interpersonal, problem solving, and self-management skills as compared to traditional learning. Many disciplines (e.g. Physics, IT) use it to develop their learning outcomes. But on the other hand, Hospitality and Tourism scholars did not show a great interest in this area but they pointed towards the need to equip higher education graduates with employability skills (e.g. problem solving skills), which could be matched by adopting active learning approach. Brenda, et al., 2011; Felder & Brent, 2009; Wyckoff (2001) mention in certain disciplines such as physics, energy systems, pharmacy and nursing express great concern towards active learning and use it to enrich the learning outcomes. On the other hand, Adams et. al. (2010) finds that students are able to get higher grade in traditional way of learning as compared to active learning. Also, Wyckoff (2010) found the lecture style learning is a significant factor limiting the quality of science education. Yousery et. al. (2011) state students perceive the use evaluation system in active learning to be objective, comprehensive, clear and fair. In contrast, the evaluation system adopted in the traditional style is perceived by students as "depending only on the final exam and lacks continuous evaluation of students' levels.

Zaiha Ahmad and Isma Zuriyya uIsmail (2013) revealed that students found that technology helped in fostering learning activities. Students were more inclined towards new technology as they found new learning techniques to be more adaptable and motivating. The higher education system was accordingly been reshaped.

**Primary Research**

Data collection was undertaken in two stages: in the first stage, a pilot survey was conducted to ascertain the research parameters and to test the validity and reliability of the instruments used in the study. In the second stage, the primary data was collected using the instruments in the study. Questionnaires were used as instruments for data collection from the respondents.

**Size and Design of Sample**

The study was conducted across India. The sampling method used was Stratified Random Sampling. The sample units were Under Graduates, Graduates and Post Graduates across India.

**Normality Test**

For checking the normality of data Skewness and Kurtosis were used. The value came under the acceptable range -2 and +2 (George & Mallery, 2010).

H01: There is no significant relation between age and effectiveness of Hybrid learning

Table 1: Anova test for effect of age on effectiveness of hybrid learning

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 15.856 | 3 | 5.285 | 5.365 | .001 |
| Within Groups | 859.144 | 872 | .985 | | |
| Total | 875.000 | 875 | | | |

Table 2: Test of Homogeneity for effect of age on effectiveness of hybrid learning

| Homogeneity of Variances | | Levene Statistic | df1 | df2 | Sig. |
|---|---|---|---|---|---|
| Effectiveness | Based on Mean | 7.175 | 3 | 872 | .000 |
| | Based on Median | 5.322 | 3 | 872 | .001 |
| | Based on Median and with adjusted df | 5.322 | 3 | 779.239 | .001 |
| | Based on trimmed mean | 6.869 | 3 | 872 | .000 |

The p value is less than 0.05 therefore the null hypothesis is rejected. Therefore, there is significant relationship between age and effectiveness of hybrid learning.

H02: There is no Significant relationship between area and effective of hybrid learning

Table 3: Test of Homogeneity effect of area on effectiveness of hybrid learning

| Homogeneity of Variances | | Levene Statistic | df1 | df2 | Sig. |
|---|---|---|---|---|---|
| Effectiveness | Based on Mean | 4.583 | 1 | 874 | .033 |
| | Based on Median | 4.257 | 1 | 874 | .039 |
| | Based on Median and with adjusted df | 4.257 | 1 | 863.331 | .039 |
| | Based on trimmed mean | 4.362 | 1 | 874 | .037 |

Table 4: Anova test on effect of area on effectiveness of hybrid learning

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 1.956 | 1 | 1.956 | 1.958 | .162 |
| Within Groups | 873.044 | 874 | .999 | | |
| Total | 875.000 | 875 | | | |

The p value is greater than 0.05 therefore the null hypothesis holds that there is no relationship between the variables.
H03: There is no significant relationship between gender and effective of hybrid learning

Table 4: Anova test of effect of gender and effective of hybrid learning

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 4.660 | 1 | 4.660 | 4.680 | .031 |
| Within Groups | 870.340 | 874 | .996 | | |
| Total | 875.000 | 875 | | | |

Table 5: Homogeneity test of effect of gender on effective of hybrid learning

| Homogeneity of Variances | | | | | |
|---|---|---|---|---|---|
| | | Levene Statistic | df1 | df2 | Sig. |
| Effectiveness | Based on Mean | .103 | 1 | 874 | .749 |
| | Based on Median | .130 | 1 | 874 | .719 |
| | Based on Median and with adjusted df | .130 | 1 | 872.430 | .719 |
| | Based on trimmed mean | .126 | 1 | 874 | .723 |

The p value is less than 0.05 therefore the null hypothesis is rejected. Therefore, there is significant relationship between gender and effectiveness of hybrid learning.

H04: There is no significant relationship between occupation and effectiveness

Table 6:Homogeneity test on effect of occupation on effective of hybrid learning

| Homogeneity of Variances | | | | | |
|---|---|---|---|---|---|
| | | Levene Statistic | df1 | df2 | Sig. |
| Effectiveness | Based on Mean | 1.348 | 5 | 830 | .242 |
| | Based on Median | 1.312 | 5 | 830 | .257 |
| | Based on Median and with adjusted df | 1.312 | 5 | 825.207 | .257 |
| | Based on trimmed mean | 1.349 | 5 | 830 | .242 |

Table 7: Anova Test on effect of occupation on effective of hybrid learning

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 8.515 | 5 | 1.703 | 1.670 | .139 |
| Within Groups | 846.212 | 830 | 1.020 | | |
| Total | 854.727 | 835 | | | |

The p value is greater than 0.05 therefore the null hypothesis is accepted. Therefore, there is no significant relationship between occupation and effectiveness of hybrid learning.

HO5: There is no significant relationship between income and effectiveness

Table 8: Homogeneity test on effect of income on effectiveness

| Homogeneity of Variances | | Levene Statistic | df1 | df2 | Sig. |
|---|---|---|---|---|---|
| Effectiveness | Based on Mean | 3.026 | 4 | 871 | .017 |
| | Based on Median | 2.843 | 4 | 871 | .023 |
| | Based on Median and with adjusted df | 2.843 | 4 | 828.343 | .023 |
| | Based on trimmed mean | 2.955 | 4 | 871 | .019 |

Table 8: Anova test on effect of income on effectiveness

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | .825 | 4 | .206 | .205 | .935 |
| Within Groups | 874.175 | 871 | 1.004 | | |
| Total | 875.000 | 875 | | | |

The p value is greater than 0.05 therefore the null hypothesis is accepted. Therefore, there is no significant relationship between income and effectiveness of hybrid learning.

H06: There is no significant relationship between infrastructure and effectiveness for hybrid learning

Table 9: Anova test on effect of infrastructure on effectiveness

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Effectiveness | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 875.000 | 828 | 1.057 | 55977934009 89830000000 00000000000 .000 | .000 |
| Within Groups | .000 | 47 | .000 | | |
| Total | 875.000 | 875 | | | |

There is significant relationship between infrastructure (Technology) and effectiveness

Findings

Based on the statistical value of chi square and ANOVA test following findings are drawn

1. The age group effect the effectiveness of the hybrid learning. Within the age group it is found that the age group between 20 to 30 have more effectiveness of hybrid learning.

2. Gender affect the effectiveness of the hybrid learning. Therefore, the hybrid learning effect will be different among males and females.

3. The area where the individual lives do not affect the effectiveness of hybrid learning. The area was divided into two categories rural and urban.

4. The occupation of an individual does not affect the effectiveness of hybrid learning.

5. The infrastructure especially technology affect the effectiveness of hybrid learning.

**Conclusion:**

Hybrid Learning has a greater impact on the ease in Higher Education. Drastic changes in the arena of education have made it possible for the professionals to upgrade their education when employed. We cannot side-line the role of technology in hybrid learning. Hybrid learning can never be possible in absence of technology as technology is an integral part of online learning. It connects the Learner with the Teacher through technology for effective learning not forgetting the role of internet. People from any profession can indulge into hybrid learning. As hybrid learning can accommodate people staying in any area, people from rural or urban areas can take advantage of advancing their qualification through hybrid form of learning. Age and gender have impact on hybrid learning. Therefore, strategies should be designed for specific age group and gender. Hence, hybrid learning is a boon for the working professionals who are keen on upgrading their qualification.

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# Understanding the Expectations of Rural Management students With reference to Employment and Retention

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**Abstract:** Employability of management students is major challenge of rural India. There is an invisible gap between expectations and capabilities of rural youth with respect to employment opportunities available in the market. Retention of productive employees has become major performance evaluation criteria for human resource department of the Organizations. The objective of the research is to understand these expectations of rural management students (age 21- 25) with reference to employment. The study attempts to explore various factors affecting employee retention of management students with rural background. Employers expects long term association and loyalty from rural youth during their recruitment. Employee retention requires identification of intrinsic factors which study is attempting to explore.

## Introduction:

Recruitment and retention of talent pools is the most challenging area for any Organization. A large part of management takes on the task of discovering, recruiting, cultivating and maintaining the right talent and once the right talent is found the next challenging job is to retain that talent. Employee retention requires recognizing their intrinsic motivators which other companies cannot recognize. For this regard the explanation is that individuals vary greatly. A business will make some effort and conduct some analyses to assess its main employee non-monetary desires and expectations and then seek to satisfy those expectations in practice. Some companies are retrenching their employees because there are no money to pay the salaries. Still organization needs loyal and talented employee who will help to achieve the objectives of the organization. In such cases organization retrench those employees who are not required and retain those who will help them to tackle such situations. Lloyd Mathias, a business and marketing strategist, in a newspaper article published in Times of India on 15 Dec 2018 (Mathias, 2018) talked about the skills and knowledge required for gig Economy to millennials . Gig economy means a market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs. Gig economy is gaining speed because of the increase in digital technology where organization gives preferences to final output.

## Literature Review:

HR functions may be changed to improve employee engagement as well as successful internal branding. The paper also focuses on the Millennials, a young generation who have brought their own personal beliefs and interests, thus presenting young obstacles to the organizations' human resources management and internal branding strategies [1]. Lindsay Nolan (2015) showcased four sources of dissatisfaction such as Work life balance, A lack of

meaning, Low Enticement, management styles. Millennials believe that everyone should be judged on their own merits, as an individual not as a member of a group. Offering higher pay (or even promotional opportunities with pay raises, emphasis on the pay raises) may attract Millennials initially but their weaker significance relative to other factors implies that these will not be enough to keep them. A study conducted by Umamaheswari, S., & Krishnan, J. (2016) classified that work environment, supervisor support, and Training and Development, are influencing determinant in prediction of employee's organizational commitment. Study revealed that organization provision for training facilities to improve employee skills alone not sufficient enough to retain them. This facilitates need to plugged with promotional and financial benefits [3]. Leadership also influences employee retention. When the nature of leadership style is considered to be undesirable by the aim of the workforce to; leave increases and improve the retention of workers within the Organization. Dr.S.N.Soundara Rajan and Mrs. Sasikala Jayaraman(2018) in their study found that majority of employees is agreeing that employee engagement has an impact on employee retention. It is possible to retain the employees of the organization with proper implementation on employee's engagement activities. Employees with high involvement will also give their best performance to improve themselves as well as the organization. We can conclude it by stating that there is a statistically positive impact of employee engagement on employee retention in the organization. Research done by Dr. K. Lavanya Latha (2012) concludes that to reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new Innovative Technologies and Effective training programs. Training has vital relationship with Employee Retention in case of Public Sector Banks compared to private sector banks. Here the dependent variable variable is Employee Retention and the independent variable is Training. Thus, it becomes urgent to develop

effective HR Policies for a competitive workforce. Training has impact on intervening variable of employee retention such as Career Opportunities and Development. Organization has to develop retention schemes and measures for computable workforce in the banking sector [5]. Youth prefers to build competence by learning new technologies. Innovative organizations prefer procurement of new technology [6]. Candice Ruiz (2017) explored effective strategies of supervisors to retain culinary-educated Millennials employees in a full-service restaurant. The researchers used the popular motivation of Herzberg Two Factor theory (A) Hygiene Factor and (B) Motivation Factor. Hygiene factor include (influence of supervisor, relationship with others, and pay and salary) and Motivation Factor Include (growth and advancement, and achievement). The researcher found that supervisors in Hotel industry used various retention strategies. Again the researcher has provided some effectives strategies to retain employee such Positive Working Conditions, Good relationships among supervisor and subordinate, effective employee compensation policies and Supervisors support for growth and advancement. Working environment in this research consist of ambiance, supportive staff and resource availability.

**Hypothesis:**

H01- Employee retention is not significantly corelated with working environment with reference to rural management graduates

Ha1- Employee retention is significantly corelated with working environment with reference to rural management graduates

H02- There is no significant relationship between job security and Employee Retention with reference to rural management graduates

Ha2- There is significant relationship between job security and Employee Retention with reference to rural management graduates

**Research Methodology:**

This research is descriptive and exploratory in nature. The primary data is collected from structured questionnaire and is analysed in SPSSS. The total qualified respondents of the study are 100. All of them are from rural areas of thane district in Maharashtra state.

**Data Analysis and Interpretation**

**Table 1-**

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .14 | .02 | .00 | 1.07 |

ANOVA

| | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2.33 | 2 | 1.17 | 1.02 | .363 |
| Residual | 109.30 | 96 | 1.14 | | |
| Total | 111.64 | 98 | | | |

Coefficients

| Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|
| B | Std. Error | Beta | t | Sig. |
| 4.02 | .66 | .00 | 6.14 | .000 |
| -.13. | 09 | -.14 | -1.42 | .160 |
| 03. | .15 | .02 | .21 | .834 |

The significance value is 0.160 which is greater than 0.05 and hence we have to accept the null hypothesis. Employee retention is not significantly corelated with working environment with reference to rural management graduates. Working environment consist of ambiance, supportive staff and resource availability.

Table 2-

Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| .09 | .01 | -.02 | 1.01 |

ANOVA

| | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | .65 | 2 | .32 | .32 | .730 |
| Residual | 77.01 | 75 | 1.03 | | |
| Total | 77.65 | 77 | | | |

Coefficients

| Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|
| B | Std. Error | Beta | t | Sig. |
| 3.17 | .63 | .00 | 5.01 | .000 |
| .09.04 | .13 | .08 | .71 | .479 |
| .04 | .12 | .04 | .35 | .724 |

The significance value is 0.479 which is greater than 0.05 and hence we have to accept the null hypothesis. There is no significant relationship between job security and Employee Retention with reference to rural management graduates.

Majority of the respondents (58%) are saying that they will accept a job which requires frequent travelling whereas 42% respondents saying that they will not accept a job which requires frequent travelling.

Table 3-

| Package | Percentage of Respondents |
|---|---|
| 4,00,000 to 6,00,000 | 19% |
| 6,00,000 to 8,00,000 | 35% |
| 8,00,000 to 10,00,000 | 28% |
| 10,00,000 to 12,00,000 | 18% |

From the above pie chart we found that majority of the respondents are saying that they are expecting a range of package after the completion of their post graduation between 6,00,000 to 8,00,000 which makes upto 35%. However 28% of the respondents are expecting a range of package between 8,00,000 to 10,00,000. Also 19% of the respondents are expecting a range of package between 4,00,000 to 6,00,000 which is the lowest range of package whereas 18% % of the respondents are expecting a range of package between 10,00,000 to 12,00,000 which is the highest range of package.
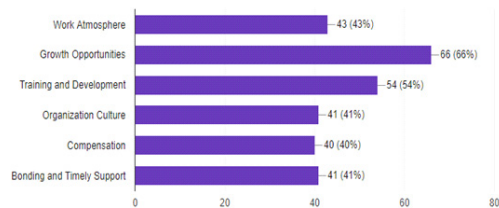
Table 4- Boring and unchallenged work makes employee retention difficult.

| Strongly Disagree | 3% |
|---|---|
| Disagree | 17% |
| Neutral | 23% |
| Agree | 38% |
| Strongly Agree | 19% |
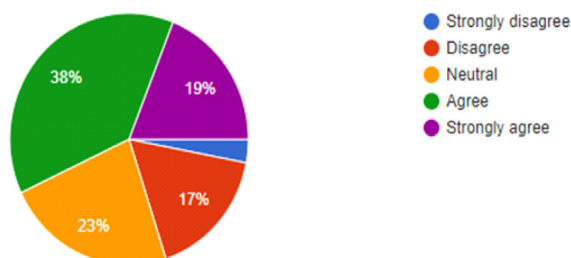


From the above chart we can say that majority of the respondents 57% showed willingness for challenging work over routine one.

Graph 2- Which of the following factors increases the chance to stay in the Organization



Respondents were asked to select best three factors out of 6 options. Percentage is calculated accordingly. From the above bar graph, we can say that majority of the respondent which comprises of 66% have selected growth opportunities is one of the reason which increases the chance to stay in the organization. 54% of the respondent have selected Training and Development which increases the chance to stay in the organization. However, 43% of the respondent have selected Work Atmosphere is one the factor which increases the chance to stay in the organization. 41% of the respondent have selected Organization Culture and Bonding & Timely Support respectively opportunities are one of the reasons which increases the chance to stay in the organization. At the end 40% of the respondent have selected Compensation which increases the chance to stay in the organization.

**Conclusion**

Rural management graduates prefers and willing to be retained in the organizations which provides career growth opportunities over job security. Rural youth is also preferring the organization where opportunities of self-development is high. Rural management graduates are thing towards competency building. Growth opportunities and self-development are considered as important factors over compensation packages by rural youth. Annual salary package expectation of majority of rural management graduates is found to be high and this expectation is backed by investment done on education. Employee retention is not significantly corelated with working environment with reference to rural management graduates.

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# The Perception of Consumer Towards Online Payment_System

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**Abstract:** This report examines demographic factors perception on consumers' behavior in assuming an online payment system and to determine triumph factors and resistance features affecting espousal of the online payment system. We technologically advanced a research model that assimilates Perceived Usefulness, Perceived Ease of Use, Attitude, Behavioral Intention to use, and actual system use. Data were collected with the help of a structured questionnaire which was further subjected to chi-square test and factor analysis of respondents in PSPP. Results show that age, gender, occupation, the purpose of using online payments, family income, frequency of using online payment, the satisfaction of online payment does not affect the adoption of online payment.

**Keywords:** Mobile Wallet, online payments, Perception, Cashless Transactions, TAM model.

## Introduction

Online payment plays a most important role in today's economic sector as the world turns about high-tech innovation. To be practical in the present modest market, companies examine user's boldness and thoughts since these influence long term requirement and productivity on the business (Peter, 2010). Recent high-tech innovations have empowered the inauguration of new entree approaches such as a mobile prepaid and postpaid recharge, DTH, electricity, credit card bills, Insurance premium, donations, card less banking, internet banking whereby a client relates online payment (Barnes &Corbett, 2003 in Singh 2014).

The change after old-style payment to agency banking and presently online payment has ended bank commodities to be additional technology-based and handy. With online payment, financial market sizes are greater and news travels further rapidly than at any time in times past. Customers can now access particular bank apps at comfort whereas using the online payment to style dealings anywhere, anytime. Although customers demand more advanced mobile services, such service has not been very strong. Demand for fundamental mobile banking is more marked compared to the overall demand for mobile commerce services (**Bansai, 2001**).

Banks adapted online payments for their clients so that they can relish all the paybacks of online payments with their mobile phones. Clients sense at comfort though by means of the online payment to style dealings as they have unrestricted entree to online payment services. With the emergence of mobile banking, this might lift national investments, upsurge cash handovers from the dispersion by low-slung prices, and decrease economic transaction prices which pointers to the low-slung rate of doing commercial and thus the global economy, (Kwenyu and Nagare, 2013).

## TAM Model- Technology Acceptance Model

In the Technology Acceptance Model (TAM) quite a few models are prevailing that have been used to examine the espousal of technology. More than a few reports focusing on the espousal of mobile service areas have their origins in Technology Acceptance Model (TAM) initially planned by Davies in 1986. The structure is initially considered to foresee the manipulator 's approval of IT and usage in a structural framework. TAM emphasizes the boldness descriptions of aim to custom an exact knowledge or facility; it has developed an extensively practical model

for user approval and usage. There are numerous meta-analyses on the Technology Acceptance Model that have confirmed that it stands a lawful, dynamic, and controlling model for projecting user approval (Bertrand and Bouchard, 2008). TAM, revealed in the diagram was also the primary model that well-known peripheral variables (revealed as X1, X2, and X3 in the diagram) as crucial features in reviewing technology adoption.
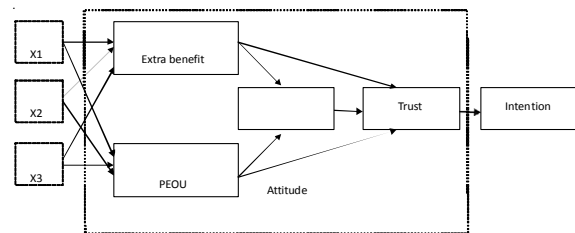


EB= Extra benefits, PEOU= Perceived ease of use, A=Attitude, T = Trust, I= Intention

## Objective of the Study

1. To understand how mobile payment made paperless money transactions easier.

2. To find out the awareness of smartphone operators towards mobile payment.

3. To know the affecting and non-affecting factors of acceptability of M-wallet.

## Purpose of the Study

Demonetization has remained unique of the utmost significant or poignant economic events of our time. India being a cash-centric budget required a force to become a cashless budget. Separately from the unswerving motives such as exterminating illegal earnings, money laundering, the secreted and important reason was to transmute India into a cashless budget. Cashless budget means a budget in which persons use digital payment means such as credit cards-wallets and online-banking to style expenditures. Demonetization was a broad-minded move to make the budget less intense on cash. Demonetization shaped several inroads for the Indian budget in becoming a cashless economy. This research highlights studying of the perception of consumers towards mobile payment system.

## Statement Problem

The demographic factors also have an impact on the customer's behavior towards online payment. Consumers who are students, find online payment as easy to use feature than consumers who are government employees. Age also impacts the loyalty factor, for effecting a particular transaction and making money transfer (**Shamsher**, **2014**).

More awareness exists in urban areas with the feeling that online payment is flexible rather than ease of use feature concerning the inquiry statement followed by the fund transfer, cheque book request, and bill payment. There is no effective use of online payment as people lack knowledge about the usage while banks lack the initiative to promote m-banking where both aspects are important for financial inclusion. A lot of features like expediency, time -saving, transaction alert, savings in cost will affect online payment significantly while network issues hinder the effective usage of mobile banking. Thus, demographic and mobile banking factors have to be analyzed to know the customer's behavior.

## Literature Review

**Rouibah (2015)** showed that poor safety, absence of trust, fear of fiasco, high charges, and poor acquaintance were the major limits that affected e-payments. In addition, safety features of the internet, investment facilities, confidentiality, and superiority of services were also affecting the adoption of e-payments.

**Singh and Sinha (2016):** This study is anxious with mobile banking which states that the banking sector has to make additional awareness to the customers concerning the online payment services providing by the banks. This study also reproduces the alteration of the out-of-date method of transactions used by the customers by adding online payment services.

**Asongu, Odhiambo (2017):** A study that questions into the connection between mobile banking & wide-ranging development that includes eminence of growth, disparity, and scarcity. The inference that can be drawn out is that mobile banking applications will play a superlative role in retorting to the difficulties of scarce growth, dissimilarity & amplifier; the poverty of the emerging countries.

**Petrova (2019),** he stated that new communication technology is redefining the merging of telecommunication and computing. Mobile banking has risen as a possible influential provider of hustled banking services. New platforms and procedures are being advanced able to generate and provision a unified and truly worldwide service platform. The mass acceptance of mobile banking will be contingent on the provision of secure, dependable, and easy to modify user interfaces. Paper scrutinizes some pertinent values and procedures for mobile banking and discusses mobile banking services and their acceptance within a theoretical framework.

**Date, Kammani, Niserhundewale (2019):** IT plays an important role in making a change that is taking place around the world. Bank has the capability of acquiring the latest innovative service of mobile banking. It is a shift of traditional banking to modern banking (E-banking). The innovation of E-banking started with ATM, electronic fund transfer, etc. this was the revolutionary change in the banking sector. This study determines the consumer perspective on the acceptance of online payment.

## Research Methodology

In this study, Primary data has been used. Primary data is hand-me-down in the form of a questionnaire method, which has been shaped using Google forms & distributed among internet users, WhatsApp, Facebook, Linkedin etc. Facts was composed with the help of an organized questionnaire through a non-random sampling technique. The questionnaire was separated into key parts: demographics and 5-point attitudinal Likert scale (1-Strongly disagree, 5-Strongly Agree). The scale covered of 24 statements. The questionnaire was distributed among the population of rural and urban areas of Thane city with the help of people in our contacts. Out of 200 questionnaires 152 filled questionnaires were received back. The software we are using for examining the data in SPSS.

## Result

Chart 1 shows the demographic profile of the respondents.

| Sr. No | Demographics | Intention | | | | Chi-Square |
|---|---|---|---|---|---|---|
| | | Count | % | Count | % | |
| **1.** | **Age** | (Yes) | | (No) | | Df = 4 |
| | 20-25yrs | 37 | 71 | 15 | 28 | Chi-square = 7.44 |
| | 25-30yrs | 25 | 67 | 12 | 32 | P=0.114 |
| | 30-40yrs | 17 | 55 | 14 | 45 | |
| | 40-45yrs | 8 | 44 | 10 | 55 | |
| | Above 50yrs | 6 | 43 | 8 | 57 | |
| **2.** | **Gender** | | | | | Df = 1 |
| | Male | 51 | 61 | 32 | 38 | Chi-square = 0.01 |
| | Female | 42 | 60 | 27 | 39 | P=0.942 |
| **3.** | **Occupation** | | | | | Df = 3 |
| | Govt employee | 15 | 60 | 10 | 40 | Chi-square = 2.27 |
| | Private employee | 35 | 61 | 22 | 39 | P = 0.517 |
| | Business | 16 | 51 | 15 | 48 | |
| | Student | 27 | 69 | 12 | 31 | |
| **4.** | **Family Income (Rs.In lakhs)** | | | | | Df = 4 |
| | Below 5 | 16 | 51 | 15 | 48 | Chi-square = 3.45 |
| | 5-10 | 27 | 57 | 20 | 42 | P=0.486 |
| | 10-15 | 37 | 68 | 17 | 31 | |
| | 15-20 | 9 | 60 | 6 | 40 | |
| | Above 25 | 4 | 80 | 1 | 20 | |
| **5.** | **Frequency** | | | | | Df = 4 |
| | Occasionally | 40 | 71 | 16 | 28 | Chi-square = 7.07 |
| | Periodically | 31 | 60 | 21 | 40 | P=0.132 |
| | Monthly | 19 | 52 | 17 | 47 | |
| | Yearly once | 0 | 0 | 2 | 100 | |
| | Yearly twice/thrice | 3 | 50 | 3 | 50 | |
| **6.** | **Knowledge** | | | | | Df = 2 |
| | Sufficient knowledge | 65 | 69 | 28 | 30 | Chi-square = 7.92 |
| | Average knowledge | 27 | 48 | 29 | 51 | P=0.019 |
| | Poor knowledge | 1 | 33 | 2 | 67 | |
| **7.** | **Satisfaction** | | | | | Df = 2 |
| | Highly Satisfied | 44 | 76 | 14 | 24 | Chi-square = 8.51 |
| | Satisfied | 38 | 52 | 35 | 48 | P=0.014 |
| | Neutral | 11 | 52 | 10 | 48 | |
| | Dissatisfied | 0 | 0 | 0 | 0 | |
| | Highly Dissatisfied | 0 | 0 | 0 | 0 | |

The statistical data in the above chart displays us that 71% of respondents are from the age group of 20-25years, 44% are from 40-45yrs and 43 % i.e. only 6 respondents are from the age group of above 45yrs who prefer online payment. Outcomes of the chi-square test show that the value of p is more than 0.05 hence null hypothesis is accepted and there is no significant relationship with age and perception. The respondents of the 20-25years age group use more online payment because they are aware of the technology up-gradation and have depth knowledge about online payment.

Statistical analysis shows that males prefer online payment in comparison to females (51% of males and 42% of female trade online). But the percentage of internet usage is increasing in the case of females. Outcomes of the chi-square test show that the value of p is more than 0.05 hence null hypothesis is accepted and there is no significant relationship with gender and perception. Gender does not affect the usage of online payment because both the group require online payment equally for the transaction purpose.

The 69% respondents who are students prefer more online payment because they use this system for the shopping purpose, at food counters, etc. 40% govt employees don't prefer online payment because this category can be more from the age group of above 45 who are not well versed with the online payment because they prefer going to banks rather than using online payment because of the privacy issues, etc. whereas 61% private employees and 51% business owners prefer online payment for fund transfers or other reasons. However, the outcome of the chi-square test shows that the value of p is more than 0.05 so the null hypothesis is accepted and there is no significant relationship in occupation and perception.

The above table shows that family income does affect the perception of consumers towards online payment system because 51% of respondents whose family income is below 5 lakhs are more of student category respondents who prefer online payment respondents with family income 5-10lakhs and 10-15lakhs 57% and 68% prefer online payment. However, the outcome of Chi-Square shows the value of p is more than 0.05, i.e., the null hypothesis is accepted and there is no significant relationship between family income and perception of consumers towards the online payment system. Consumers whose family income is between 10-15lakhs predominantly prefer using online payment.

The above table shows the frequency of using online payment, the data explains to us that 71% of consumers occasionally prefer online payment whereas 2 respondents with 100% intention in the yearly once group doesn't prefer online payment. However, the value of p is more than 0.05 than the null hypothesis is accepted and hence there is no significant relationship between frequency and perception of consumers.

The above statistical data in the table shows the knowledge the consumers have towards the online payment system. The consumers with sufficient knowledge i.e. 69% of respondents prefer online payment and consumers with poor knowledge (67%) do not prefer online payment. However, the result of chi-square shows that there is a significant relationship with knowledge and perception because the value p is less than 0.05 and hence, we reject the null hypothesis.

The above table represents the data about the satisfaction level of consumers 76% of consumers are highly satisfied with the online payment and prefer online payment and 0% are dissatisfied as this system has made the money transfer and buying easier for the consumer so they prefer online payment. However, there is a significant relationship between the satisfaction level and perception because the value of p is less than 0.05 and hence, we reject the null hypothesis.

**Table 2: Rotated Component Matrix**

| Questions | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **EB1**: The transaction history can be easily viewed online as per customer preference. | 0.461 | | | | |
| **EB2**: The online payment system also redeems gifts cards, coupons, etc. | 0.536 | | | | |
| **EB3**: The customer care service for the online payment system is very useful. | 0.656 | | | | |
| **EB4**: Online payments provide offers to customers on first-time purchases. | 0.679 | | | | |

| | | | | |
|---|---|---|---|---|
| **EB5**: Online payment hasreduced customer visits to banks. | 0.653 | | | |
| **EB6**: The online payment system is customer friendly and simple. | 0.554 | | | |
| **PEOU1**: The payment of bills is easily possible in the online payment system. | | 0.680 | | |
| **PEOU2**: The online money transfer can be processed quickly at the globallevel. | | 0.508 | | |
| **PEOU3**: It provides 24 *7 hours payment facility. | | 0.804 | | |
| **PEOU4**: Bank accounts with minimum cost are enough for making an online payment. | | 0.499 | | |
| **TRUST1**: The online payment system reduces the use of paper. | | | 0.508 | |
| **TRUST2**: Online payment apps increase social status. | | | 0.766 | |
| **TRUST3**: A privacy policy is maintained in online payment. | | | 0.721 | |
| **Time&Conv1:** An online payment system is more convenient for payment transactions. | | | | 0.478 |
| **Time&Conv2:** Every transaction can be easily accessed through an online payment system. | | | | 0.607 |
| **Time&Conv3:** The online payment system is very faster for the transaction. | | | | 0.555 |
| **Time&Conv4:** The correct alert notification is providing manually in online payment. | | | | 0.499 |
| **Intention1**: Are you banking? familiar with online | | | | 0.843 |
| **Intention2:** Have you purchased any product in the last three months using online payment? | | | | 0.547 |

Extraction Method: Principal of Component Study. Rotation converged in 7 iterations.

This chart comprises the rotated factor loadings (factor pattern matrix), which signify both how the variables are prejudiced for respective factor but also the correlation among the variables and the factor.

**Factor 1 (Extra Benefits)**

The transaction history can be easily viewed online as per customer preference loading factor is

.461 and online payment system also redeems gift cards, coupons, etc. loading factor is .536, the customer service for online payment is very useful loading factor is .656, online payment provide offers to the customer on first-time purchases loading factor is .679, online payment has reduced visits to banks loading factor is .653, the online

payment system is customer friendly and simple service loading factor is .554 in first group factor.

**Factor 2 (Perceived ease of use)**

The payment of bills is easily possible in online payment loading factor is .680, the online money transfer can be processed quickly at global level loading factor is .508, it provides 24*7 hours payment facility loading factor is .804, bank accounts with minimum cost is enough for making online payment loading factor is .499 in second group factor.

**Factor 3 (Trust)**

The online payment system decreases the use of paper loading factor is .508, online payment increases the social status loading factor is .766, the confidentiality policy is maintained in the online payment loading factor is .721 in third group factor.

**Factor 4 (Time and convenience)**

The online payment system is more convenient for payment transactions loading factor is .478, every transaction can be easily accessed through online payment system loading factor is .607, online payment is faster for transaction loading factor is .555, the correct alert notification is provided manually in online payment loading factor is .499 in fourth group factor.

**Factor 5 (Intention)**

Are you familiar with online banking? loading factor is .843, have you purchased any product in the last 3 months using online payment? loading factor is .547 in the fifth group factor.

**Data Interpretation and Analysis of Test**

One-way Anova

Consider null hypothesis (Ho) = u1=u2=u3=u4=u5 and alternate hypothesis (Ha) = at least one difference among the mean where **á = 0.05.**

The 19 significant items of the questionnaire were subjected to exploratory factor analysis using One-way Anova. Results put forward 5 components for the variables.

**1. The intention by Extra Benefit**

ONEWAY /VARIABLES= INTENTION BY EXTRABENEFIT.

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| INTENTION | Between Groups | .65 | 3 | .22 | .91 | .437 |
| | Within Groups | 35.44 | 148 | .24 | | |
| | Total | 36.10 | 151 | | | |

The table value for F (3,148) at a 5% significance level is 0.437. Hence, we accept the null hypothesis and conclude that there is no significant relationship in Intention and Extra Benefit.

**2. Intention by PEOU**

ONEWAY /VARIABLES= INTENTION BY PEOU.

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| INTENTION | Between Groups | 1.06 | 4 | .26 | 1.11 | .353 |
| | Within Groups | 35.04 | 147 | .24 | | |
| | Total | 36.10 | 151 | | | |

The table value for F (4,147) at a 5% significance level is 0.353. Hence, we accept the null hypothesis and conclude that there is no significant relationship in Intention and PEOU.

### 3. Intention by Trust

```
ONEWAY

ONEWAY /VARIABLES= INTENTION BY TRUST.
```

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| INTENTION | Between Groups | 2.12 | 3 | .71 | 3.08 | .029 |
| | Within Groups | 33.98 | 148 | .23 | | |
| | Total | 36.10 | 151 | | | |

The table value for F (3,148) at a 5% significance level is 0.029. Hence, we rejected the null hypothesis and conclude that there is a significant relationship with Intention by Trust.

### 4. The intention by Time and Convenience

```
ONEWAY /VARIABLES= INTENTION BY TANDC.
```

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| INTENTION | Between Groups | 1.11 | 2 | .56 | 2.37 | .097 |
| | Within Groups | 34.98 | 149 | .23 | | |
| | Total | 36.10 | 151 | | | |

The table value for F (2,149) at a 5% significance level is 0.097. Hence, we accept the null hypothesis and conclude that there is no significant relationship between Time and Convenience.

### Limitation

Despite the finest hard work there are always around glitches or confines related with market research that cannot be detached but can be minimized only. The technique that has been active might take a few confines. The sample size for leading research was 152 which is very small as associated to the total base which means our sample size is moderately small following the universe, which is huge enough. So, inference drawn can't be comprehensive. This study tries to recognize the furthermost significant factors which mark the customer awareness towards online payment but it does not reflect another factor that can impact the customer.

### Conclusion

Online payment is the latest technology of financial transactions used by customers. After Demonetisation mobile banking rapidly developed in India. Mobile banking leads to cashless transactions. This study analysed the customers' perception of the online payment system. Finally, this study concluded that the maximum customers strongly agreed on the various online payment services. So, future online payment is positive. The latest technologies help to the development of Online payment. The customers can utilize these online payment services.

### Suggestion

- Proper security should be maintained in the money transactions

- Credit facilities should be given in the proper way

- The fraud advertisements should be strictly restricted

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# Financial Performance Evaluation of Indian Tyre Industry – A Comparative Study Between JK Tyre and APOLLO Tyre

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**Abstract:** After the downturn in FY-20, the Indian tyre industry will be revived in FY-21. This was the outcome of an increasing market for the auto sector, a growing alternative base and indeed the economy's overall recovery. Due to substantial demand from the auto industry, growth in the Indian tyre industry is projected to rise in the future. With this in mind, several firms have announced their plans for capacity expansion to appeal to the rising domestic market demand. There is an expectation of higher growth in T&B sector in upcoming future as the radicalization percentage will be improved in the future. Over the period of time we can hope for a better margin by instilling additional capacity in the operation there by achieving economies of scale. As compared to APPOLO Tyres share, market share of JK Tyre is high to some extent that is 22%. In the Passenger Car sector with 24% market share APPOLO Tyres is the market leader. The main purpose of this paper is to study the financial performance of Indian tyres industry with special reference to JK tyre and APPOLO tyre and making a comparison of their financial performance. This study was done based on secondary data collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers.

**Keywords:** Financial. Ratio, Mean, Tyres, percentage

## Introduction

India speaks to the fourth biggest market for tires on the planet after China, Europe and the United States. In India, the market is presently being driven by expanding radicalization of tires particularly in transports and trucks. Also, the tire business comprises of an immense buyer base, they are utilized in all kind of vehicles which incorporate traveler vehicles, transports, military vehicles, cruisers, trucks, and so forth. The interest of tires is essentially catalyzed from two end-client sections - OEMs and the substitution fragment. The substitution market at present rules the tire market representing a large portion of the complete deals. Request by the OEM section is driven by new car deals pattern, though, the substitution market is connected to the utilization examples and substitution cycles. The market for tires is very gathered in India with the main 10 makers representing around 80% of the all-out market. MRF, Apollo Tires and JK Tires at present speak to the top parts in this market. Not only domestic manufacturing, tyre Industry is a major exporter too. Indian made tyres are being exported to over 100 countries in the world. US and European countries are the largest importers of Indian made tyres. Tyre exports from India have been on their way up. The exports have gone up from Rs 8,825 crore in 2015-16 to Rs 12,840 crore in FY 2019-20 witnessing a CAGR of 8 percent in the last 5 years. Notwithstanding headwinds faced by global trade and rising trade tensions, Tyre exports from India held on to the previous year's tally in FY20. Against the export turnover of Rs12,890 crore in FY19, tyre exports from India stood at Rs 12840 crore in FY20. In terms of volumes also, the exports have remained consistent. Against export of 163.5 lakh units in FY19, tyre exports of 163.8 lakh units were achieved in FY20. It has the potential of significantly increasing exports from India in the next 3-4 years if certain roadblocks, especially with regard to accessing Natural Rubber (NR) are removed.

## Review of Literature

**Krishnakumar, the Hindu Business line (2003**) report indicated that the overall deficit of '12.69 crore for the year finished December 2002, Goodyear broadened its record of announcing overall deficits to the third continuous year. Despite the fact that the total deficit has more than divided from ' 6.98 crore in 2001, the presentation doesn't contrast too well and other tire industry players, for example, MRF, Apollo Tires and J K Industries. Both Apollo and MRF have revealed complex hops in their profit the previous hardly any quarters while Goodyear is as yet nursing misfortunes. The purpose behind this different pattern in execution isn't far to look for. Not at all like, say MRF or Apollo, Goodyear doesn't have a solid presence in the substitution market of truck tires — the tire business' greatest and most rewarding portion. Nonetheless, the organization has a significant exposure in the passenger car and tractor tyre markets.

**Krishnakumar, the Hindu Business line (2003)** indicated financial performance of tyre industry is largely depend on the higher production in automobile sector and economic nitty-gritties as both are positively affected the industry. Cutting the excise duty, effective input cost and the monetary appreciation, considering all these developments, there is a chance for viable performance of Goodyear's very soon. Those investors who are risk taker with a long-haul direction can go for equity exposure with a limiting factor in the organization at the current level of '42. In the car and tractor tyre market Goodyear has already deepen its root. A majority of its pay streams from the first hardware market. The organization is putting special effort to create a strong base in the replacement market. Particularly turndown in the tractor market and generally in overall automobile industry affecting the financial results of the company in the recent past years.

**JK Tyre review report (2010)** During the year the

turnover touched 2,400 crores which is an all-time high. Operating Profit for the year was '132 crores and subsequently 132 crores is the operating profit after taxation, depreciation and borrowing cost. PAT is '17 crores which is higher than previous year's12 crores. As the Petro-based raw materials price rises, it will also increase the input cost. Margins were affected due to proportionate increase in the tyres selling price. The problem is input cost during this year is consistently rising.Various steps have been taken by the company to face this advert conditionby instilling hostilecutting of cost, improving the process of business, product re-engineering, proper marketing mix and product enrichment.

## Objectives of the study

I. To evaluate the financial performance of Indian Tyre industry with special reference to JK Tyre and APPOLO Tyre.

II. To make comparative financial evaluation between JK Tyre and APPOLO Tyre.

## Research Methodology

This research follows the analytical research methodologywhich is based on the quantitative data. The main source ofdata used for the study is secondary data derived from thepublished Annual Reports of the selected Indian TyresCompanies. The information related with theoreticalbackground has been collected from websites, journals,magazines, newspapers and books. The year of the study is between 2014 and 2019. TheRationale behind selecting this year is the availability ofdata.Accounting ratios like CurrentRatio, Quick Ratio, Inventory Turnover Ratio, operatingprofit Ratio and Net Profit Ratio for Six financial yearshave been calculated. Comparison of current to pastperformance using ratios enables analyst to assess afirm's progress. Statistical tool has been used to calculate Mean, StandardError, Standard Deviation, Median, Mode, SampleVariance, Maximum, Minimum, Range, Count, Confidence Level, and Coefficient of Variation.

## Data Analysis and Interpretations

### FINANCIAL STATEMENT ANALYSIS OF APPOLO TYRE FROM 2015 - 2019

| Variables | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Net Sales (Rs. in Crore) | 8937.82 | 8757.18 | 8933.77 | 10299.7 | 12353.77 |
| Variable cost (Rs. in Crore) | 7602.62 | 7064.54 | 7924.63 | 9039.77 | 11136.12 |
| Contribution = Net Sales – Variable Cost (Rs.in Crore) | 1335.2 | 1692.64 | 1009.14 | 1259.93 | 1217.65 |
| EBT (Rs. in Crore) | 934.15 | 1414.53 | 1085.64 | 867.31 | 806.4 |
| Combined Leverage % = (Contribution ÷EBT)* 100 (%) | 142.93 | 119.66 | 92.95 | 145.27 | 151 |
| Total Debt (Rs. in Crore) | 796.6 | 631.01 | 1618.03 | 2511.82 | 2736.36 |
| Net Worth (Rs. in Crore) | 3267.56 | 4657.83 | 5331.19 | 7260.62 | 7638.04 |
| Debt Equity Ratio = Total Debt ÷ Net Worth(in times) | 0.24 | 0.14 | 0.3 | 0.35 | 0.36 |
| Current Asset (Rs. in Crore) | 1713.04 | 1603.48 | 2255.27 | 2532.16 | 2888.87 |
| Current Liability (Rs. in Crore) | 1643.03 | 1947.89 | 2564.63 | 3059.97 | 2895.88 |
| Current Ratio = Current Asset ÷ CurrentLiability (in times) | 1.04 | 0.82 | 0.88 | 0.83 | 1 |
| Total Assets (Rs. in Crore) | 4064.18 | 5288.85 | 6949.23 | 9772.41 | 10374.41 |
| Proprietary Ratio = Net Worth ÷ Total Assets(in times) | 0.8 | 0.88 | 0.77 | 0.74 | 0.74 |
| EBIT (Rs. in Crore) | 1106.23 | 1504.67 | 1174.42 | 1004.85 | 944.26 |
| Interest = EBIT – EBT (Rs. in Crore) | 172.09 | 90.14 | 88.78 | 137.54 | 137.86 |
| Interest Coverage Ratio = EBIT ÷ Interest (intimes) | 6.43 | 16.69 | 13.23 | 7.31 | 6.85 |

| Net Profit (Rs. in Crore) | 645.08 | 1002.15 | 802.76 | 622.39 | 592.11 |
|---|---|---|---|---|---|
| Net Profit Ratio = Net Profit ÷ Net Sales (intimes) | 0.07 | 0.11 | 0.09 | 0.06 | 0.05 |
| Inventory (Rs. in Crore) | 1185.19 | 1019.75 | 1729.4 | 1721.49 | 2051.48 |
| Liquid Asset = Current Asset – Inventory (Rs.in Crore) | 527.85 | 583.73 | 525.87 | 810.67 | 837.39 |
| Quick Ratio = Liquid Asset÷ Current Liability(in times) | 0.32 | 0.3 | 0.21 | 0.26 | 0.29 |
| Sales Turnover (Rs. in Crore) | 9936.82 | 9760.15 | 9923.69 | 10554.59 | 12353.77 |
| Inventory Turnover Ratio = Sales Turnover ÷Inventory (in times) | 8.38 | 9.57 | 5.74 | 6.13 | 6.02 |
| Equity Share Capital (Rs. Cr.) | 50.9 | 50.9 | 50.9 | 57.21 | 57.21 |
| Earnings Per Share (Rs.) | 12.67 | 19.69 | 15.77 | 10.88 | 10.35 |
| Book Value (Rs.) | 64.19 | 91.51 | 104.73 | 126.92 | 133.52 |
| Equity Dividend (%) | 200 | 200 | 300 | 300 | 325 |
| Shares in issue (lakhs) | 5090.25 | 5090.25 | 5090.25 | 5720.5 | 5720.5 |

Source: Annual Report of APPOLO Tyre

FINANCIAL STATEMENT ANALYSIS OF JK TYRE FROM 2015 - 2019

| Variables | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Net Sales (Rs. in Crore) | 6125.23 | 5880.43 | 5979.12 | 6453.35 | 7613.35 |
| Variable cost (Rs. in Crore) | 5326.1 | 4875.6 | 5301.9 | 6035.81 | 7062.39 |
| Contribution = Net Sales – Variable Cost (Rs.in Crore) | 799.13 | 1004.83 | 677.22 | 417.54 | 550.96 |
| EBT (Rs. in Crore) | 377.11 | 590.23 | 459.7 | 63.85 | 304.68 |
| Combined Leverage % = (Contribution ÷EBT)* 100 (%) | 211.91 | 170.24 | 147.32 | 653.94 | 180.83 |
| Total Debt (Rs. in Crore) | 2380.38 | 2377.97 | 3131.82 | 2980.13 | 3010.07 |
| Net Worth (Rs. in Crore) | 1091.48 | 1416.67 | 1673.95 | 1644.29 | 1995.12 |
| Debt Equity Ratio = Total Debt ÷ Net Worth(in times) | 2.18 | 1.68 | 1.87 | 1.81 | 1.51 |
| Current Asset (Rs. in Crore) | 2098.01 | 2012.6 | 2467.7 | 2388.02 | 2868.87 |
| Current Liability (Rs. in Crore) | 2192.76 | 2181.68 | 2228.59 | 2523.71 | 2365.84 |
| Current Ratio = Current Asset ÷ CurrentLiability (in times) | 0.96 | 0.92 | 1.11 | 0.95 | 1.21 |
| Total Assets (Rs. in Crore) | 3471.86 | 3705.72 | 4805.77 | 4624.42 | 5005.19 |
| Proprietary Ratio = Net Worth ÷ Total Assets(in times) | 0.31 | 0.38 | 0.35 | 0.36 | 0.4 |
| EBIT (Rs. in Crore) | 617.91 | 819.26 | 727.28 | 337.97 | 620.96 |
| Interest = EBIT – EBT (Rs. in Crore) | 240.8 | 229.03 | 267.58 | 274.12 | 316.28 |

| Interest Coverage Ratio = 2.57 EBIT ÷ Interest (in times) | 3.58 | 2.72 | 1.23 | 1.96 | |
|---|---|---|---|---|---|
| Net Profit (Rs. in Crore) | 253.3 | 400.96 | 332.13 | 43.09 | 204.4 |
| Net Profit Ratio = Net Profit÷ Net Sales (in times) | 0.04 | 0.07 | 0.06 | 0.01 | 0.03 |
| Inventory (Rs. in Crore) | 741.62 | 739.68 | 930.78 | 1026.01 | 1136.12 |
| Liquid Asset = Current Asset – Inventory (Rs.in Crore) | 1356.39 | 1272.92 | 1536.92 | 1362.01 | 1732.75 |
| Quick Ratio = Liquid Asset÷ Current Liability(in times) | 0.62 | 0.58 | 0.69 | 0.54 | 0.73 |
| Sales Turnover (Rs. in Crore) | 6784.37 | 6564.92 | 6607.51 | 6578.5 | 7613.35 |
| Inventory Turnover Ratio = Sales Turnover ÷Inventory (in times) | 9.15 | 8.88 | 7.1 | 6.41 | 6.7 |
| Equity Share Capital (Rs. Cr.) | 45.36 | 45.36 | 45.36 | 45.36 | 49.24 |
| Earnings Per Share (Rs.) | 11.17 | 17.68 | 14.64 | 1.9 | 8.3 |
| Book Value (Rs.) | 48.12 | 62.46 | 73.8 | 72.5 | 81.03 |
| Equity Dividend (%) | 75 | 125 | 125 | 75 | 75 |
| Shares in issue (lakhs) | 2268.13 | 2268.13 | 2268.13 | 2268.13 | 2462.31 |

Source: Annual Report of JK Tyre

Table – 1: Combined Leverage percentage

| Variables | APPOLO TYRE | JK TYRE |
|---|---|---|
| 2015 | 142.93 | 211.91 |
| 2016 | 119.66 | 170.24 |
| 2017 | 92.95 | 147.32 |
| 2018 | 145.27 | 653.94 |
| 2019 | 151 | 180.83 |
| Mean | 127.22 | 288.08 |
| Standard Error | 13.3 | 122.15 |
| Median | 132.46 | 175.53 |
| Standard Deviation | 26.6 | 244.3 |
| Sample Variance | 707.62 | 59685.25 |
| Range | 58.05 | 506.62 |
| Minimum | 92.95 | 147.32 |
| Maximum | 151 | 653.94 |
| Sum | 508.88 | 1152.33 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 42.32 | 388.74 |

**Source:**Secondary Data through Audited Annual Report

The above Table 1 describes that the MeanCombined Leverage % of JK Tyres is 288.08% which isMaximum compared to Minimum of 127.22% for APPOLO Tyres between the Year 2015 and Year 2019.JK Tyre &Industries Ltd has a relatively higher level of combined leverage, which is seen as riskier, as the high leverage meansmore fixed costs to the firm. Whereas for Apollo Tyresthecombined leverage is low.Thus, it means that a smaller proportion of fixed operating andfinancial costs results in a lower value Combined Leverageratio, which means lower incremental EPS on incrementalsales and lower sensitivity to the slippage in sales.

Table-2: Debt Equity Ratio

| Variables | APPOLO TYRES | JK TYRES |
|---|---|---|
| 2015 | 0.24 | 2.18 |
| 2016 | 0.14 | 1.68 |
| 2017 | 0.3 | 1.87 |
| 2018 | 0.35 | 1.81 |
| 2019 | 0.36 | 1.51 |
| Mean | 0.29 | 1.71 |
| Standard Error | 0.05 | 0.07 |
| Median | 0.32 | 1.74 |
| Standard Deviation | 0.1 | 0.15 |
| Sample Variance | 0.01 | 0.02 |
| Range | 0.22 | 0.36 |
| Minimum | 0.14 | 1.51 |
| Maximum | 0.36 | 1.87 |
| Sum | 1.15 | 6.87 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 0.16 | 0.25 |

**Source:** Secondary Data through Audited Annual Report

The above Table 2 describes that the MeanDebt Equity Ratio of JK Tyres is 1.71 which is Maximumcompared to Minimum of 0.29 for APPOLO Tyres between theYear 2015 and Year 2019.JK Tyre & Industries Ltd hashigher debt to equity ratio between the Year 2015 and Year2019 and which is considered riskier to both creditors andinvestors. A high debt-to-equity ratio also indicates that acompany may not be able to generate enough cash to satisfyits debt obligations. Whereas for APPOLO Tyresthe debt to equity ratio is 0.29.

Table- 3: Interest Coverage Ratio

| Variables | APPOLO TYRES | JK TYRES |
|---|---|---|
| 2015 | 6.43 | 2.57 |
| 2016 | 16.69 | 3.58 |
| 2017 | 13.23 | 2.72 |
| 2018 | 7.31 | 1.23 |
| 2019 | 6.85 | 1.96 |
| Mean | 11.02 | 2.37 |
| Standard Error | 2.38 | 0.54 |
| Median | 10.27 | 2.34 |

| Standard Deviation | 4.76 | 1.009 |
| Sample Variance | 22.72 | 1.01 |
| Range | 9.84 | 2.35 |
| Minimum | 6.85 | 1.23 |
| Maximum | 16.69 | 3.58 |
| Sum | 44.08 | 9.49 |
| Count | 4 | 6 |
| Confidence Level (95.0%) | 7.58 | 1.6 |

**Source:** Secondary Data through Audited Annual Report

The above Table 3 describes that the MeanInterest Coverage ratio of APPOLO Tyres is 11.02 which ismaximum compared to minimum of 2.37 for JK Tyresbetween the Year 2015 and Year 2019. SinceInterest CoverageMeasurement is above 1,thecompany has sufficient money to pay itsinterest obligations as well as its principal.Most creditors look forcoverage to be at least 1.5 before they will make any loans.The interest coverage ratio of a company states how easily acompany can pay its interest expense on outstanding debt. Ahigher ratio is preferable.

Table-4: Net Profit Ratio

| Variables | APPOLO TYRES | JK TYRES |
| --- | --- | --- |
| 2015 | 0.07 | 0.04 |
| 2016 | 0.11 | 0.07 |
| 2017 | 0.09 | 0.06 |
| 2018 | 0.06 | 0.01 |
| 2019 | 0.05 | 0.03 |
| Mean | 0.07 | 0.04 |
| Standard Error | 0.01 | 0.01 |
| Median | 0.07 | 0.04 |
| Standard Deviation | 0.02 | 0.02 |
| Sample Variance | 0 | 0 |
| Range | 0.06 | 0.06 |
| Minimum | 0.05 | 0.01 |
| Maximum | 0.11 | 0.07 |
| Sum | 0.43 | 0.17 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 0.04 | 0.04 |

**Source:** Secondary Data through Audited Annual Report

The above Table 4 describes that the MeanNet profit ratio of APPOLO Tyres is 0.07 which is maximumcompared to minimum of 0.04 for JK Tyres between theYear 2015 and Year 2019. APPOLO Tyres hashigher Net profit ratiobetween the Year 2015 andYear 2019. It indicates the relationship between net profitafter tax and net sales.To know the overall profitability of the unit Net Profit Ratio is very useful. The higher the ratio, more efficient is the management.

Table-5: Quick Ratio

| Variables | APPOLO TYRES | JK TYRES |
|---|---|---|
| 2015 | 0.32 | 0.62 |
| 2016 | 0.3 | 0.58 |
| 2017 | 0.21 | 0.69 |
| 2018 | 0.26 | 0.54 |
| 2019 | 0.29 | 0.73 |
| Mean | 0.26 | 0.63 |
| Standard Error | 0.02 | 0.04 |
| Median | 0.27 | 0.63 |
| Standard Deviation | 0.04 | 0.08 |
| Sample Variance | 0 | 0 |
| Range | 0.09 | 0.19 |
| Minimum | 0.21 | 0.54 |
| Maximum | 0.3 | 0.73 |
| Sum | 1.06 | 2.54 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 0.06 | 0.15 |

**Source:** Secondary Data through Audited Annual Report

The above Table 5 describes that the Mean Quick ratio of JK Tyres is 0.63 which is maximum comparedto minimum of 0.26 for APPOLO Tyres between the Year 2015 and Year 2019. JK Tyre & Industries Ltd has higher Quick ratio between the Year 2015 and Year 2019. Paying ability of short-term debts of a firm is measured by quick ratio. To find out theassociation between liquid assets and current liabilities quick ratio is used.Deducting the inventories and prepaid expenses from total current asset will give result of liquid assets.For short-term solvency evaluation, rather than current ratio quick ratio is more needful because it measures the short-term paying capability of an organization proximately. Generally, the satisfactory figure of quick ratio is 1:1. Like current ratio, this ratio should also be interpreted carefully.

Table-6: Inventory Turnover Ratio

| Variables | APPOLO TYRES | JK TYRES |
|---|---|---|
| 2015 | 8.38 | 9.15 |
| 2016 | 9.57 | 8.88 |
| 2017 | 5.74 | 7.1 |
| 2018 | 6.13 | 6.41 |
| 2019 | 6.02 | 6.7 |
| Mean | 6.86 | 7.27 |
| Standard Error | 0.9 | 0.55 |
| Median | 6.07 | 6.9 |

| | | |
|---|---|---|
| Standard Deviation | 1.81 | 1.1 |
| Sample Variance | 3.27 | 1.22 |
| Range | 3.83 | 2.47 |
| Minimum | 5.74 | 6.41 |
| Maximum | 9.57 | 8.88 |
| Sum | 27.46 | 29.09 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 2.88 | 1.76 |

**Source:** Secondary Data through Audited Annual Report

The above Table 6 describes that the Mean Inventory Turnover ratio of JK Tyres is 8.36 which is maximum compared to minimum of 6.86 for APPOLO Tyres between the Year 2015 and Year 2019. JK Tyres has higher Inventory Turnover ratio between the Year 2015 and Year 2019. In order to find the liquidity of company's inventory, inventory ratio is needed. The number of times one unit has sold and replaced its inventory during a certain period, can be measured through this ratio. A high ratio is a good sign than low ratio as it shows the fast-moving inventories.

Table-7: Current Ratio

| Variables | APPOLO TYRES | JK TYRES |
|---|---|---|
| 2015 | 1.04 | 0.96 |
| 2016 | 0.82 | 0.92 |
| 2017 | 0.88 | 1.11 |
| 2018 | 0.83 | 0.95 |
| 2019 | 1 | 1.21 |
| Mean | 0.8 | 1.04 |
| Standard Error | 0.04 | 0.06 |
| Median | 0.86 | 1.03 |
| Standard Deviation | 0.08 | 0.13 |
| Sample Variance | 0 | 0.01 |
| Range | 0.18 | 0.29 |
| Minimum | 0.82 | 0.92 |
| Maximum | 1 | 1.21 |
| Sum | 3.53 | 4.19 |
| Count | 4 | 4 |
| Confidence Level (95.0%) | 0.13 | 0.21 |

**Source:** Secondary Data through Audited Annual Report

The above Table 7 describes that the Mean Current Ratio of JK Tyres is 1.04 which is maximum compared to minimum of 0.8 for APPOLO Tyres between the Year 2015 and Year 2019. This indicates that the APPOLO Tyres may have problems meeting its short-term obligations. Since the current ratio is less than 1.0 indicates the poor quality and the debt repayment capacity of the firm is not satisfactory of APPOLO Tyres.

## Findings

The combined leverage of JK Tyres is higher than APPOLO Tyres. This reflect the risk in JK Tyres is higher than APPOLO Tyres as the high leverage means more fixed costs to the firm.

The Debt to Equity ratio of JK Tyres is higher than APPOLO Tyres. As the ratio is high in JK Tyres, the risk for investors and creditors also high in this company.A high debt-to-equity ratio also indicates that a company may not be able to generate enough cash to satisfy its debt obligations.

Interest Coverage ratio of APPOLO Tyres is 11.02 which is maximum compared to minimum of 2.37 for JK Tyres between the Year 2014 and Year 2019. Since Interest Coverage Measurement is above 1, it means that the company is making more than enough money to pay its interest obligations with some extra earnings left over to make the principle payments.

Net profit ratio is a popular profitability ratio that shows relationship between net profit after tax and net sales. It is a useful tool to measure the overall profitability of the business. A high ratio indicates the efficient management of the affairs of business. APPOLO Tyres has higher NP Ratio than JK Tyres.

Quick ratio is used to test the ability of a business to pay it short-term debts. It measures the relationship between liquid assets and current liabilities. As per the analysis Quick Ratio of JK Tyres is higher than APPOLO tyres representing good short-term financial stability in JK Tyres.

Inventory Turnover ratio of JK Tyres is 8.36 which is maximum compared to minimum of 6.86 for APPOLO Tyres between the Year 2014 and Year 2019. JK Tyres has higher Inventory Turnover ratio between the Year 2014 and Year 2019.It measures how many times a company has sold and replaced its inventory during a certain period. In case of JK Tyres the ratio is high compared to APPOLO Tyres.

The current ratio of JK Tyres is good as compared to APPOLO Tyres. This reflect good short -term financial viability of JK Tyres.

## Conclusion

In recent years, the Indian tyre industry has reported good growth figures, spurred by the growing market for passenger vehicles and two-wheeler vehicles. It has emerged as one of the most competitive markets in the world, and the sector is poised to grow further with the emergence of new technology, ultra-modern production facilities and also the raw material availability.Manufacturers are indeed investing in environmentally sustainable tyredevelopment and also in expanding the capacity of radial tyres. The Indian market is also getting popular with innovative technologies such as self-inflation and flat tyre running.As we know financial report containa lot of information hence the main objective of financialanalysis is to seek through the information to find useful anddata in analysing a business.Efficient management of finance is very important for thesuccess of an enterprise. Term financial performance is verydynamic term. The subject matter of financial performance hasbeen changing very rapidly. In present time greater importanceis given to financial performance.

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# The study of pre and post effect of Non Banking Financial Company's crises in India

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**Abstract:** Non-Banking Finance Companies (NBFC) manage one fifth of credit of a India that makes NBFCs a vital part of Indian Economy. But Indian NBFC sector going through tough times since NBFC giant IL&FS defaulted in the month of September 2018. Initially which was assumed to be a liquidity crisis further started evolving into a solvency issue. Further it was seen that major companies in NBFC like India bulls Housing Finance, Dewan housing finance ltd, Shriram Transport Finance, operating in India also affected badly due to this crisis. In this paper study and analysis of DHFL, IHFC, STFC is carried out with the help of ratio analysis of pre and post NBFC crisis. The annual reports taken for study belongs to the period of 2015 to 2019.The analysis of data was done using ratios such as net profit margin, Bank borrowing to total borrowings, Current ratio, and Interest coverage ratio. The finding of study showed that DHFL company has affected most among all the three companies undertaken for study. Further it was also seen DHFC credit rating withdrawn by credit rating agencies due to its performances and liquidity crisis.

**Keywords:** Non banking financial crisis , Ratio Analysis, Dewan Housing finance Ltd,, india bulls housing finance ltd, Shriram transport finance ltd

## Introduction:

The starting point of NBFC crisis in India was September 17, 2018. On this day IL&FS, one of India's most respected firms, highly ranked by credit rating agencies with global reach, intimated Commercial Paper's default on payment due on September 14, 2018. ICRA downgraded the short term and long-term loan programs of IL&FS in reaction to developments credit rating agency. The default IL&FS triggered fear for both the creditors and the markets. It was hard for the markets to come to terms with the default of IL&FS because it was perceived to be the best in class, highly ranked. In reality, IL&FS is currently considering raising its running costs by raising the workforce around the company by approximately 65 per cent. The questions everyone begin to ask were, is this just another scam? Was IL&FS a scam enterprise? Memories of fraud and the turmoil that followed were new.

The next company which filled for the bankruptcy was the Dewan Housing Finance LTD (DHFL). The mortgage funds net assets values (NAVs) affected due to delay and postponement of interest rate payments by Dewan Housing Finance Ltd (DHFL) on 4th June . Mutual funds lent out debt securities to the firm. Several debt schemes 'NAVs dropped 6-53 per cent on June 4, reflecting their holdings' marked-down valuation in DHFL stock. The non-bank financial firm with a concentration on housing financial has allegedly skipped Rs 960 Crore interest payments. In the case of these payment errors, accounting rules require a write-down of the value of properties. Over the two-month period, DHFL has faced a number of downgrades on its debt by rating agencies.

Indiabulls Housing Finance (IHFL) stock fell 34 percent after the news and concerns about its merger with Lakshmi Vilas Bank when prompt corrective actions was declared by the Reserve Bank of India (RBI) . These steps were taken as the regulator and RBI observed increase in non-performing assets (High NPA),high leverage ,inadequate capital capital, and a negative return on assets for two sequential years . Additionally, the Delhi High Court accepting a public interest litigation (PIL) against Indiabulls came as another blow to the stock. The PIL alleges round-tripping of funds by IHFL. IHFL has argued strongly against the PIL. Although the stock recovered on Tuesday, ending over 4.5 percent higher, concerns remain among investors with regards to the latest developments.

**Objectives:** This study is conducted to achieve the following objectives:

To understand the root cause for NBFC Crisis

- To understand effect of NBFC Crisis on these three companies.

- To understand financial condition of three companies post NBFC crisis.

- To understand the financial structure of the NBFCs

- To understand the future of Non-banking financial company sector.

## Literature Review :

**Grosse** (2017): This study focuses on lender also borrower overconfidence, fail to realize the danger they generated by leading financial institutions, failure by regulators and credit rating agencies, and collapse in financial markets that does not allowed institutional banks from lending for short-term requirements. Such points can be compared by analysts to form the basis of every financial

crisis.

**Manda** (2019): The asset-liability imbalance is a key concern which has contributed to the liquidity problems in the industry. Short of having a special liquidity window, regulators tend to adjust macroeconomic factors to mitigate the problem. The crisis emphasized the need for much nearer cooperation and the interplay between regulators such as NHB, SEBI, IRDA and RBI to avert certain opportunities in future failure where bubbles such as these might culminate in being a systemic danger. Findings from this paper will aid different stakeholders in improved preparedness at the NBFC, the regulators and government.

**Rao** (2018): The paper studies five housing finance companies in India selected on the basis of market capitalization. The analyst has considered various important ratios such as current ratio,

return on capital employed, current ratio, return on equity, debt equity ratio and return on assets ratio for five years starting from financial year 2011-12 to 2015-16. The sample of companies selected for study were LIC Housing Finance, Housing Development Finance Corporation, India bulls Housing Finance, PNB Housing Finance, and GRUH Finance.

Analyst has used statistical tools like mean, standard deviation, covariance, variance and one

way ANOVA. As per the research India Bulls Housing Finance company was giving highest return on capital employed. Similarly based on return on assets, it was observed India Bulls Housing Finance created highest ROA among the sample size of companies chosen .

**Sornaganesh** (2013): In this paper analyst has done fundamental analysis of various housing finance companies in India. Those companies were Shriram Transport Finance Company (STF), Sundaram

Finance (SF), Bajaj Finance (BF), Cholamandalam Finance (CF) and Mahindra & Mahindra Finance (M&MF). The study has been conducted during 2008 April to 2012 March. The study was focused on understanding the economic sustainability of companies. The study revealed that STF was the second best performer in terms of Earning per share as well as it did far better in than other companies in case of Net profit margin.

**Research Methodology:**

This paper uses Descriptive analysis to collect preliminary information, analyze the chain of events that contributed to the crisis, report the actions taken by various actors and explain the regulatory implications. Secondary sources of data were used to collect the information needed for this analysis. The foundation for this article was evidence from various publications, academic papers, blogs and from the regulators' official websites, media outlets, and business

financial reports. Data for ratio analysis is taken from annual reports of the companies of the Financial Year 2018-19.

**Structure of Non-financial Banking Company:**

**NBFC Funding:**

Under companies Act 1956 , A Non-Banking Financial Firm (NBFC) is a corporation incorporated that invests in the sector of loans and advances, the sale of stock / bonds / debentures / securities issued by government or local authority or other like-minded marketable securities, lending, employ transactions, insurance, chit industry. This does not, therefore, include any company whose primary activity is cultivation, agricultural development, the acquisition or selling of goods (other than securities) or the supply of services, and the sale or purchase or build of real estate.

NBFCs does not relay on CASA (Current asset deposits and Saving account deposits) deposits to raise funds. They are prohibited from doing so. Which means they require some other means to raise funds.

These are sources by which NBFCs can raise funds:

**Long term loans raised at lower-interest rates:**

In its course of operations when NBFC require funds for deployment, it applies for a long-term loan from the Bank. Banks usually lend at lesser interest rates due to the availability of CASA (Current Account Deposits and Savings Account Deposits) deposits. This helps NBFC to get loans from banks at lower interest rates and provide it to retails or corporates at higher interest rates. These forms of loans can be made available by providing secured or unsecured assets in the form of government securities and can be repaid in a fixed schedule.

**Foreign Direct Investment (FDI):**

Foreign direct investment is a good option for NBFC to generate funds. Recently, FDI is allowed up to 100 per cent in India through automatic route in FDI. Foreign investors can invest directly in NBFCs without approval of RBI or FIPB

**5.1.2.1. Issue of Commercial Paper for small-term loans:**

Non-Banking Financial Companies may issue Trade bills / Trade papers and collect the funds required. Financial Companies issues Commercial papers as these are short term unsecured promissory note with 3 to 12 months tenure. According to RBI, NBFC's with a minimum net worth of INR 100 crores are permitted to list Commercial Papers according to the RBI.

**Issue of Bonds:**

NBFCs can raise considerable amount of money through bonds at lower cost. These companies can reduce

the interest rate on sources of funds by using bonds. Coupon rate of these issued bonds reflects on rating profile of NBFC. Bonds can also be issued to institutional investors, which are important for NBFC's .

## 1. Securitization of loans:

Securitization of loan means selling a loan in a market. Common and effective way of raising funds for financial institutes like bank and NBFC. NBFC's have created huge amounts INR 2.36 lakh crore between the period of October 2018 and September 2019 through securitisation of loans

## Lending of Money:

The source of income for an NBFC is the interest which they get by financing different projects or lending money. NBFCs can be categorised by type of activities they conduct

## Asset Finance Company (AFC):

An AFC is a financial entity which supports and finances purchase of physical assets which helps in promotion of economic and productive activity of businesses and industries

vehicles, tractors, lathe machines, generator sets, earth moving and material handling equipment, operating on own power and industrial machinery are all financed by assets finance company. For this reason, the main business is defined as "the aggregate of financing real / physical assets that support economic operation and the resulting income is not less than 60 per cent of its total assets and total profits, respectively.

## Investment Company (IC):

This companies carries out a business of acquiring securities.

## 1. Loan Company (LC):

LC includes any organization that is a financial entity carrying on lending, whether by making loans or advances or otherwise for some other operation but its own, which does not include an Asset Finance Company as its principal sector.

## 2. Infrastructure Finance Company (IFC):

IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.

## 3. Systemically Important Core Investment Company (CIC-ND-SI):

CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities.

## How it works?

The structure of NBFC is easy to understand. They take money from banks or raise it by issuing commercial papers or bonds. This papers and bonds are required to get rating from credit rating agency. Credit rating firms evaluate the financial quality of shares and borrowers with specific debts. A rating organization provides an impartial assessment on the creditworthiness of debt securities sold on the bond market by governments and businesses.

The rating provided by agency decides the attractiveness of a bond or commercial papers. These bonds are purchased mainly by Mutual funds, Insurance companies and other High Net Worth Institutions. These bonds are expected to evaluate by credit rating agencies without any bias hence investors buy them based on the ratings provided by the agency. This way NBFC raises funds. This raised fund is used for financing and lending. Whatever interest NBFC earns is the source of income for the company.

## The Problem:

The biggest flaw lies in the structure of NBFC. As explained earlier NBFCs borrow money at short term basis and they invest it in projects which are long term. Which means they must pay interest in short term, but their returns take more time. This creates a situation known as Asset-Liability Mismatch. Example- The NBFC collects money through the selling of debt papers with maturity of 6 months and then offers it as a car loan for duration of 5 years This leads to a situation for NBFC that then they can either roll over (or renew) the debt paper for 6 months or can collect fresh loans to repay the debt paper. As a matter of fact, this happens in good times. But the loop will be broken when times are rough.

That exactly what happened in case if Indian NBFCs. Default of IL&FC broke the circle. Which lead to the contagion fear. Simply put, there was concern among banks, mutual funds and their investors that more such organizations would not default. Lots of institutions declined to offer money to NBFCs as this apprehension took root. The cost of the funds for NBFCs rose by as much as 150 basis points.

## Discussion

## Effect of NBFC crisis on DHFL. IHFCL. STFC:

The next part of the study is to understand the effect of NBFC Crisis on few.

These companies are Dewan Housing Finance Corporation Ltd, Indiabulls Housing Finance Company Ltd.,

Shriram Transport Finance Company Ltd. These are some of the biggest NBFCs in India.

## Dewan Housing Finance Corporation Ltd (DHFL):

Rajesh Kumar Wadhawan founded DHFL on 11th April 1984. Initially it was named as Dewan

Housing Development Finance Ltd. But later changed to Dewan Housing Finance Corporation Ltd.

**(DHFL)**

DHFL is a financial non-banking company also known as a shadow bank. This means that it does not have a banking license or access to liquidity from the central bank, but is still active in financial services – in this case, providing mainly loans to home buyers in Tier 2 and Tier 3 cities in India.

With the start of the IL&FS crisis in September 2018, DHFL's stock was also hammering by as much as 60%. Then it was reported by Cobra post in January that the promoters of the company were involved in Rs 31,000 crore scam for siphoning money off. The business refuted those allegations and later said they were found to be untrue by an independent chartered accountant inquiry.

However, different problems in DHFL created complex situation, which forced the company to sell a percentage of its businesses to ensure it can pay back debt. The company did not pay interest on Rs 900 crore on June 4, however, leading rating agencies to downgrade all their commercial paper.

DHFL has maintained that the underlying assets it owns, a substantial chunk of which are house loans, are valuable and have a very small percentage of non-performing assets. Yet Rs 1 lakh crore is worth those underlying properties. Consequently, if this is indeed a solvency problem, if the survival of the business itself is uncertain, it could be a huge blow to the financial markets in India.

If the firm fails, all those who have extended credit to the company will be affected. This includes around Rs 50,000 of bank crore, another Rs 30,000 of Life Insurance Corporation crore, pension funds and more. In other words, this is not just about one failing company: it is a threat to the already beleaguered banking system.

**Indiabulls Housing Finance Limited (IHFLC):**

Indiabulls Housing Finance Limited is a company with its headquarter in New Delhi, India. that lends loans and mortgages .It is India's second largest housing finance firm and is regulated by National Housing Bank. It is part of the Indiabulls group of companies owned by Sameer Gehlaut who contributes approximately 80 per cent of group turnover.

A merger with private sector bank Lakshmi Vilas Bank was approved by the board of Indiabulls Housing Finance on 5 April 2019. Indiabulls shareholders received a 90.5% stake in the combined company, known as Indiabulls Lakshmi Vilas Bank, and LVB received the remaining 9.5%. The merged entity created a net worth of 19,472 crore and a loan book of 1,23,393 crore for the nine months of the combined entity.

Hurt by the spreading crisis among non-bank finance companies in India, the two lenders had agreed to merge in a bid to improve profitability and resources. Indiabulls wanted to diversify their asset base and gain access to low-cost funds, while Lakshmi Vilas Bank needed to collect capital and remove its lending curbs.

When the merger agreement was first revealed, speculation emerged that other Indian banks might become targets for acquisition as more shadow lenders tried combinations to reform their business models and solve their liquidity problems.

Indiabulls dollar bond dropped by record after its plan for a merger was rejected by regulators **Shriram Transport Finance Company Limited (STFCL):**

This NBFC is part of the company group "SHRIRAM," which has a major presence in financial services such as consumer finance, life and general insurance , stock broking , motor vehicle funding, , chit funds, and marketing of financial goods such as life and general insurance goods and mutual fund groups. This company was incorporated in the year 1979. A flagship firm of the Shriram group, Shriram Transport Finance Company Ltd. is India's biggest leader in commercial vehicle finance. The company was formed to provide the medium- and heavy commercial vehicles with hire purchase and lease financing. They have entered into a shareholders' agreement with Ashok Leyland Ltd and its partners to buy a 40% stake in Ashley Transport Services Ltd. On February 8, 2007, the group formed a 100% subsidiary, Shriram Powergen Ltd, to deal with the company's windmill and biomass ventures. In 2016-17, Shriram Transport Finance Company successfully raised Rs 13.5 billion through the issue of Singapore Stock Exchange's 'Masala Bonds' - Senior Backed Rupee Denominated Bonds.

Shriram Transport Finance Company Limited (STFC) Shriram Automall India Limited (SAMIL) and MXC Solutions India Private Limited (CarTrade) signed definitive agreements on 24 January 2018, which would result in a merger of the two companies forming India's leading used vehicle marketplace.

**Ratio Analysis:**

To understand the effect of crisis on company in this part various ratios have been calculated. For calculating these ratios companies' Financial data for the year 2017-18 and 2018-19 is considered. The NBFC crisis started to be happened in the year 2018 the data which has been taken belong to the pre NBFC crisis year and post NBFC crisis year. This ratios are calculated to understand the how this crisis have affected the Profitability of a company, Market

Share and Share Prices and also liquidity of the company.

**List of ratios calculated:**

1.  Net Profit Margin  2. Price to Earnings Ratio

3.  Market Capitalization  4.Interest Coverage Ratio

5.  Bank Borrowing to Total Borrowing

6.  Current Ratio

7.  Equity Multiplier

8  Price to Sales Ratio

9  Return on Equity ROE

<u>**Net Profit Margin:**</u> Net profit margin is calculated by comparing net profit margin with sales generated. The net profit margin is computed by deducting cost of goods sold, operating expenses and non-operating expenses from revenue of the company.Net profit margin for a company or market segment is the ratio of net income to sales. Generally, the net profit margin is expressed as a percentage but can also be represented in decimal form.

Formulas and Calculation for Net Profit Margin

$$\text{Net profit margin} = \frac{R - COGS - E - I - T}{R} * 100$$

$$= \frac{\text{Net income}}{R} * 100$$

where:

$R$ = Revenue
$COGS$ = The cost of goods sold
$E$ = Operating and other expenses
$I$ = Interest
$T$ = Taxes

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Net Profit | -103605 | 123999 | 409053 | 389540 | 2,56,167 | 2,45,925 |
| Total Income | 12,88,388 | 10,85,013 | 1701962 | 1495138 | 15,52,244 | 13,29,866 |
| Ratio | -8.04% | 11.43% | 24.03% | 26.05% | 16.50% | 18.49% |

Table 1

Net profit margin ratio indicates that how much amount of profit company can earn out of its total revenue. It also indicates what portion of income goes to expenses. Having higher ratio is always admirable as it indicates company is doing great and keeping expenses minimum. In above table we can see that since DHFL has incurred losses post crisis era it has negative net profit margin ratio. Which is not at all acceptable. In case of IHFL and STFCL NPM has reduced by 2%. Which means it is not a majorly effected by NBFC crisis.

**Price to earnings ratio (P/E Ratio):**

This ratio is calculated by comparing market price share with earnings per share. MPS Analyst and investors use P / E ratios to assess the relative worth of company's stock. It may also be used to check the current business with companies previous historical record. This helps investors to understand the future growth opportunities of company by understanding the perceptions and responses of market in comparison with earning per share o company. Very high or low PE ratio may indicate whether the company's stock is over or undervalued.

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Market Price | 149.50 | 523.05 | 811.15 | 1243.85 | 1278.25 | 1468.25 |
| EPS (Diluted) | (33.02) | 39.37 | 95.26 | 90.55 | 113.10 | 108.45 |
| Ratio | (4.52) | 13.29 | 8.52 | 13.74 | 11.30 | 13.54 |

**Table 2**

**Interpretation:**

P/E ratio indicates what is the amount of money investor is ready to pay to earn one unit of money from a company. This ratio decides the attractiveness of the company specially for long term investors. Higher ratio means company is doing well. In case of all three companies investors were ready to pay Rs.13 for one share before crisis, but after crisis even though EPS has increased in case of IHFLC and STFCL share prices have reduced due to crisis and so does the P/E ratio. DHFL's P/E ratio is the lowest among all the company. As they have incurred losses in the year 2018-19, EPS has also become negative. So even though

investors invest in this company they will not be earning any returns in the form of dividend. Market prices of all the shares can be seen to have reduced by 34.79% in case of IHFLC and by 13% in case of STFCL. But DHFL has got worst hit of crisis as their share prices have reduced by 71.42%.

**Market Capitalization:**

Market Capitalization indicates the companies worth as per share market. Using market capitalization to indicate a company's value is important since the value of a company is a simple determinant of the different characteristics that attract investors, like risk.

Formula: = Market Price Per Share  X  Number of Freely Traded Shares

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Market Price | 149.50 | 523.05 | 811.15 | 1243.85 | 1278.25 | 1468.25 |
| Common Stock | 31,38,200 | 31,36,600 | 8,54,800 | 8,53,072 | 22,69,067 | 22,69,067 |
| Market Capital | 469161 | 1640599 | 693371 | 1061094 | 2900435 | 3331558 |

**Table 3**

In case of all the three companies market capital can be seen to have reduced after crisis. Which means investors are less interested in investing in NBFCs.

**Interest coverage ratio:**

Interest Coverage ratio is calculated to understand is company is able to pay interest to its outstanding debts. It determines how many times a company can pay its interest

liabilities. Higher ratio is favourable as it means company is less risky.

The Formula for the Interest Coverage Ratio Is

$$\text{Interest Coverage Ratio} = \frac{EBIT}{\text{Interest Expense}}$$

where:

EBIT = Earnings before interest and taxes

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| EBIT | (1,16,498) | 1,70,102 | 560398 | 487790 | 3,77,827.50 | 3,80,180.23 |
| Interest Exp/ Finance Cost | 939285 | 772195 | 954387 | 790795 | 7,51,125.94 | 6,36,875.38 |
| Ratio | -0.12 | 0.22 | 0.59 | 0.62 | 0.50 | 0.60 |

Table 4

Interpretation:

In case of Interest coverage ratio if the ratio is less than 1.5 then it clearly means that ability of company to meet its current interest liabilities is questionable. We can clearly see that all the companies are struggling to maintain a ratio above 0.50. In case of DHFL we can see that they were struggling before NBFC crisis but post crisis their situation got even worst as they have started earning losses.

Which clearly means that they are not able to pay off their interest expenses. In case of IHFCL the ratio has also declined but the effect is not that significant as they have increased the EBIT as well as Interest Expenses. Same is the case for STFC.

**Bank borrowing to Total Borrowings:**

This ratio indicates out of all the borrowings what portion belongs to the debts raised from bank.

**Formula:**

= Money Borrowed from Banks / Total Borrowings

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Bank Borrowing | 3175938 | 3682780 | 4102339 | 3855900 | 1183138 | 1481288 |
| Total Borrowing | 4060421 | 4501776 | 5168725 | 4544665 | 3718929 | 3610854 |
| Ratio | 0.78 | 0.82 | 0.79 | 0.85 | 0.32 | 0.41 |

**Table 5**

**Interpretation:**

NBFCs often borrow from banks as they have lower rate of interest. Even though banks were expected to be affected by NBFC crises the most we can see that in case of IHFLC the borrowings have increased. For the other companies borrowings has reduced. Resulting in reduction in ratio.

**Current ratio:**

Current ratio is calculated to understand the short-term solvency of the company. Which means if the company can pay its short-term liabilities or not with its current assets. It is also known as working capital ratio.

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current Assets | 104,59495 | 105,0501 | 118,44151 | 26,69230 | 104,93051 | 96,93129 |
| Current Liabilities | 4,49225 | 5,19589 | 5,22268 | 44,41625 | 1,01834 | 87513 |
| Ratio | 23.28 | 20.22 | 22.68 | 0.60 | 103.04 | 110.76 |

**Interpretation:**

Current ratio in this companies seems to be way better. As they have no short-term borrowings or short-term provisions. This ratio quite seems to be favourable.

**Equity multiplier ratio:**

The equity multiplier is a metric of financial leverage that calculates the portion of the value of the company that is funded by equity of the stockholder. This is determined by dividing the gross asset value of an undertaking by total net equity.

**Equity multiplier = Total assets / Total stockholder's equity**

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Total Assets | 10647525 | 10631165 | 13010392 | 13260274 | 105,29,248 | 97,24,504 |
| Total Equity | 810206 | 923253 | 1639664 | 1427288 | 15,83,628 | 13,57,548 |
| Ratio | 13.14 | 11.51 | 7.93 | 9.29 | 6.65 | 7.16 |

**Table 6**

**Interpretation:**

Equity multiplier helps us to understand companies' debt structure. All the companies have higher ratio which means companies are highly dependant on debt i.e. borrowed funds rather than equity. This situation is risky as tin case of default or bankruptcy we can imagine how much capital could be lossed increasing NPA for banks.

**Price to Sales Ratio:**

The price-to-sales ratio (P / S) is a cost measure relating the purchase price of a company to its revenues. This is a measure of the amount of a company's profits or earnings

on a pound. The priceto-revenue ratio shows how much each dollar of the company's sales the consumer prices. This formula will be useful in valuing growth stocks that have not yet made a profit or experienced a temporary setback.

## Calculating the Price-to-Sales (P/S) Ratio

$$\text{P/S Ratio} = \frac{MVS}{SPS}$$

**where:**

$MVS$ = Market Value per Share

$SPS$ = Sales per Share

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Market Price/Share | 149.50 | 523.05 | 811.15 | 1243.85 | 1278.25 | 1468.25 |
| Sales/Share | 41.05 | 34.59 | 199.11 | 175.27 | 68.41 | 58.61 |
| Ratio | 3.64 | 15.12 | 4.07 | 7.10 | 18.69 | 25.05 |

**Table 7**

**Interpretation:**

This ratio is calculated to see whether company is over-valued or not. If company has occurred loses lower P/S ratio can be proved out to be a good indicator provided other aspects of company remains same as before. This can't be the case for DHFL. Market value of DHFL can be seen to have reduced as the ratio has reduced. That has happened as its price per share has reduced as even though the sales per share has increased. In case, other two companies ratio has also reduced that is also because of reduction in market prices.  -

Return on Equity (ROE):

This ratio is calculated to understand the efficiency of a company in generating profit on given equity.

This ratio also helps in understanding how efficiently company is using its assets.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Average Shareholders' Equity}}$$

| Particular | DHFL | | IHFLC | | STFCL | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Net Income | -103605 | 123999 | 409053 | 389540 | 2,56,167 | 2,45,925 |
| Average Equity | 810206 | 923253 | 1639664 | 1427288 | 15,83,628 | 13,57,548 |
| Ratio | -0.13 | 0.13 | 0.25 | 0.27 | 0.16 | 0.18 |

**Table 8**

**Interpretation:**

ROE is often considered with its peers. In above table it can be seen that despite of crisis IHFLC has manged to have greater ROE. But in case of DHFL ROE has been reduced significantly. That is due to net loss incurred by a company in FY 2018-19. Other two companies have also reduced their ROE but the change is not that significant.

**Credit Rating:**

**Credit ratin**g is very important for NBFCs as they help them in raising money from market which they lend out to earn the interest income. As NBFCs structure requires it to issue commercial paper with good coupon rate for smooth

functioning. Many investors consider these ratings before investing in a commercial paper of the company. Having good credit rating helps in gaining trust of investors.

**DHFL** In the year 2018 the credit rating for the commercial paper of the DHFL was A4+. But letter on it got reduced and in current year it got withdrawn. Credit rating is very important for NBFCs as they raise money by issuing commercial papers. Above table contains the ratings of Crisil company.

| Instrument | Type | Current | | 2019 (History) | | 2018 | | 2017 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating |
| Commercial Paper | ST | 850.00 | CRISIL D | 11-05-19 | CRISIL A4+/Watch Negative | 30-11-18 | CRISIL A1+ | 27-10-17 | CRISIL A1+ |
| | | | | 17-04-19 | CRISIL A3+/Watch Negative | 06-11-18 | CRISIL A1+ | | |
| | | | | 22-03-19 | CRISIL A2+/Watch Negative | 07-05-18 | CRISIL A1+ | | |
| | | | | 27-02-19 | CRISIL A1/Watch Negative | | | | |
| | | | | 02-02-19 | CRISIL A1+/Watch Negative | | | | |
| Short Term Debt | ST | | | | | | | 11-07-17 | CRISIL A1+ |
| Short Term Deposit | ST | | -- | 22-03-19 | Withdrawal | 30-11-18 | CRISIL A1+ | 27-10-17 | CRISIL A1+ |
| | | | | 27-02-19 | CRISIL A1/Watch Negative | 06-11-18 | CRISIL A1+ | 11-07-17 | CRISIL A1+ |
| | | | | 02-02-19 | CRISIL A1+/Watch Negative | 07-05-18 | CRISIL A1+ | | |

All amounts are in Rs.Cr.

Figure 1

**IHFLC:**

| Instrument | Type | Current | | 2019 (History) | | 2018 | | 2017 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating |
| Commercial Paper | ST | 25000.00 | CRISIL A1+/(Watch) Developing | 15-07-19 | CRISIL A1+ | 29-05-18 | CRISIL A1+ | 15-12-17 | CRISIL A1+ |
| | | | | 09-04-19 | CRISIL A1+ | 21-03-18 | CRISIL A1+ | 29-11-17 | CRISIL A1+ |
| | | | | | | | | 11-09-17 | CRISIL A1+ |
| | | | | | | | | 29-04-17 | CRISIL A1+ |
| Non Convertible Debentures | LT | 14035.40 08-09-19 | CRISIL AA+/(Watch) Developing | 15-07-19 | CRISIL AAA/Watch Negative | 29-05-18 | CRISIL AAA/Stable | 15-12-17 | CRISIL AAA/Stable |
| | | | | 09-04-19 | CRISIL AAA/Watch Developing | 21-03-18 | CRISIL AAA/Stable | 29-11-17 | CRISIL AAA/Stable |

This is a rating scale of Crisil company for IHFLC. Credit Ratings of commercial paper has not been changes by Crisis despite of NBFC Crisis.

Figure 2

**STFCL:**

| Instrument | Type | Current | | 2019 (History) | | 2018 | | 2017 | | 2016 | | Start of 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Commercial Paper | ST | 7500.00 | CRISIL A1+ | | | 14-12-18 | CRISIL A1+ | -- | | -- | | -- |
| | | | | | | 13-12-18 | CRISIL A1+ | | | | | |
| | | | | | | 06-03-18 | CRISIL A1+ | | | | | |
| | | | | | | 31-07-18 | CRISIL A1+ | | | | | |
| | | | | | | 03-00-18 | CRISIL A1+ | | | | | |
| | | | | | | 26-03-18 | CRISIL A1+ | | | | | |
| | | | | | | 27-03-18 | CRISIL A1+ | | | | | |
| | | | | | | 21-03-18 | CRISIL A1+ | | | | | |
| Fixed Deposits | FD | 0.00 | FAAA/Stable | | | 14-12-18 | FAAA/Stable | 31-10-17 | FAAA/Stable | 31-12-16 | FAAA/Stable | FAAA/Stable |
| | | | | | | 13-12-18 | FAAA/Stable | 31-07-17 | FAAA/Stable | 07-11-16 | FAAA/Stable | |
| | | | | | | 06-03-18 | FAAA/Stable | 11-97-17 | FAAA/Stable | 05-07-16 | FAAA/Stable | |
| | | | | | | 31-07-18 | FAAA/Stable | 23-06-17 | FAAA/Stable | 18-03-16 | FAAA/Stable | |
| | | | | | | 03-05-18 | FAAA/Stable | 05-06-17 | FAAA/Stable | 19-22-15 | FAAA/Stable | |

Figure 3

Credit rating of STFCL has not been changed even after NBFC Crisis.

## 7. Conclusion:

NBFCs are very crucial for Indian economy as they finance Medium, small and micro businesses. They are important because they helped in reducing the burden from banking system. As banks could not issue loans as easily as NBFC since they accept the deposits from public.

The Main reason why NBFC Crisis happened is fault in structure of NBFCs. NBFCs raise money at lower cost for short term period and lend it for a longer period. This creates the asset-liability mismatch. This model was working until there was smooth supply of credit. Liquidity crunch in Indian economy caused disturbance in this cycle of money raising.

Default of IL&FS was actually becoming starting point for crisis. Then companies like DHFL started defaulting in their commercial paper debts. To neutralize the situation Reserve Bank of India had to step in. The Reserve Bank of India has purchased government debt paper worth Rs 3 lakh crore from the market over the last financial year. It simply meant that too much capital was allocated to the on-lend banking system. It is the only way RBI can support NBFCs because the central bank is reluctant to lend directly to the latter as they do not keep government paper for use as collateral.

To understand the effect of NBFC Crisis on NBFCs 3 companies were analysed in this paper. The conclusion of this was DHFL was the company which got affected the most. As they incurred major losses in FY2018-19. IHFCL and STFC did not got affected by this crisis majorly. Even they lost their market capital. They did better than DHFL. They can be said to have survived this crisis.

Credit rating of DHFL's commercial papers also got withdrawn by many credit rating agencies. This clearly means they will face problems in raising money in future as investors like mutual funds take investment decisions based on this rating. IHFCL and STFC manged to continue their good ratings despite of all the problems. Which indicates that they will be able to continue in future.

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# Dawn after COVID Crisis

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## Introduction

People who celebrated the New Year 2020 hardly knew what was waiting for them ahead.If we go to a flashback we see the start of the Year 2020 was so amazing, the bulls of Sensex was soaring almost 42k height, President Trump signed the US China initial trade pact around mid January putting prolonged economic conflict between China and US on a pause. Amidst all positives bloomed this Covid Crisis in February 2020 leaving the entire world into the grasp of medical emergencies.The first impacted is the Travel and Tourism with countries banning plying of international and domestic flights causing a financial loss of almost 1 trillion US$ globally taking away an estimated 5 million jobs. To fight back against the pandemic Governments was forced to implement a lockdown situation which impacted the daily earners, lower middle class hugely.

Recently on 31st August 2020, National Statistical Commission under Ministry of Statistic and Programme Implementation, India had published a press release with an estimated GDP de-growth of 23% for Q1 2020-21 leaving us with a big question- Is Indian economy in bigger trouble? Well l present my set of analysis on the current economic situation in the world and India and try to establish if the situations is seriously that grave.

## Economic highlight of the World

*Impact on GDP growth:*Globally this pandemic has caused a havoc loss of employment, business (trades & supply), Investmentsmassively reducing down the global economic growth rate from an average of 2.9% (2019) to a negative 3% (2020 Q1). The hit is quite large for the developed countries and G7 economies where the GDP growth has been recorded as negative 6.1% and 6.2% respectively. For India GDP growth has shrink by 55% from 2019 level of 4.5% to 1.9% for Q4 2019-20 as highlighted in the World Economic Forum Apr 2020 report.
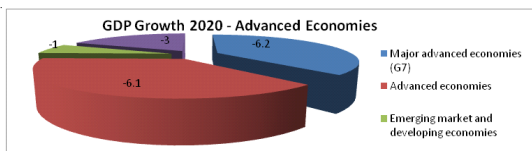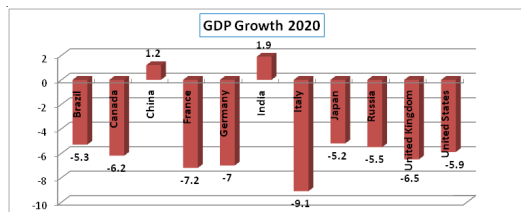


Well there is no denial to the fact that Covid pandemic has hard hit the Indian economy too but a quick comparison between the 2019 growth rates against 2020 Q1 expected rates is not justified as Covid has created a vast hollow within the economy recovering from which would definitely take some time.

*Impact on Unemployment:* Due tolockdown being enforced to fight against the spread of Covid 19 by Governments across world it had a huge impact on the unemployment numbers. Companies in business of Travel and Tourism, hospitality, Manufacturing, Construction, Mining and Extractions, Transport & Utilities are the major impacted industries. Among the moderately impacted are Education and health Services, Professional and Business Services and Self Employed. Financial Services, Banking and Agriculture are the least impacted by Covid 19.

| Countries | 2019 | 2020 | Increase |
|---|---|---|---|
| Brazil | 11.9 | 14.7 | 24% |
| China | 3.6 | 4.3 | 19% |
| Canada | 5.7 | 7.5 | 32% |
| France | 8.5 | 10.4 | 22% |
| Germany | 3.2 | 3.9 | 22% |
| Italy | 10 | 12.7 | 27% |
| Japan | 2.4 | 3 | 25% |
| Russia | 4.6 | 4.9 | 7% |
| United Kingdom | 3.8 | 4.8 | 26% |
| United States | 3.7 | 10.4 | 181% |
| Region | 2019 | 2020 | Increase |
| Advanced Economies | 4.8 | 8.3 | 73% |
| Euro Union | 7.6 | 10.4 | 37% |
| Major advanced Economies (G7) | 4.3 | 7.8 | 81% |

On a global level United States has been extremely hit by Covid 19 with a rise of more than 180% in their unemployment rate in 2020 taking the number to 10.4% as compare to 3.7% in 2019. Other big economic countries of the world highlight an increase in unemployment in the range of 20-25% during this pandemic as per the data Published by IMF world economic forum.

| Region | 2019 | 2020 | Increase |
|---|---|---|---|
| Advanced Economies | 4.8 | 8.3 | 73% |
| Euro Union | 7.6 | 10.4 | 37% |
| Major advanced Economies (G7) | 4.3 | 7.8 | 81% |

By regional segregation G7 countries have a cumulative unemployment of 81% while Advance economies records 73% and EU records a much lesser unemployment of 37% due to well distributed pandemic packages being offered by the Governments.
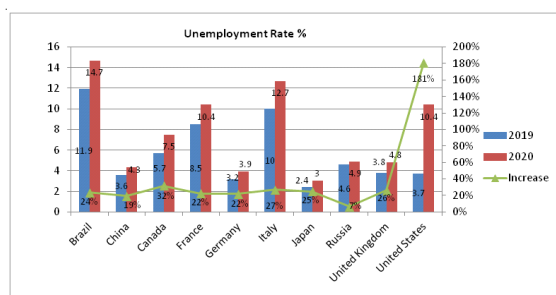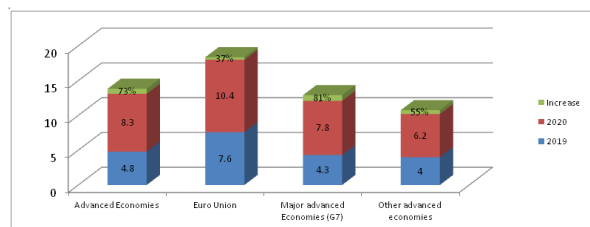




Domestically in India the pandemic had a big hit on unemployment too where the daily earners had to leave for their home town owing to no jobs during the lockdown. India had forced start the lockdown around end March 2020 and the data as published by Center for Monitoring Indian Economy (CMIE) shows a sudden spike in the unemployment in Apr 2020 by 169% and it almost continues in the same range in May 2020 and in June it has reduced by 53% as the first 2 phase of national lockdown eases out and economic activities slowly started to roll on.

On an optimistic note the CMIE data below highlights that as the economic activities start to pick up in coming month the unemployment rate will flatten.

| Months | India | Urban | Rural | Increase |
|---|---|---|---|---|
| Aug-20 | 8.35 | 9.83 | 7.65 | 13% |
| Jul-20 | 7.4 | 9.37 | 6.51 | -27% |
| Jun-20 | 10.18 | 11.68 | 9.49 | -53% |
| May-20 | 21.73 | 23.14 | 21.11 | -7.6% |
| Apr-20 | 23.52 | 24.95 | 22.89 | 169% |
| Mar-20 | 8.75 | 9.41 | 8.44 | 13% |

| Feb-20 | 7.76 | 8.65 | 7.34 | 7% |
|---|---|---|---|---|
| Jan-20 | 7.22 | 9.7 | 6.06 | -5% |
| Dec-19 | 7.6 | 9.02 | 6.93 | 5% |
| Nov-19 | 7.23 | 8.88 | 6.45 | -11% |
| Oct-19 | 8.1 | 8.27 | 8.02 | 13% |
| Sep-19 | 7.14 | 9.58 | 5.99 | -13% |
| Aug-19 | 8.19 | 9.71 | 7.48 | 12% |
| Jul-19 | 7.34 | 8.3 | 6.9 | - |



Data Source https://unemploymentinindia.cmie.com/

*Impact on Inflation:* As the economic activities slowed downor rather stopped during the last quarter of the year FY 2019-20 and slightly rolled over with a little momentum in the end of Q2 2020, we see a declining pattern in the inflation rates for majorly all the big economies of the world due to reduced demand for goods and services. Due to lockdown situation market place remained closed and even the online shopping services could not function its operations resulting in decline in the demand pattern of the consumers worldwide. The below chart will highlight the inflation rate (%) for big economic countries in last 5 years.If we see the inflation rate of the world which also highlights a declining pattern with a median inflation of 3.6% in last 10 years. The inflation rate of the emerging and developing economies are relatively higher measuring in a range of 4-6%.

| Region | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Europe | 2.8 | 4.2 | 3.2 | 2.4 | 2 | 3 | 1.5 | 2.2 | 2.2 | 2 | 1.1 |
| North America | 1.9 | 3.1 | 2.2 | 1.7 | 1.9 | 0.5 | 1.4 | 2.5 | 2.7 | 2 | 0.8 |
| Emerging market and developing economies | 5.7 | 7.1 | 5.8 | 5.5 | 4.7 | 4.7 | 4.3 | 4.3 | 4.8 | 5 | 4.6 |
| Major advanced economies (G7) | 1.4 | 2.6 | 1.9 | 1.3 | 1.5 | 0.3 | 0.8 | 1.8 | 2.1 | 1.5 | 0.5 |
| World | 3.7 | 5.1 | 4.1 | 3.7 | 3.2 | 2.8 | 2.8 | 3.2 | 3.6 | 3.6 | 3 |

| Countries | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Brazil | 8.7 | 3.4 | 3.7 | 3.7 | 3.6 |
| China | 2 | 1.6 | 2.1 | 2.9 | 3 |
| France | 0.3 | 1.2 | 2.1 | 1.3 | 0.3 |
| Germany | 0.4 | 1.7 | 2 | 1.3 | 0.3 |
| India | 4.5 | 3.6 | 3.4 | 4.5 | 3.3 |
| Italy | -0.1 | 1.3 | 1.2 | 0.6 | 0.2 |
| Japan | -0.1 | 0.5 | 1 | 0.5 | 0.2 |
| Russia | 7 | 3.7 | 2.9 | 4.5 | 3.1 |
| United Kingdom | 0.7 | 2.7 | 2.5 | 1.8 | 1.2 |
| United States | 1.3 | 2.1 | 2.4 | 1.8 | 0.6 |
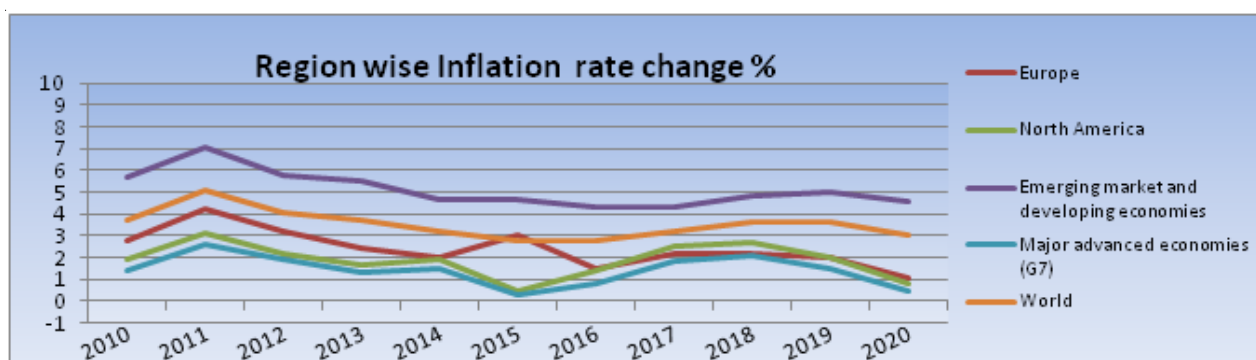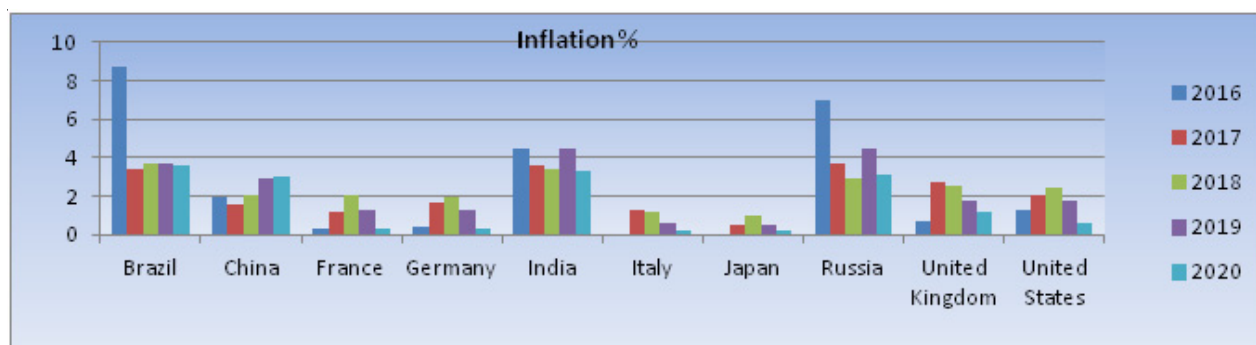
***Impact on Current A/c Deficit:*** Current account deficit defines the excess of imports over exports. Due to Covid19 the entire world has seen a disruption in trades and supply chain.Apparently this has impacted the country's current account balances. For countries like China, US, Germany, Japan, stands to be the biggest exporter in the world with China leading the list with 2.5 tn$ export, US with 1.7 tn$, Germany 1.6 tn$ and Japan around 738 Bn$. Like wisely, on the importers list US leads with 2.6 tn$, China with 2.1 tn$, Germany 1.3 tn$, Japan 749 Bn$ respectively. If you see in the below chart which highlights the Current account balances (as a % of GDP) for last 5 years, China, Germany, Japan, Russia, Italy and managed to maintain a positive current a/c balance whereas countries like US, UK France, India and Brazil shows a negative current account balance as a% of GDP.

| Countries | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Brazil | -1.3 | -0.7 | -2.2 | -2.7 | -1.8 |
| China | 1.8 | 1.6 | 0.4 | 1 | 0.5 |
| France | -0.5 | -0.7 | -0.6 | -0.8 | -0.7 |
| Germany | 8.5 | 7.8 | 7.4 | 7.1 | 6.6 |
| India | -0.6 | -1.8 | -2.1 | -1.1 | -0.6 |
| Japan | 4 | 4.1 | 3.5 | 3.6 | 1.7 |
| Russia | 1.9 | 2.1 | 6.8 | 3.8 | 0.7 |
| United Kingdom | -5.2 | -3.5 | -3.9 | -3.8 | -4.4 |
| United States | -2.3 | -2.3 | -2.4 | -2.3 | -2.6 |
| Italy | 2.6 | 2.6 | 2.5 | 3 | 3.1 |

| Regions | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Advanced economies | 0.8 | 0.8 | 0.7 | 0.7 | 0.1 |
| European Union | 3.5 | 3.4 | 3.2 | 2.9 | 2.7 |
| Emerging market and developing economies | -0.3 | 0.0 | -0.1 | 0.1 | -0.9 |
| Major advanced economies (G7) | -0.2 | -0.2 | -0.4 | -0.4 | -0.9 |

On a regional perspective the emerging and developing economies are showing a negative current a/c balances whereas the EU and advanced economies has till maintained a positive current a/c balance. For India, Government has been able to reduce the current a/c deficit by 50bps by raising import duty on 300 foreign products covering electronic, toys and furniture with an aim to reduce the trade deficit further and making path for a more self-reliant India.

**Region- Current a/c balances**
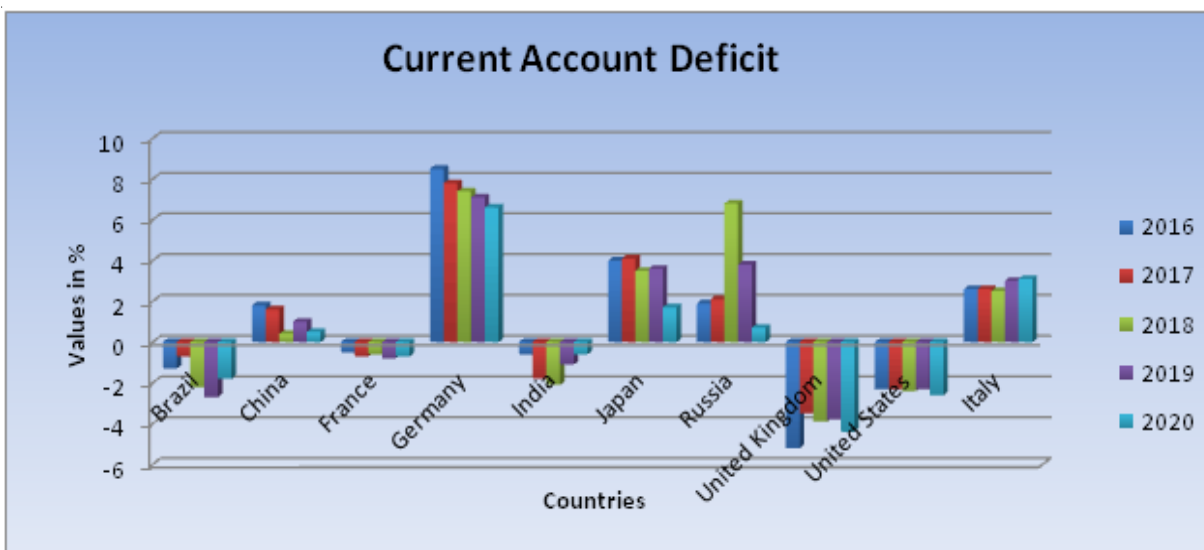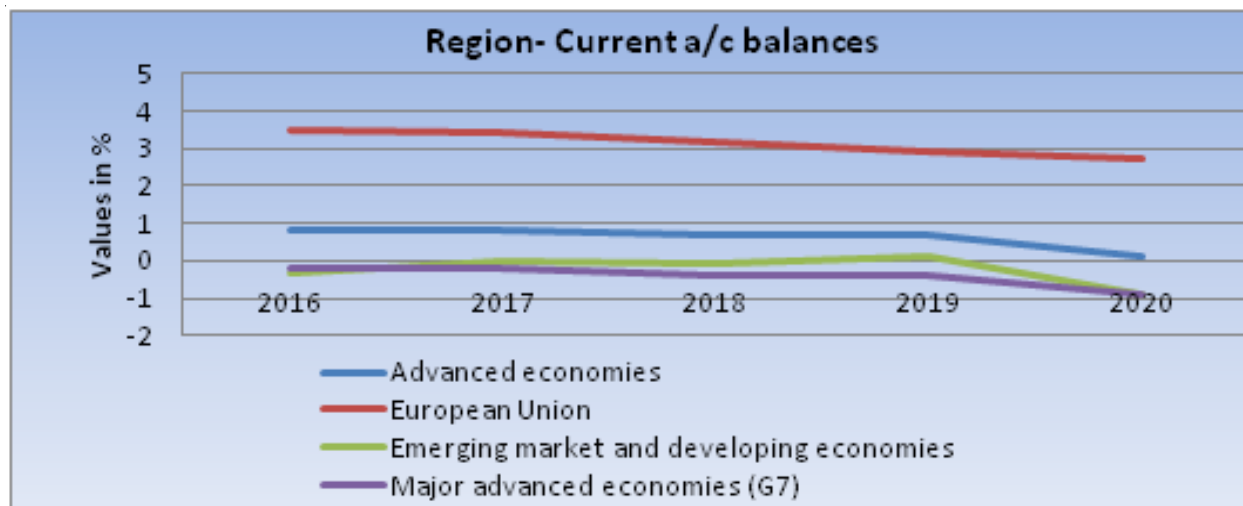
**Emerging Possibilities after COVID19**

It is a say that whenever the world has faced such grave pandemic newer opportunities has evolved and taken over to survive amidst the crisis. With Governments forcing for a lockdown around the world and a social distancing being the new normal for human race, technology has taken over on this crisis and delivered the mass usage of video conferencing facilities like Zoom, Cisco- WebEx, Microsoft Teams, Google meet to name a few, to communicate with people globally for Business Operations. Also the use of digital payments spiked up leaving with bigger opportunities with the digital payment service providers like Paypal, Payoneer, Paytm, Google Pay, Amazon Pay to capture new customers and expand their scope of services. Companies like Amazon, Alibaba, Wal-Mart, and Tesco are also not leaving any opportunities to expand their business by reaching out to people through their online platform to deliver the daily essentials to the customers.

With this the future definition of doing business has been changing right for Corporate, Governments, Educational Institutes and People.

**Is there any sign of recovery- What does the indicators say?**

**Stock Markets:**With almost 4 months passed since the first lockdown in the country the question is if there is any sign of recovery from the malefic crisis that has slowed down the entire world economy. Although all the major Pharmacy companies across world are collaborating and working hard to bring in a vaccine for curing COVID19 patients, however we still do not know when it will be a success. Amidst that people has learned to live with this crisis and slowly the economic activities have also started to take off. From an India perspective if we look back in March when Government had announced the lockdown the stock market crashed massively resulting BSE Sexsex to tank almost 4000 points to 25981 pointsin a single day and Nifty

shedding 1135 points to come down to 7610 points leaving investors losing more than 6 tn$ over a period of 1 week time. For BSE Sensex which was trading at an all time high of 41952 on 14 Jan 2020 reached to a level of 25981 by March 23 2020 eroding 62% of its value.Like-wisely NSE Nifty touched it's all time high of 12362 points on Jan 14 2020 owing President Trump signing phase 1 trade deal with China around that time but lost 62% of its value by March end 2020.

Stock market always highlights the health of an economy. During recession the stock market falls due to lesser investment and slowing economic activities, like wisely during bullish period economic activities flourishes resulting companies to make more profit and the prices of the shares goes up signaling a growth.If we analyze the trends of world's top indices we will see that they all are showing a sign of recovery and growth. The Morgan Stanley Composite Index (MSCI) has recovered 25% from a level of 442.35 to 552.64 from the period of lockdown. Other major world indices like FTSE of UK is up by 10%, CAC of France up by 11%, Hang-Seng of Hong Kong up 6%, Nikkei of Japan up 20%, DAX of Germany is up by 31%, Nasdaq and S&P 500 are up by 21% and 15% respectively from the period March 2020.



**MSCI Monthly Index**
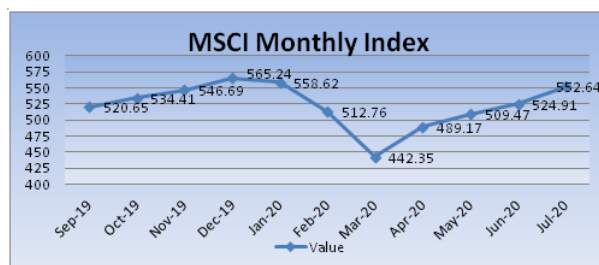
# FTSE 100 Price movements



| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ■ Value | 7,408.21 | 7,248.38 | 7,346.53 | 7,542.44 | 7,286.01 | 6,580.61 | 5,671.96 | 5,901.21 | 6,076.60 | 6,169.74 | 6,239.74 |

# CAC-40 Index France



| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ◆ Value | 5677.79 | 5729.86 | 5905.17 | 5978.06 | 5806.34 | 5309.9 | 4572.18 | 4572.18 | 4695.44 | 4935.99 | 5093.18 |
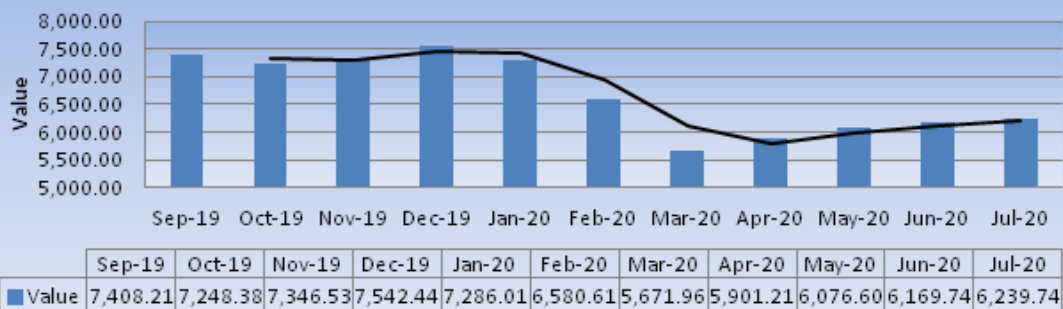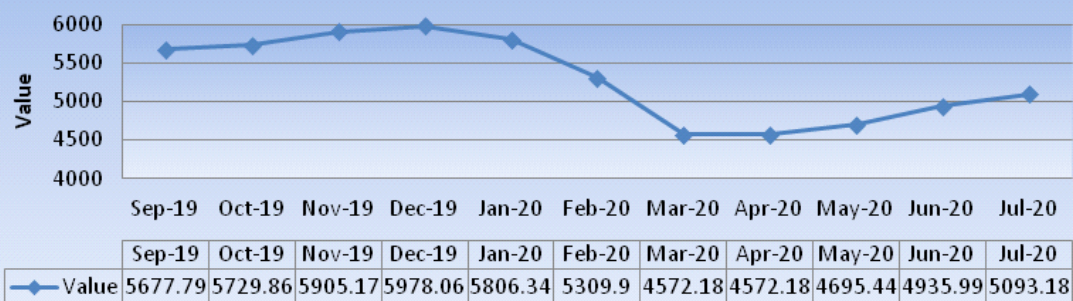
# Hang-Seng- Composite Index



| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ■ Value | 26092.27 | 26906.72 | 26346.49 | 28189.75 | 26312.63 | 26129.93 | 23603.48 | 24643.59 | 22961.47 | 24427.19 | 25089.17 |

# DAX-30 Index Genmany



| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ■ Value | 12428.08 | 12866.79 | 13236.38 | 13249.01 | 12981.97 | 11890.35 | 9935.84 | 10861.64 | 11586.85 | 12310.93 | 13046.92 |

## Nikkie 225 Index

| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Values | 21755.84 | 22927.04 | 23293.91 | 23656.62 | 23205.18 | 21142.96 | 18917.01 | 20193.69 | 21877.89 | 22288.14 | 22717.48 |

## Nasdaq Composite Index

| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Value | 7999.34 | 8292.36 | 8665.47 | 8972.6 | 9150.94 | 8567.37 | 8889.55 | 8889.55 | 9489.87 | 10058.8 | 10767.1 |

## S&P 500 Index

| | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Values | 2913.98 | 2711.74 | 2760.17 | 2506.85 | 2704.1 | 2784.49 | 2834.4 | 2945.83 | 2752.06 | 2941.76 | 3251.84 |

Domestically Sensex and Nifty has also shown similar pattern with Sensex going up by 42% and Nifty by 43% since lockdown has started in India. If the momentum continues then it is possible that Indian bourses will glory 42k level and 13k by this festive season.

Sensex and Nifty Movements
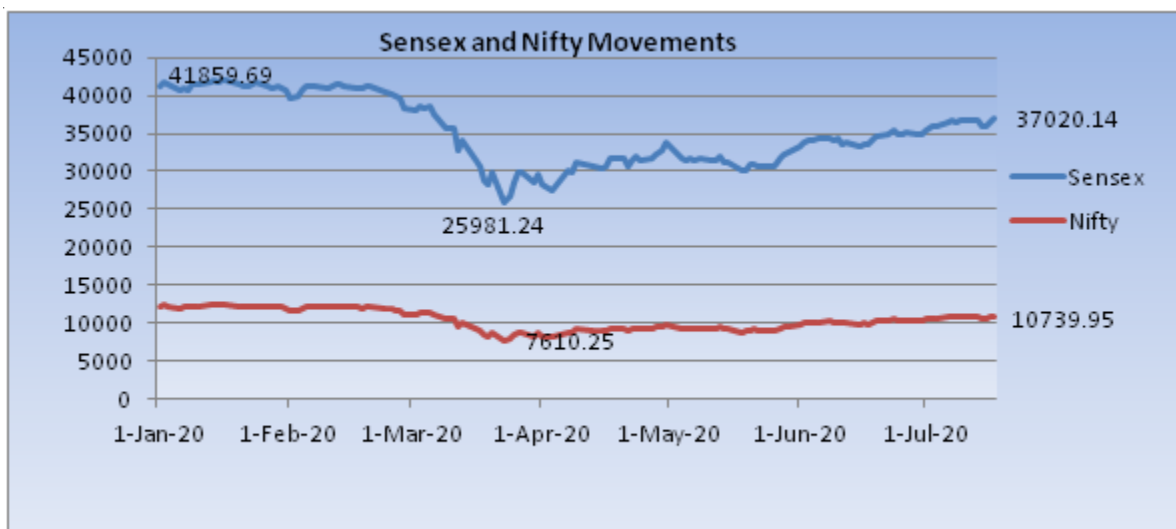
**Other indicators:** Apart from stock market, interest rate plays a vital role in recovery of the economy. The central banks on time and situation basis keeps on changing their policy rates to control the money supply in the economy. With the pandemic in spread Indian central bank RBI and reduced the repo rates by 40 bps to 4% and Reverse repo by 40bps to 3.35% in the month of May. This step has boosted the bank lending rates coming down and aiding a credit growth rising from 7.3% in March to 10.9% in June.


India
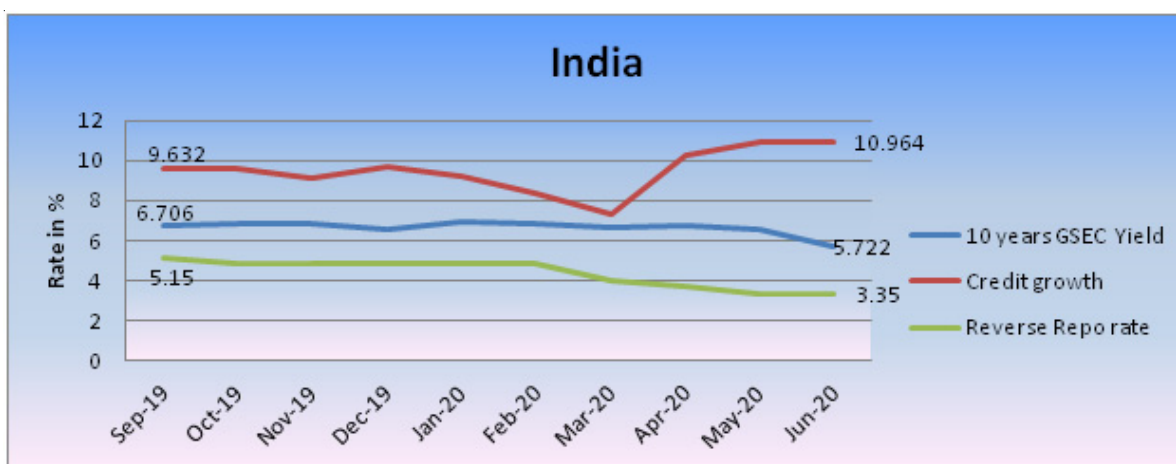
| Months | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
|---|---|---|---|---|---|---|---|---|---|---|
| 10 years GSEC Yield | 6.706 | 6.831 | 6.866 | 6.591 | 6.918 | 6.842 | 6.65 | 6.735 | 6.549 | 5.722 |
| Credit growth | 9.632 | 9.619 | 9.082 | 9.712 | 9.257 | 8.327 | 7.301 | 10.227 | 10.887 | 10.964 |
| Reverse Repo rate | 5.15 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4 | 3.75 | 3.35 | 3.35 |

The global 10Y Govt Bond Yields curve has been quite flatten in nature leaving a scope for further policy rate cut.Further month on month growth in Forex Reserve of India also indicating economic recovery. India's Forex reserve was 481 B$ in Feb 2020, in March when lock down started it dipped by 1% to 476 B$. In April it was up by 1% to 479 B$ and in May and June it jumped 3% month on month and reached 516 B$ by Jul 17 2020. From March till July, in 4 months time Forex Reserve has gone up by 9% signaling a recovery phase for the economy.

## 10 Year Gsec Yield



## Foreign Exchange Reserve
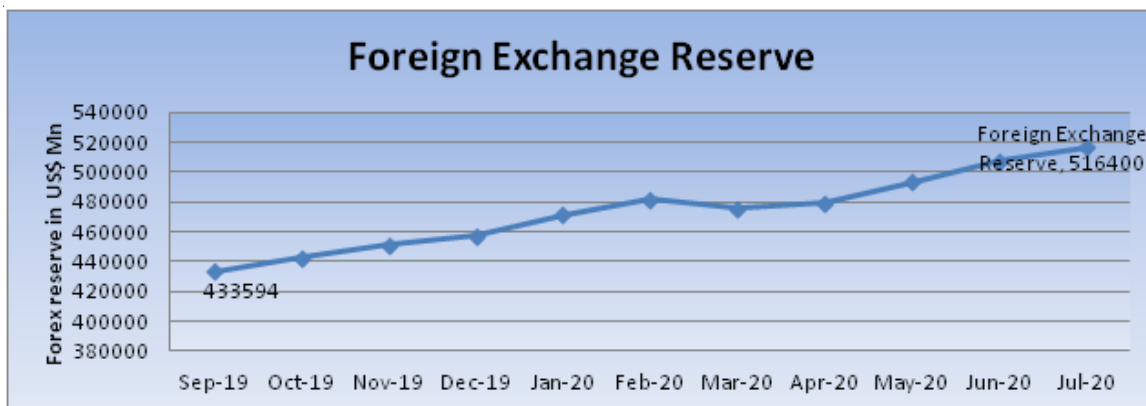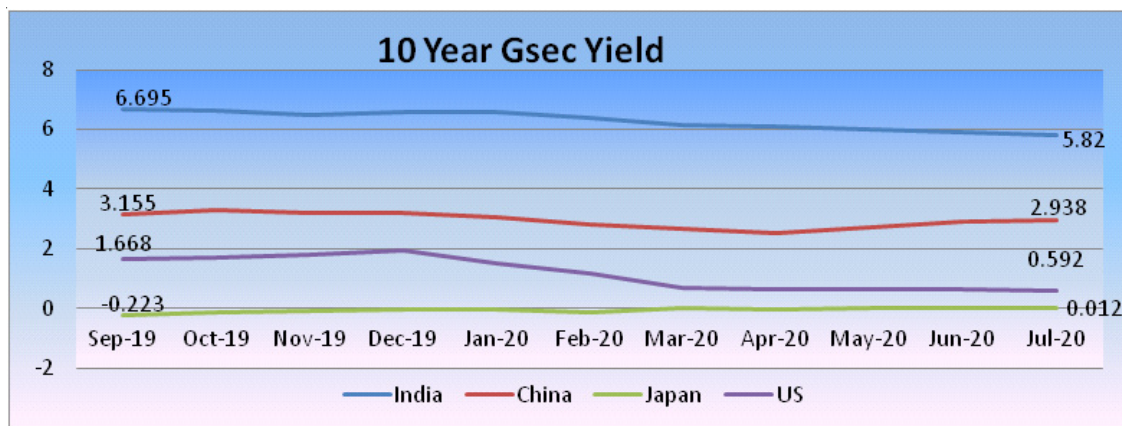


| US$ mn | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Foreign Exchange Reserve | 433594 | 442583 | 451080 | 457468 | 471300 | 481540 | 475561 | 479455 | 493480 | 507644 | 516400 |

The Forex rate of USD-INR has also seen a sharp fall appreciating rupee by 5.18% from 76.08 a $ in May to 72.82 a $ in Sep 2020. The appreciating rupee indicates an improving current a/c deficit leaving some scope for economic recovery.

## USD- INR rate
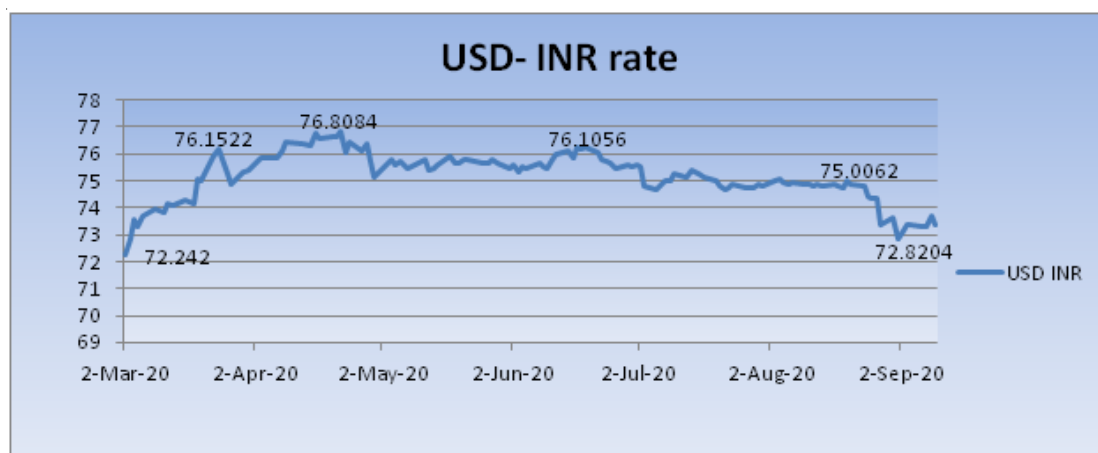


## Conclusion

With this note the question remains- can Indian economy recover from the aftermath of this pandemic in short run and the answer is yes. On a conclusive note there are signals which are indicating a quick recovery of the economy in next 5- 6 months considering the existing momentum continues. The leading indicators like bank credit growth which shows a growth of 50% from March till June, the Sensex and Nifty has also recovered 42-43% since the

lockdown started in March 23 2020, the Forex Reserves are up by 9%. On a macro level the interest rates has eased leaving opportunities for further credit growth. The 10Y Govt Bond yield curve is also very linear indicating recovery in short term. Government vision of *AatmanibharBharat* would further bring reduction in the current account deficit numbers which is currently down by 83% from -1.1 in 2019 to -0.6 in June 2020 as per IMF data. As further market stabilizes and economic activity grows, the unemployment levels would also come down, the consumer inflation will consolidate giving breath to the GDP to grow.

## References:

Data for global indices has been sourced from www.investing.com and data for domestic indices has been sourced from www.nseindia.com and www.bseindia.com

Data for India Credit growth, Forex Reserve, interest rates and Forex rates has been source from www.rbi.org

Data collected for 10Y GSEC Global bonds has been source from www.ceicdata.com

Disclaimer: All the data has been analyzed as per my understanding of global economics and stock markets and the views and conclusion are result of the analysis and understandings and may vary from other's opinion.

Global GDP data, Unemployment data, Inflation data, Current a/c balances data has been sourced from www.imf.org. Unemployment data for India has been taken from www.cmie.com

# A Comparative Study of Customer Perception and Expectation Gap of Public and Private Sector Banks in Mumbai

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**Abstract:** In order to survive in this competitive business environment, various industries give prime importance to achieving higher customer satisfaction and banking industry is no different to it. Retaining customers is very difficult in today's times and this can be successfully achieved by constantly providing better services. With the entry of private sector banks the entire idea of service quality has changed. This has put pressure on public sector banks to provide better quality service. The current research paper attempts to analyze the gap between the customer perception and expectation of service quality dimensions of public and private sector banks. A sample of 153 customers was selected from Mumbai region for primary survey. Questionnaire method was used to collect data. Customer perception and expectation was studied using various parameters viz. tangibility, reliability, responsiveness, accessibility and empathy. The mean values were calculated of the expectations and perceptions of each of these parameters and later Paired Samples T-test was applied at 95% significance level to analyze the gap. Private sector banks did better in terms of accessibility whereas Public sector banks did better in terms of reliability, accessibility and empathy. Through this study it was a small attempt to understand the importance of service quality in today's world.

**Keywords:** Private Bank, Public Bank, Expectation, Perception, Customer Satisfaction

## Introduction

The service sector makes significant contributions to economic and social development of countries around the world (Daniel and Harrington, 2007). At present the service sector plays a critical role in the wealth creation of a nation which is reflected by such indicators like GDP and added value. Most countries with strong economies are dominated by services, which account for more than 70 per cent of their GDP (Ostrom et. al., 2010). India is thirteenth in services output. The services sector in India has the largest share in the GDP, accounting for 53.66 % percent.

Ever since the banks throughout the globe started to operate more commercially, service quality has been identified as the critical ingredient to success, and customers must be satisfied in order to stay ahead of the competitors. After nationalization of commercial banks in India in 1969 and 1980, the ownership of major commercial banks was taken over by the Government. After nationalization, competition was restricted and the banking sector was insulated from world financial markets (Mishra et. al., 2010). As a result of the India's liberalization policy in 1991, the entry of new generation tech- savvy private banks has stimulated a demand for better banking service quality in order to attract and retain customers. In a fiercely competitive market, it is desirable for banks to develop a customer-centric approach for survival and growth by emphasizing on customer service. As banks from both the public and private sectors tussle for competitive advantage and make huge investments for redesigning their operation strategies, the evaluation of banking service quality in both these sectors has become extremely important.

In today's competition in Indian banking industry, customers have to make a choice among various service providers by making a trade-off between relationships and economies, trust and products, or service and efficiency (Sachdev et. al., 2004). Customers are increasingly aware of the options on offer in relation to the rising standards of service (Krishnaveni et. al., 2004). In this context, expectations rise and customers become more critical of the quality of service. Service quality, customer satisfaction, customer retention and delight are now the major challenges in gripping the banking sector in India. In addition to the service diversification, the idea of customer satisfaction and formulation of marketing strategies to drag the customer towards the banks are now the key issues in order to survive (Aurora et. al., 1997). Level of customer satisfaction is becoming the major target of banks to increase the market share. More specifically, the cost of retaining existing customers by enhancing the products and services that are perceived as being important is significantly lower than the cost of winning new customers (Krishnan et. al., 1999). Customer satisfaction is nothing but an outcome of purchase and use resulting from the comparison of the rewards and costs vis-à-vis customers' expectations and actual performance of the product purchased in relation to the expected consequences (Anderson et. al., 1994; La Barbera et. al., 1983).

Customer satisfaction is a measure of extent the existing bank is fulfilling the general expectations of a customer and how far and/or close does the existing bank come to the customer's ideal bank in his mind (Beerli et. al., 2004). Customer satisfaction can be viewed as the future intentions of customers towards the service provider, which

is more or less related to the attitude (Levesque T et. al., 1996). Recently, there has been a keen interest, especially in banking, where banks are looking at the life time value of the customer base rather than focusing on the cost of transactions (Ambler, 1995). Customers perceive services in terms of the quality of the service and how satisfied they are overall with their experiences (Zeithaml and Bitner, 2003). Satisfaction is the consumer's 2 fulfilment response (Oliver, 2003). Customer satisfaction is influenced by price, product / quality; service quality and brand image (Wirtz, 2002). In the light of the research findings, interest in service quality is, thus, unarguably high. Poor quality places a firm at a competitive disadvantage. If customers perceive quality as unsatisfactory, they may be quick to take their businesses elsewhere.

The most central factor to sustainable competitive advantage is to provide the best possible service quality which will result in improved customer satisfaction, customer retention, and profitability

(Sureshchandar et. al., 2002; Buttle 1996). Past research works have concluded that service quality leads to customer loyalty and attraction of new customers, positive word-of-mouth, employees' satisfaction and commitment, enhanced corporate image, reduced costs and increased business performance (Berry et. al., 1989). High service quality allows service providers to differentiate themselves from their competitors and thus gain sustainable competitive advantages in the global market place (Gounaris et. al., 2003). Thus, it is clear that service quality offers a way of achieving success among competing services, particularly in the case of firms that offer nearly identical services, such as banks, where establishing service quality may be the only way of differentiating oneself. Such differentiation can yield a higher proportion of consumers' choices and, hence, mean the difference between financial success and failure.

**Literature Review**

**Dhar and Kushwah (2009)** did a comparative study of service quality expectations and perceptions of customers between two banks from public sector and two banks from private sector - State Bank of India (SBI), State Bank of Patiala, ICICI Bank and HDFC Bank. The study revealed that public sector banks will have to focus on the reduction of the gap in customer expectations and perceptions about their service quality if they are to compete in the global marketplace. Public sector banks also need to continually assess and re-assess how customers perceive their services to know whether these banks meet or exceed or fall short of the expectations of their customers.

**Mishra et.al. (2010)** assessed the service quality by doing comparative analysis of public and private sector banks using the dimensions specified in the SERVQUAL Model by collecting data from 387 customers. The analysis

of responses clearly revealed that there exists a small perceptual difference among customers regarding overall service quality with nether respective banks. The results of principal component analysis indicate that though the dimensions suggested in the model are comparable with the sample results, but the contents of the factors are different. The respondents of both the banks mostly focus on people (staffs of the banks) factor for improving customer satisfaction; while the banks are focusing on tangible factors such as computerization, ATMs, etc. to attract customers.

**Bilamge (2011)** in "A Comparative Study of Customer Perception Towards Services Rendered by Public Sector and Private Sector Banks", evaluated and compared the customer satisfaction level in ICICI bank and State Bank of India. The results of the study revealed that behavior of the ICICI Bank staff was friendlier than that of State Bank of India. As compared to SBI, token system and upholdingof ATMs in ICICI Bank was highly treasured by all the customers. It was concluded that vital services were lacking in both the banks.

**Banerjee and Sah (2012)** carried out comparative study to assess the service quality dimensions of public and private sector banks in the state of West Bengal with around 230 respondents. The study revealed that customers' expectations are more with the private banks and the level of satisfaction is also higher while they deal with the private banks. Competition wise the private banks are moving ahead of the public sector banks. In order to satisfy the customers and gain their patronage the public banks should focus on improving the service in terms of tangibility, reliability, responsiveness and empathy.

**Virk and Kaur (2012)** examined the expectations and the level of satisfaction of the customers towards the services rendered by public and private sector banks by collecting responses from Chandigarh city and found that private banks managers are ahead of public banks in making relationship with their customer thus winning their satisfaction. This can be attributed to the fact that today larger client base in India is banking with Private sector banks as compared to Public sector banks. Most of the respondents were of the view that public sector banks are lagging behind in use of modern technology and techno savvy staff. This research shows that if the facilities in the branch viz. infrastructure,

ambience, décor, sitting facility, signage, etc. are adequate, it not only leads to customer satisfaction but overall improvement in working of the branch

**Kaura (2013)** conducted a research on retail customers to examine the effect of service quality, perceived price and fairness and service convenience on customer satisfaction and concluded that dimensions of service quality are employee behavior, tangibility and information

technology. Dimensions of service convenience are decision convenience, access convenience, transaction convenience, benefit convenience and postbenefit convenience. For public sector banks, except tangibility, all antecedents have positive impact on customer satisfaction. For private sector banks except tangibility and benefit convenience all antecedents have positive impact on customer satisfaction. Significant difference in beta coefficient is found between public and private sector banks regarding employee behavior, decision convenience, access convenience and postbenefit convenience.

**Gill and Arora (2013)** analyzed the factors influencing customer satisfaction in both private and public banks in India confining the research to people of Punjab. It was revealed in their study that private banks need to work on gaining faith of customers. A customer feeling of being secure while dealing with their bank and trusting given terms and conditions is still tough for private banks. Private Banks are comparatively younger in Indian financial system and they don't carry the hierarchical trust that public sectors banks have. Therefore they need to make their working lot more transparent to with the customer's faith. On technology point of view customers are far more satisfied with them viz public bank. Public banks need to upgrade themselves on war footing in order to survive in market. From the survey it is clear that upgrading not only include technology but also their premises and outlook. They need to make customers feel important and give them latest knowledge.

**Singh and Gupta (2016)** in their study titled, "Customer's Perception And Satisfaction Towards Services Of Public & Private Sector Banks" analyzed the level of customer satisfaction in three cities viz., Shimla in Himachal Pradesh, Panchkula in Haryana and Mohali in Punjab. About 900 respondents were surveyed and it was found that Public sector banks need to win the confidence of salaried class and lower age group customers specially students as these banks had a better image in the eyes of customers of higher age group, businessmen and self-employed people. On the contrary, private sector banks should give much attention to the lower income group customers also because the higher income group found the services provided by these banks to be more effective. As far as reliability and cost effectiveness are concerned, public sector banks should focus on developing some mechanism for the correction of errors in service delivery and also should pay attention towards timely refund in case of unsuccessful transactions etc. Private sector banks should be little more transparent in fee and other charges.

**Paul, Mithal and Srivastav (2016)** examined that in private sector banks knowledge of products, response to needs, solving questions, fast service, quick connection to the right person and efforts to reduce queuing time were found to be the factors that are positively associated with overall satisfaction. Assistance to the customer, appearance, and follow up are negatively associated with customer satisfaction. On the other hand, in the case of public sector banks, knowledge of the product and fast service are the factors which are associated positively and appearance is the only factor that is negatively associated.

**Ali and Bisht (2018)** analyzed that behaviors of Public sector banks' employees are not supportive in comparison to Private sector Banks. There are some infrastructural, tangibles and ATMs related problems in Public sector Banks. There is need to provide special training to the Public Banks employees' to deal cordially with the customers of different jobs, employment and gender. ATMs of Public Banks should be established at more convenient and easy reachable places. There should be equipment of latest technology Public sector banks to avoid inconvenience and delay. Although, customers of Public and private Banks are satisfied but level of satisfaction in Private banks is higher than the Public Banks due to some tangible and behavioral consideration.

## Purpose of study

Banking sector in any nation is vital for developing the business and economy. Banks are the heart of business sector of any economy and supply the necessary money blood to all the business organization and simultaneously support the weaker sectors or the organization of nation. The banking industry of India is now running in a dynamic challenge concerning both customer base and performance. Service quality, customer satisfaction, customer retention, customer loyalty and delight are now the major challenges gripping the banking sector. Service quality plays a major role in getting customer satisfaction and creating brand loyalty in banking sector. Public sector banks lacks in infrastructure, tangibles and behavioral factor with the customers due to which there was dissatisfaction among the customers (Ali and Bisht, 2018). Private banks had to work on gaining faith of customers. A customer feeling of being secure while dealing with their bank was tough for private banks (Gill and Arora, 2013). Banks are realizing the significance of customer-centered philosophies and are turning to improve service quality to help managing their businesses. Through this study we aim to analyze whether the gap still exists regarding the satisfaction levels of customers of private and public sector banks.

## Research Methodology

The data for the study was collected through a structured questionnaire from 150 bank customers selected on quota basis where the population was divided into two quotas i.e. having majority investment in private bank or having majority investment in public bank. The population of the study consists of customers of banks in Mumbai. The questionnaire consisted two parts. The first part

contains the demographic details like age, gender, family income and occupation. The second part contains fifteen items compiled with service quality variables (Tangibility-3, Reliability-3, Responsiveness-3, Accessibility-3, Empathy-3). The data regarding perception and expectation of customers were collected in a 5 – point likert scale, where 1 stands for strongly disagree and 5 stands for strongly agree.

**Research objectives**

The objectives of the research are as follows:

- To analyze the gap between customer perception and expectation of service quality in public and private banks

- To know the difference between the satisfaction level of Private and Public sector customers of banks considering various aspects of satisfaction.

- To study the relationship between socio-economic variables and customer satisfaction indicators

**Hypothesis**

The Null and Alternative hypotheses of the study are as follows:

- H0: There is no significant gap between customer perception and expectation of service quality in public and private banks

  H1: There is significant gap between customer perception and expectation of service quality in public and

private banks

- H0: There is no significant difference in the satisfaction level of Private and Public sector bank customers.

  H1: There is significant difference in the satisfaction level of Private and Public sector bank customers.

- H0: There is no significant relationship between socio-economic variables and customer satisfaction indicators

  H1: There is significant relationship between socio-economic variables and customer satisfaction indicators

**Data Interpretation and Analysis**

A) Analyzing the gap between customer perception and expectation of service quality inpublic and private banks

H0: There is no significant gap between customer perception and expectation of service quality in public and private banks

This section deals with identifying the gap between perception and expectation of service quality in public and private banks. The service quality indicators are tangibility, reliability, empathy, accessibility and responsiveness. Customers responses about their perception and expectation of service provided by their respective banks were recorded. The responses were tested using paired sample t-test. The mean and t-value are shown in table below.

Table 1: Comparison of mean and t-value of expectation and performance

| Component | Mean | Gap (P-E) | t-value | Null Hypothesis |
|-----------|------|-----------|---------|-----------------|
| Tangibility (Expectation)Tangibility (Perception) | 4.123.65 | -0.47 | 0.000 | Rejected |
| Reliability (Expectation)Reliability (Perception) | 3.973.70 | -0.27 | 0.001 | Rejected |
| Empathy (Expectation)Empathy (Perception) | 3.763.54 | -0.22 | 0.003 | Rejected |
| Accessibility (Expectation)Accessibility (Perception) | 3.923.71 | -0.21 | 0.018 | Rejected |
| Responsibility (Expectation)Responsibility (Perception) | 4.003.58 | -0.42 | 0.000 | Rejected |

The t-value for each factor is less than critical value (0.05) at 5% level of significance. So we reject the null hypothesis and accept the alternate hypothesis.

Hence there exist significant gap between the perception and expectation of service quality among private and public bank customers.

A) Analyzing the difference in the satisfaction level of Private and Public sector bank customers

H0: There is no significant difference in the satisfaction level of Private and Public sector bank customers

This section analyses the gap between perception and expectation of service quality in public and private banks independently. Customers responses about their perception and expectation of service provided by their respective banks were recorded. The responses were tested using paired sample t-test. The mean and t-value are shown in table below.

Table 2: Comparison of mean and t-value of expectation and performance of Private Bank

| Component | Mean | Gap (P-E) | t-value | Null Hypothesis |
|---|---|---|---|---|
| Tangibility (Expectation) Tangibility (Perception) | 4.31 3.74 | -0.57 | 0.000 | Rejected |
| Reliability (Expectation) Reliability (Perception) | 4.14 3.76 | -0.38 | 0.001 | Rejected |
| Empathy (Expectation) Empathy (Perception) | 3.89 3.55 | -0.34 | 0.011 | Rejected |
| Accessibility(Expectation) Accessibility (Perception) | 4.07 3.86 | -0.21 | 0.068 | Accepted |
| Responsiveness (Expectation) Responsiveness (Perception) | 4.17 3.69 | -0.48 | 0.000 | Rejected |

The t-value is less than 0.05 in case of tangibility, reliability, empathy and responsiveness. So we reject the null hypothesis. Hence, there is a significant gap in expectation and perception of service quality in regard to tangibility, reliability, empathy and responsiveness. But the t-value of accessibility is greater than 0.05 also comparison of mean shows less gap. Hence, private bank customers are more satisfied with accessibility element of the bank than tangibility, reliability, empathy and responsiveness.

Table 3: Comparison of mean and t-value of expectation and performance of Public Bank

| Component | Mean | Gap (P-E) | t-value | Null Hypothesis |
|---|---|---|---|---|
| Tangibility (Expectation) Tangibility (Perception) | 3.95 3.57 | -0.38 | 0.000 | Rejected |
| Reliability (Expectation) Reliability (Perception) | 3.82 3.65 | -0.17 | 0.152 | Accepted |
| Empathy (Expectation) Empathy (Perception) | 3.64 3.37 | -0.27 | 0.083 | Accepted |
| Accessibility (Expectation) Accessibility (Perception) | 3.78 3.59 | -0.19 | 0.127 | Accepted |
| Responsiveness (Expectation) Responsiveness (Perception) | 3.84 3.49 | -0.35 | 0.004 | Rejected |

The t-value is less than 0.05 in case of tangibility and responsiveness. So we reject the null hypothesis. Hence, there is a significant gap in expectation and perception of service quality in regard to tangibility and responsiveness. But the t-value of reliability, empathy and accessibility is greater than 0.05 also comparison of mean shows less gap. Hence, public bank customers are more satisfied with reliability, empathy and accessibility element of the bank than tangibility and responsiveness.

B) Analyzing the relationship between socio-economic variables and customer satisfaction indicators

H0: There is no significant relationship between socio-economic variables and customer satisfaction indicators

This section studies the association between selected service quality indicators and the socio-economic variables viz. age, gender, annual family income and occupation. The responses were tested by using chi-square test to get a clear picture of the perceived service of the customers with regard to private and public bank. The result of the chi-square test have been presented below.

Table 4: Association between Socio-Economic Variables and Satisfaction Indicators
(Chi-square Analysis)

| Satisfaction Indicators | Bank Group | Age | Gender | Family Income | Occupation |
|---|---|---|---|---|---|
| Tangibility | Public Bank | 0.53 | 0.08 | 0.43 | 0.03 |
| | Private Bank | 0.30 | 0.73 | 0.71 | 0.49 |
| Reliability | Public Bank | 0.35 | 0.17 | 0.17 | 0.27 |
| | Private Bank | 0.19 | 0.24 | 0.60 | 0.57 |
| Empathy | Public Bank | 0.73 | 0.32 | 0.51 | 0.13 |
| | Private Bank | 0.92 | 0.36 | 0.07 | 0.09 |
| Accessibility | Public Bank | 0.62 | 0.63 | 0.17 | 0.42 |
| | Private Bank | 0.48 | 0.52 | 0.30 | 0.34 |
| Responsibility | Public Bank | 0.66 | 0.19 | 0.21 | 0.65 |
| | Private Bank | 0.74 | 0.34 | 0.56 | 0.29 |

In case of private bank, occupation have a significant relationship with tangibility factor. As the p value is less than 0.05, the alternative hypothesis is accepted. Other Socio-economic variables are not found to have a relationship with satisfaction indicators.

None of the socio-economic variables were found to have a significant relationship with satisfaction indicators in case of public bank. As the p value is greater than 0.05, the null hypothesis is accepted.

**Conclusion**

Customer satisfaction is at the heart of modern banking system. Customer satisfaction is the judgment of the customers that how well their bank have met their expectations. The analysis of the responses of the customers in this study shows that there exist a small perceptual difference in actual and expected service of customers from the respective banks. The expectations exceeding performance is clearly visible with private and public banks. Private bank are expected to give more value to their customers with regard to factors like tangibility, reliability, empathy and responsiveness. And public sector banks have to concentrate on improving tangibility and responsiveness factors. The respondents of both the banks mostly focus on tangible factors such as latest technology, bank décor and responsiveness factors like helpful staff, timely performance of service and accurately maintained records for their satisfaction.

**Future Research**

The geographical scope of the study is limited to a single city so in future a comparative analysis with other parts of the country can be conducted. The satisfaction of the customers were recorded using service quality variables viz. tangibility, reliability, responsiveness, accessibility and empathy. Exploratory research can be conducted to know about other variables impacting the level of satisfaction of private and public bank customers. The sample size is limited to 153 and the information was collected from the respondents within one month, so collecting responses in different time frame with larger sample size will help to get more in depth results. Also, considering the increasing technological changes happening in banking industry a study can be conducted to analyze the impact of such technological changes which banks are considering to provide better service quality to retain customers.

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# Workplace Mentoring and its Role in Promoting Employee Development

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**Abstract:** Workplaces of today can be complex and demanding. It takes a lot from employees to navigate through these complexities and continue being effective in their roles. Employees are expected to be skilled, agile, resilient, technology savvy and much more. In such a scenario, enabling employees to become successful and effective will require a comprehensive and multidimensional approach. They need training, career guidance, emotional support and sponsorship. One intervention that can support all or most of these developmental objectives is mentoring. In this paper we will explore the concept of Mentoring and the role that it can play in the success and effectiveness of employees. This paper will explore the following areas:

- Do employees see value in being mentored?, Should organisations have mentoring programs?, What are some of the ways in which organisations can effectively implement a mentoring program?

By seeking insights on the above themes, we hope to provide a holistic understanding and evaluation of workplace Mentoring and its impact on employees and organisations.

**Keywords:** Mentoring, workplace mentoring, learning and Development

## Introduction

Mentoring: a historical and theoretical background

One of the earliest references to Mentoring is available in Greek mythology. In Holmer's Odyssey, Mentor is a old and trusted friend of Odysseus and when Odysseus leaves for the long Trojan war, he made Mentor in-charge of his son, Telemachus who was to be protected and groomed as the future king.

Given the comprehensive and multifaceted nature of mentoring there are many definitions given by various researchers. We will discuss few important ones here. When it comes to academic and professional research, the importance of a mentor as 'a person of greater experience and seniority, a teacher, advisor and sponsor' was first highlighted by Levinson, in his seminal book on career development (Seasons in a man's life 1978). He argued that mentoring should not be defined in terms of formal roles, but instead should be conceptualized "in terms of the character of the relationship and the functions it serves". Another important contribution in this area comes from Kram who defines mentoring as a relationship in which a more experienced individual (the mentor) helps a less experienced individual (the mentee or protégé) as he or she learns to navigate the workplace. More recently Roberts (2000) defined mentoring as "a formalized process whereby a more knowledgeable and experienced person actuates a supportive role of overseeing and encouraging reflection and learning within a less experienced and knowledgeable person, so as to facilitate that person's career and personal development".

Some of the common themes that emerge for all these definitions are first, a mentor is described as a role model, teacher, counselor, talent developer, supporter and/or friend. Second, the process of mentoring is described as a partnership, and a non-evaluative relationship, and a mutually beneficial and learning relationship. Third, the development of interpersonal relationships between the mentor and mentee is deemed as the key to success.

There are two primary functions of a mentoring relationship – career support and psychosocial support (Kram, 1985; Sosik&Godshalk, 2005). Career related mentoring centers around providing guidance and feedback to assist in the career advancement of the mentee. It involves sharing of knowledge, sponsorship, providing visibility and exposure etc. Psychosocial mentoring is higher on the affective component and revolves around providing emotional support and encouragement.

Mentoring is widely used across various fields and based on the researcher on mentoring across different life stages, three primary types of mentoring have emerged: youth, academic, and Workplace mentoring (Eby, Allen, Hoffman, Baranik, Sauer, Baldwin, Morrison, Kinkade, Maher,Curtis, Evans, 2013). Youth mentoring involves the partnership between a young person and another adult, who is not the parent. Academic mentoring is where a teacher or a teacher like figure facilitates the academic development of the student. Workplace mentoring focuses on the career and professional development of an employee with the support of a senior professional.

Mentoring relationships can be formal or informal. Formal relationships are those that are initiated by the organisation and the mentor-mentee relationships are actively facilitated and supported by the organisation. Informal relationships are those that get developed spontaneously between the mentor and the mentee. Research shows that there are four primary ways in which the mentoring relationship is initiated: by the mentor, by the mentee, by the organisation; or through serendipity (Roberts, 2000).

Two different models of mentoring are available in literature. One is the Functionalist model that works on the premise of power distance between the mentor and mentee and the focus of this relationship is primarily on achieving the learning outcomes for the mentee. The other is the

Relational Model of mentoring. In this type of mentoring the mentee is treated as a peer and as a valued equal albeit with certain development needs. Here the focus is on developing trust based relationship between the mentor and the mentee. Relational mentoring has the potential to strengthen the growth and development of both the mentor and the mentee. It is believed to be the highest form of mentoring (Ragins and Verbos, 2006).

There is another line of research that focuses on how the responsibility of mentoring can be distributed among several people rather than just one (Vaughan, 2008; Billett, 2003). The researchers suggest that people have multiple mentors in life and they draw upon these different sources for support. Higgins et al. (2007) have given the concept of developmental networks i.e. groups of people who help to advance the career of particular individuals. This network is chosen by the individual. It has been argued that distributed mentoring is more successful in the workplace. According to McManus and Russell (2007) "Individuals who have multiple sources of support fare better than those who do not".

Most mentoring relationships go through four phases (Kathy Kram, 1983). These phases are:

% Initiation: This phase reflects the start of mentoring relationship. In this phase the mentees are usually in awe of their mentors and come to respect the mentor's capability and competence.

% Cultivation: This is the phase when the mentor and the mentee discover real value in of relating to each other. The mentoring process peaks during this phase. Initially the mentoring revolves around career functions, but as the bond between the mentor and mentee strengthens, more psychosocial discussion emerges.

% Separation: This is the phase when both parties re-assess the value of the relationship and it becomes a less significant part of their lives. Separation occurs both structurally and psychologically. The mentee is able to operate independently, without support from the mentor; and the mentor is also able to demonstrate his or her success in being able to groom the mentee.

% Redefinition: The mentor-mentee relationships that reach this phase, take the form of friendship.

**Research Methodology**

Our research began with an initial reading and review of existing work that has been done in this area. This involved going through the existing research papers, white papers, articles and blogs that are available on this subject. Synthesis of these findings helped to shape our initial thoughts on Mentoring. To further build on our understanding, we conducted a survey with 158 respondents. The respondents were employees of various private and public sector organisations in India. In terms of the respondent demographics, 56% were females and 43% were males. The respondents were of various age groups and with work experience ranging from 1 year to more than 15 years. Finally, our findings also draw from our own experience of having worked in the corporate sector and being a Learning and Development professional with the experience of managing a large-scale workplace Mentoring program.

It is also worth noting that the focus of this study was on Mentoring of employees at the workplace. Other forms of mentoring arrangements like the mentoring of students, mentoring of people who are in the creative field or mentoring of entrepreneurs to help them build their business etc. were out of the scope of this study.

**Discussion of findings**

One of the questions that we are trying to explore in this study is whether employees see value in mentoring and what are some of the benefits that they stand to gain from mentoring? We will explore this both from a mentee and a mentor's perspective. Based on our findings, the answer to this question lies in the affirmative. 70% of the people surveyed said that they have had a mentor in their life and of these 81 % said that the mentoring experience has added immense value to their professional growth and development. The study found that this trend is fairly consistent with people of all age groups and years of professional experience except that those in the experience range of more than 15 years, report having had the highest benefits from a mentor. There was also no significant difference found in the mentoring experience or perceived benefits on mentoring based on gender. From amongst the respondents who have not had a mentor, 87 % expressed a desire to have a mentor. Our findings reflect that a large section of employees believe that would benefit from mentoring and would like to be mentored.

Another aspect that was explored in this study, was to identify the areas in which people would like to take help and guidance from a mentor. The survey presented people with a list of such options that were, at the backend divided into four broad categories of Cognitive learning, Skill-based learning, Affective learning and Social networks, based on an earlier research by Jenni Jones (2012). The responses reflect a clear preference towards seeking more support on cognitive and skill- based issues. Cognitive outcomes focus on the acquisition of new knowledge, new ideas, understanding new perspectives and new ways of doing things. The top areas in the Cognitive category in which the participants would seek the mentor's guidance include situations when they are new to an organisation, when they need guidance pertaining to their career and when they encounter difficult or tricky management issues and would

need guidance on how to address those. Skill based learning focus on learning and acquiring new skills. Developing specialised skills needed for the job or the role was selected as the top-most area on which the mentees would seek the mentor's help. It was followed by developing leadership skills especially when people are transitioning into a leadership role for the first time. Other factors like using mentoring relationships to seek emotional support and expand one's contacts and visibility featured lower in the overall participant's preferences. Some of these outcomes could also be a result of cultural factors. India is a high-power distance society where mentors seem to be looked up as a guide or 'guru'. In this context people may prefer to discuss work related matters and seek professional guidance from them rather than treating them as peers and discussing personal issues.

It was also observed that for younger professionals (less than 5 years of experience) the most sought after area for mentorship support was when they joined a new organisation, for mid-career professionals (5 to 10 years) it was developing job specific skills and dealing with difficult management and workplace issues and for senior professional (15 years or more) it was developing leadership skills and seeking career guidance. The survey results also showed that women were twice as likely than men to seek career guidance from Mentors.

The mentors also indicated high amount of cognitive and skill-based learning for themselves. In our interview with them, mentors indicated how the experience of being a mentor has helped them develop their questioning, listening skills, leadership and coaching skills. Consistent with the findings of some of the earlier studies, the mentors often described how the mentoring experience gave them an opportunity for 'reflection' which in turn added to their self-awareness and added newer dimensions to their understanding of the organisation and its issues. They also described this experience as having boosted their confidence and self-esteem. All the mentors who had active relationships with their mentees expressed a desire to become a mentor again, if given a chance.

**Recommendations for implementing an effective mentoring program**

There are several factors that affect the success and effectiveness of a workplace mentoring program. We have clubbed these factors into four broad categories viz. Selection of Participants, Training and Awareness, Program Evaluation and Logistical support. Our recommendation is that if necessary, components in each of these categories is taken care of then organisations can run a successful mentoring program. We will discuss each of categories in detail.
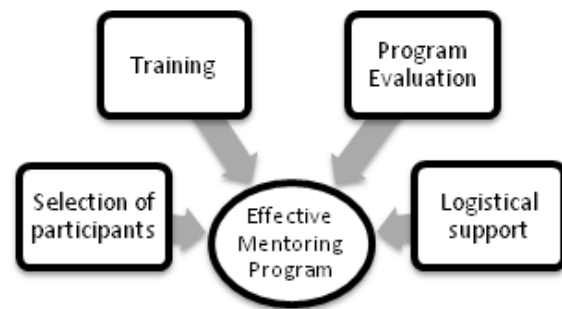


1.  **Selection of participants**: The personality, behaviour and demographic characteristic of the mentors and mentees impact the quality of the relationship and the learning. For obvious reasons, the focus is more on the characteristics of the mentor. It is believed that Mentors who are humble and modest tend to be more effective (Godshalk&Sosik, 2000). A study of cognitive characteristics indicated that Mentors who are analytical are more effective (Armstrong et al., 2002). There is also the question of matching between the mentor and mentee. One study has found that same gender composition provides more psychosocial support to a protégé than diversified composition (Koberg et al., 1998). Mentees have often expressed that similarity of backgrounds like same gender, ethnicity, socio-cultural background, language etc. helps them establish a better bond with their mentor. Our inference is that while it may not directly impact the quality of learning or mentoring but if there is similarity of background then it encourages compatibility and chances that they will connect with each other after work hours. This strengthens their bond which in turn impacts their learning. The experience level and management level of the mentor are also important factors considered by mentees. Mentees have a clear preference towards having mentors who are senior in hierarchy and more experienced than them. Mentees have also indicated a preference to be able to select their own mentor rather being assigned a mentor by a third party. Having appropriate processes to meet these requirements will facilitate the success of the Mentoring program. If the mentoring program is being run for a small group of people then this can be managed by an individual person responsible for the program however in large scale mentoring programs, it is advisable to use technology platforms for identification, profiling and matching of mentors with mentees. Deployment of psychometric assessments and other personality and preference inventories will also help match the two effectively. One of the other ways of doing this is to allow a brief interaction between the mentor and mentee before the partnership is formalised. They should both have an option to opt out of the partnership if they

sense a lack of compatibility in the initial meeting.

2. **Training:** One of the most important factors that impacts the effectiveness of the Mentor and the mentoring program is the training provided to the mentors. Most of the studies and research done in the area of mentoring have cited this as being the key to the success of the program. David Clutterbuck, author of *Everyone Needs a Mentor*, found that "only about 1 in 3 mentoring relationships actually work if there is no training, whereas 2 in 3 will work if the mentor is trained. Generally, people who are selected to be mentors tend to subject matter experts or high performing employees of the organisation however the skills needs for effective mentoring are different from this. Training should be provided both to the mentors and the mentees to help them understand the purpose of the program and their role and expectations from it. The mentor training should focus on modelling, coaching, building trust, rapport and relationship building, goal setting etc. Mentees training should cover aspects around communication strategies and asking right questions. In fact, the training should include ethical aspects as well such as mentoring code of conduct, confidentiality, appropriate and inappropriate behaviours etc. The training should be provided shortly before the commencement of the program so that once the mentoring commences then participants have adequate opportunities to apply and practise their newly acquired skills.

3. **Program Evaluation:** What gets measured gets done. If the program outcomes are monitored, tracked and reported regularly then this will aid the implementation and success of the program. The mentoring program should be designed to be outcome oriented, data-driven and deadline focused. The program expectations and success measures should be defined and agreed upon at the very beginning and these should be tracked and measured religiously. Sime of the methods that can be used to measure the effectiveness of the mentoring program could be interviews, surveys, focus group discussions, participant testimonials, manager's feedback and measurement of the lead and lag indicators of the program. Some of the lead indicators could be number of interactions, topics discussed, ease of availability and access to the mentor, satisfaction with the logistical support etc. The lag indicators could be the career or psychological support related outcomes like mentor satisfaction, program promotion scores, job satisfaction, perceived change in one's confidence and abilities, greater engagement and career success etc. Organisations should also create mechanisms to identify and recognize those people who are doing a great job as mentors. Given the high demands of a mentoring role, recognition is a great way to express gratitude and provide encouragement to the mentors. Publishing the program outcomes to the sponsors and stakeholders also increases the visibility and awareness of the program and also helps to gain stakeholder buy-in and support.

4. **Logistical support:** Another aspect that impacts the success of the mentoring program is the logistical and administrative support for the program. While this may not be something that impacts the core learning outcomes of the program, but logistical bottlenecks definitely have the potential to frustrate the participants and deter them from participating in the program. Logistical support will include the ease and effectiveness of the technology platform (if used), the presence of a dedicated person who is in-charge of the program and the visibility and accessibility of the person to all the participants. Program duration and mode of interaction are also important. Most participants in our survey (44%) preferred the mentoring duration between 6 to 12 months. Mentoring program that run longer than that may have the tendency to fizzle out while very short duration programs could compromise the learning outcomes. In terms of the mode of interaction, most participants have indicated a preference for face to face interaction while also being comfortable with virtual interaction if need be. Very few participants (7%) have indicated virtual interaction through telecon or videoconference as their preferred medium. Research has shown that the biggest deterrent for mentoring is the workload. So, helping people manage the work load by sensitizing their managers of creating mechanisms for time-off for mentoring will also be immensely beneficial for the success of the program.

**Limitations of the study**

We would like to highlight that one of the limitations of this study is that it is a generic study which cuts across multiple sectors and organisations. It is not an in-depth study of a designated cohort. It is therefore possible that some of its findings may not apply to a specialised group and should be considered accordingly.

**Conclusion:**

Based on the review if literature and the findings emerging from our study, we can conclude that Mentoring can give immense value to the organisation, the mentors and the mentees. However, the outcomes are more inclined towards Cognitive and Skill based learnings as compared to Emotional and Social benefits. In order to fully derive the benefits of workplace Mentoring, it is important that the program is created and implemented meticulously. Some of the factors that can help with the effective design and implementation of the program have been discussed in this paper.

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# A Study of Factors Influencing Online Shopping of Electronic Products in Present Scenario

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**Abstract:** The way digital technology is changing every aspect of life and the way businesses functions, in the present pandemic scenario, role of digital technology in online shopping gains more importance when the new world order makes social distancing a norm for now and the coming time ahead. In the light of this and knowing the importance of electronic products in the wake of remote workplaces and education shifting to online mode, consumers demand for electronic products and rise in its purchase is likely to pick up in the times ahead. Considering this, the present study focuses upon the factors influencing the online shopping of electronic products. Six factors considered in the study are price of the product, quality of the product, on-time delivery, packaging of the product, and easy return offer for the product and service recovery for defective or wrong product. Responses were obtained from 132 valid respondents through online circulation of structured questionnaire. Data analysis is done through SPSS software by Chi-square test and Regression analysis for testing six hypothesis statements. Findings reveal that the age group and the occupation are demographic factors which influence online shopping of electronics, while product and service-related factors influencing online shopping of electronics are price, quality and service recovery. Factors like packaging and easy return offer are not identified as influencing factors. Implications for the marketers are suggested accordingly to focus upon competitive pricing, innovative high-performance products and better service.

**Keywords:** Online shopping, Electronic products, product quality, price, service

## Introduction

The consumer is important in every aspect of the business whether it is online or offline i.e. in a retail location or over the internet. The new technologies are bringing in more buying facilities for the consumers. Online shopping is the technology enabled process of buying where the consumer can buy any kind of goods and services. Technology usage by businesses in selling their products has gained criticality as marketers attempt to exploit the boom in e-commerce (Lohse and Spiller, 1998). Online selling business looks more for the consumer's choice of convenience, preference, and specific requirement. When the product category is consumer durable i.e. electronic product, consumer think twice or thrice as it is long term investment. In the physical retail format of shopping, consumer can check the electronic product with touch and feel of the product and by operating it by themselves. In online shopping consumer trust is very much important. According to a study (Kim, M. J., Chung, N., & Lee, C. K., 2011), in the context of online shopping, navigation functionality and perceived security had a significantly positive effect on trust. In electronic products consumers need more trust with the website they are buying from. The selling or buying process is done in real time, both remotely and interactively.

For every social class, electronic good becomes the basic necessity, rather than a luxury. People are living in the era of electronic goods. Electronic products have become an integral part of life today. Market is flooded today with multiple brands of electronic products. Customer has the option to select the right product and brand as there are several manufacturers available with a huge range of quality and features. In the same way, there are many e-commerce portals where the electronic products with various offers are available. Because once the consumer has confidence in a brand or a web-site they prefer that website over and over again.

The world is presently fighting a global pandemic where a nationwide lockdown is in place. The situation has caused anxiety in the country. The coronavirus outbreak first occurred in December 2019 in China's city of Wuhan. Safety measures were first introduced in January 2020. On 22 March 2020, Indian government declared lockdown to minimize infection incidence in India. The central government has allowed e-commerce firms to commence operations from April 2020, subject to state government approval. During pandemic consumers need the basics to live and also the online grocery and shopping websites are helping consumers in this kind of situation. It impacts the e-commerce business. The survey was conducted during April 2020, the first two weeks. It has come to light that over 46 percent of Indian customers will be shopping in traditional retail stores compared to 59 percent who shopped before the pandemic at a physical retail store.

## Objectives of the study

The study aims to understand factors affecting consumers' mind for online shopping of electronic products in current scenario and also to study the consumer satisfaction towards online shopping websites.

## Review of Literature

Study by Jukariya T., Singhvi R. (2018) suggest that the detailed product information and improved service attracts more people and changed their consumer behavior from the traditional mode to rely more on the internet shopping.

Nakhate, S. B., & Jain, N. (2020) purpose of this *is to see the effect of Coronavirus on E commerce in Maharashtra State and in our country.* Shaikh, A. (2020) this *survey is meant to analysis behavior consumers reported adopting in response to COVID-19.* Optimization is performed for at least one parameter of an online advertising campaign or an offline advertising campaign based at least in part on at least one of the one or more metrics. The campaign could also be a combined offline/online campaign. Several studies are conducted with reference to online shopping behaviour but the current study holds relevance in the current pandemic scenario as the focus shifts more on online shopping and the new situation demands for increased purchase of electronic products.

**Research Methodology**

This paper adopts the exploratory analysis approach and is carried out using primary data. The primary data was collected using a structured questionnaire which takes into account the study's objectives. The primary data were obtained from 132 respondents. This study encompassed all age groups and customer location. It has sample architecture as convenience sampling and Thane region is the sampling area. A sampling of convenience means selecting the respondents at the researcher's convenience. SPSS (Statistical Package Social Science) is the tool used in this research study to analyze the data and test the hypothesis.

**Data Analysis and Interpretation**

There are six hypothesis statements tested hypothesis formed and tested for this study which are as following:

➢ Hypothesis

**H$_A$1= There is a significant relationship between age and consumer buying preference towards online shopping website for electronic products**

$\mu \neq \mu0$

Output:-

**Chi-Square Tests**

| | Value | df | Asymptotic Significance (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 50.168[a] | 30 | .012 |
| Likelihood Ratio | 30.515 | 30 | .440 |
| Linear-by-Linear Association | .377 | 1 | .539 |
| N of Valid Cases | 132 | | |

Table

**Interpretation**

● Since the p value at 95% significance level is less than 0.05 so the null hypothesis is rejected.

● Therefore, there is significance relationship between age and consumer buying preference towards online shopping website for electronic products.

**H$_A$2= There is a significant relationship between gender and consumer buying preference towards online shopping website for electronic products**

$\mu \neq \mu0$

Output:-

Chi-Square Tests

| | Value | df | Asymptotic Significance (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 50.168[a] | 30 | .012 |
| Pearson Chi-Square | 10.785[a] | 20 | .952 |
| Likelihood Ratio | 9.756 | 20 | .972 |
| Linear-by-Linear Association | 007 . | 1 | .932 |
| N of Valid Cases | 132 | | |

Table

**Interpretation**

● Since the p value at 95% significance level is greater than 0.05 so the null hypothesis is accepted.

● Therefore, there is no significance relationship between gender and consumer buying preference towards online shopping website for electronic products.

**H$_A$3= There is a significant relationship between occupation and consumer buying preference towards online shopping website for electronic products**

$\mu \neq \mu0$

Output:-

Chi-Square Tests

| | Value | df | Asymptotic Significance (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 40.267[a] | 40 | .458 |
| Likelihood Ratio | 31.652 | 40 | .824 |
| Linear-by-Linear Association | .461 | 1 | .497 |
| N of Valid Cases | 132 | | |

Table

**Interpretation**

● Since the p value at 95% significance level is greater than 0.05 so the null hypothesis is accepted.

● Therefore, there is no significance relationship between

occupation and consumer buying preference towards online shopping website for electronic products.

**H$_A$4= There is a significant relationship between income and consumer buying preference towards online shopping website for electronic products**

$$\mu \neq \mu 0$$

Output:-

**Chi-Square Tests**

|  | Value | df | Asymptotic Significance (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 56.694[a] | 30 | .002 |
| Likelihood Ratio | 35.163 | 30 | .237 |
| Linear-by-Linear Association | .211 | 1 | .646 |
| N of Valid Cases | 132 |  |  |

Table

## Interpretation

- Since the p value at 95% significance level is less than 0.05 so the null hypothesis is rejected.

- Therefore, there is significance relationship between income and consumer buying preference towards online shopping website for electronic products.

**H$_A$5= There is a significant relationship between consumer buying preference towards online shopping website for electronic products by price, quality of the product, on-time delivery, packaging of the product, and easy return offer for the product and service recovery for defective or wrong product.**

$$\mu \neq \mu 0$$

Output:-

| Model | Change Statistics | | | | |
|---|---|---|---|---|---|
|  | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .789 | 78.064 | 6 | 125 | .000 |

Table

- According to the above table this model is accepted at 78%

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
|  |  | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | .315 | .162 |  | 1.945 | .054 |
|  | Price of the Product | .066 | .065 | .069 | 1.007 | .316 |
|  | Quality of Product | .033 | .078 | .035 | .429 | .668 |
|  | On-Time Delivery | .282 | .087 | .298 | 3.254 | .120 |
|  | Packaging of the Product | .325 | .075 | .351 | 4.342 | .000 |
| - | E asy Return Offer | .168 | .053 | .203 | 3.174 | .002 |
|  | Service Recovery | .036 | .044 | .042 | .808 | .421 |

Table

- Since the p value at 95% significance level is less than 0.05.

- So reject the null hypothesis.

**Dependent value (overall performance of online shopping application) = 0.033(Quality of Product) +0.036(Service recovery from application) +0.066(Price of the Product) + 0.282(On-Time Delivery) +Error**

**Interpretation**

- While buying products from online website each and every factor taken must be very effective so that customer can take right decision while buying.

- But in above model the packaging of the product and easy return of the product does not affect the consumer while shopping online, rest other four factors are influencing factors for online shopping of electronics.

Factors influencing the consumer most while shopping online from each application for electronic product

Output:-



Which factor influences the customer most?
132 responses
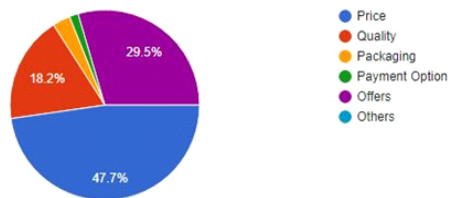
**Interpretation:-**

- From above pie chart there is 132 responses and according to the responder the most influencing factor while shopping online for electronic product is Price with the responses of 47.7% i.e. with the responses of 63 consumer.

- After the price the second factor which affects is Quality of the electronic product with the 18.2% i.e. responses of 24 consumer.

- The second least factor which influence consumer less is the packaging of the electronic product with 3% i.e. only of 4 consumer.

- The last factor which rarely influence the consumer with the 1.5% i.e. only 2 consumer for the factor payment.

Output:-



The overall performance of this website is satisfiable.

**Interpretation:-**

- In above hypothesis the output says that Amazon is

the website which satisfies all the expectation and requirement of the consumer.

- After Amazon the top second application preferred by the consumer is Flipkart.

**Findings and Conclusion**

In the online shopping behaviour for electronics, consumers have variable preference. Therefore, in the study, it is identified that the age of consumer is having an impact on the consumer while shopping for electronic products online. Age below 25 looks more for electronic product and most of the youth segment need a trustworthy website. Age factor affects a lot while shopping online among the demographic factors. The youth segment looks more for electronic gadgets online and they need a very affordable price with the trust of that website. And there is a relationship between age and customer shopping for electronic goods from the online marketplace.

The purchasing decision is made in most households either by mutual consultation, or by the primary earner of the family. But in online shopping, buying decision is not dependent primary earner. Anyone member with the access to internet and e-banking can shop online for their electronic products. It was found in the study that there is no major association between gender and online customer shopping for electronic goods. Occupation is a critical aspect, because it describes standard of living. People buy the products which can reflect their standard of living. They change the product according to their capacity and standard of living and according to their occupation and standard of living. But while shopping online for electronic product occupation does not affect the consumer. The electronic product also reflects the way of consumer living but when it comes to buying they are not buying it from shop or retailer rather they are buying from an online website. And as now everyone buys from an online website because they give the product at a cheaper price compare to another retailer shop. And when shopping online for electronic goods, there is no connection between the profession and the customer.

There is a significant relationship between Income and the consumer buying electronic products from the online shopping website. Consumer can only buy a specific product if that is in his capability or if they can afford it. Sometimes consumer preference changes according to their income because they can't afford it. Indeed, the monthly allowance is dependent on the skill of the individual, the qualifications of an individual, personal history, and personal preference of employment, and on that basis it determines the lifestyle of a person. Consumers often surrender their brand due to the price of the drug. So that's consumer look for different shopping websites which can provide the same product at a cheaper price and with a better experience.

Both demographic considerations are significant but also significant in all the variables and functionality of the online website. How the online shopping website works differently from the retailer shop and why nowadays consumers prefer online shopping websites rather than retailers shop for electronic products. When a consumer has all the demographic factors, there is a very well established brand and product features to change consumer preference. Main feature we can say about online shopping websites is product price, product quality, on-time delivery feature and service recovery if they've made one, product packaging and easy product return. This can be the main feature. But in my survey, it has founded that packaging for the electronic product and easy return for the product does not affect the consumer compared to the other factors. So my objective is achieved as while buying from online shopping website above factors are considered for consumer preference. This features also induce people to buy from online shopping website for electronic products.

In the study, the factors which influences the consumer while shopping online for electronic product were identified. The product's price is the first factor that most influences the consumer for online shopping. The second element affecting the customer is product consistency. The third element shaping the buyer is the price on any commodity. Whether that is a seasonal offer or any festive offer. The second least factor which influences consumer is the packaging of the product. And the last factor which rarely influences the consumer is the payment option for the product. As per the product price, they can choose the payment option and if the price is in the budget they can even pay the price at that moment. So my objective is achieved as while buying from online shopping website above factors affects the consumers mind and that factors also induce consumer for online shopping website for electronic products.

According to the consumer experience and their expectation, the consumer is wholly satisfied with the Amazon. After the amazon the second preferable website is Flipkart. As for now, this two are the top online shopping website for the electronic products. So the satisfaction objective as showed that consumer are satisfy with the Amazon website.

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# Changing Buying Habits of Rural India: A Study of Consumer Behaviour Pattern in Recent Times (pandemic period)

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**Abstract:** It has been observed over the years that the demographics of the rural population has contributed towards the changing buying habits of rural consumers. This study goes into the details of the factors responsible for the changing rural consumer behaviour patterns in India.

The purpose of this research paper is to find out the changing buying behaviour pattern of rural folks and the factors responsible for it, which needs to be looked in the backdrop of the current pandemic period and technological advancement in rural India in the recent past.

According to the report published in the Economic Times (2019), the rural population of India is nearly 74.3% of the population.

The impact of green revolution has made a huge positive impact in rural markets of India in increasing the productivity and increased employment opportunities for the rural masses. Added to it, the literacy rate has also drastically increased in rural India. All this has prompted the marketers to get evolved over the last few years to penetrate into rural area to establish their brands.

In the recent years, rural markets in India have undergone considerable changes as the urban markets have hit saturation and relative growth has come down. It dawned upon the marketers that that rural India has tremendous potential and with this realisation, the marketers started pouring money into rural areas. Due to green revolution, the rural areas are consuming a large quantity of industrial and manufactured product (A Study on Rural Marketing in India: Challenges & Opportunities" – Dr. Geeta Yadav, 2018).

Most of the cities in India are very widely connected with the rural areas. Rural Indian market is vast Indian rural market as vis-a-vis the urban markets of India. During last few years, the Indian rural market has seen drastic changes as the urban markets are coming to their saturation point resulting in slowing down of urban growth. Added to it, is the effect of **PURA** – Providing Urban Amenities to Rural Areas, the idea conceptualised by late Dr. Abdul Kalam to create economic opportunities out of cities. Those exploring the rural markets have understood the importance and significance of rural market potential and are customizing their products and services to the rural masses. This has resulted in the growth of business in the rural market.

**Keywords**: Consumer, rural markets, pandemic, buying habits.

## Introduction

There is a significant change in consumers (both urban and rural) attitudes and shopping behaviour, most of them are expected to remain post-pandemic. The lockdown has forced rural and urban consumers to question their shopping habits including cost consciousness, preference for local products. Consumer preferences will realign sharply and travel towards daily essentials, health and hygiene and personal care.

Rural India has seen an evident surge in prosperity over the last decade. This has been fuelled by strong increase in incomes which has resulted from an increase in non-farm employment opportunities and Government's rural focus through employment generation schemes (Crisil, 2012).

The recent times saw turbulent trends in the overall consumer behavior of the Indian people, especially with respect to rural masses. In the light of the coronavirus pandemic in 2020 having its impact significantly on urban areas, mostly all metro and big cities, the rural population was still away from its impact. However, it left a positive impact on rural masses in terms of changed consumer behavior pattern.

## Scope of the study

This study consists of a comparison between the urban consumers and rural consumers – preferences and changing consumer pattern in the recent past after the advent of coronavirus pandemic.

## Literature Review

Pandemics are not necessarily related to the social behavior of modern times but also it can be traced back to ancient times. Each pandemic is bound to effect changes in economies, social behavior and global policies. Those changes which were preserved could be related to social behavior as the institutionalized modifications and were not in tune with psychological changes therein. The COVID-19 19 has impacted all people across the globe that it has become difficult to normality before pre-COVID-19 19 period.

Each pandemic in history had affected the social behavior, health & financial security of people in general. The example of cholera or Spanish flu hitting the economic balance and resulting into disturbing the food supply chain and caused famine as an immediate effect. The Covid 19 has more or less resulted in the similar way with some variations but the developed economies have not been much affected in terms of global food security. Those affected were individuals having been quarantined having pre-existing disease with a low income. The concern for food security has turned into food safety concern as the people in developed countries shifted their attention to healthy eating.

The COVID-19 pandemic took a mass scale mainly due to large density of population, high degree of human mobility coupled with cultural, social and tourism, forcing the countries to resort to lockdown and isolation of the population on a large scale. Hence, this lockdown led to limited interactions among food systems at every stage of food production and delivery.

The Covid-19 pandemic has brought about behavioural changes in people's lives and behaviour. Wearing mask, social distancing, working from home and online classes are some of the obvious examples of changes due to the pandemic across the world, both urban and rural areas. However, it's the economy and related activities along with consumer spending which have been most affected by COVID-19 induced lockdown and subsequent opening up of the economy and business. Drastic reduction in incomes among migrant labour, contractual workers and daily wage earners has impacted their buying behaviour. Majority of spending is directed towards consumption of items of daily consumption. Thus, many companies in consumer durables, two-wheelers and tractors and asset creating items have seen a steep fall in their sales.

**Research Methodology:**

This study is purely literature-based study and the information collected is from different sources like journals, websites, etc,

The purpose of this study is to ascertain the impact of Covid 19 on the business sector in rural areas. Since this is a completely new situation, there is not much information available hence, the authors have tried to collage the data from journals & websites and analyse it. There has not been much impact of post Covid 19 in rural areas as compared to urban areas hence the authors did not find a negative impact in consumer behaviour pattern of the rural people.

**The Growth story:**

India lives in her villages as two out of three persons live there. According to the National Council for Applied Economic analysis (NCAER), the official collector of knowledge on rural Republic of India, India's rural world is value US$100 billion in client disbursal, creating them an

important link in India's vivacious GDP story. Although, Rural spending has outpaced urban consumption for the first time in nearly 25 years in the 2 years upto 2011-12 (Crisil, 2012) and that the country has seen a major transformation in the last more than 70 years and it is consciously growing, the current pandemic has brought in some pointers to be considered seriously in rural consumer behaviour.

**Pointers to the changed rural consumer behaviour:**

A) **Health&Hygiene**: As the urban people in India in general have become more aware of the health & hygiene, so also the rural masses. The pandemic has impacted the supply chain greatly of the branded companies' products which had already made in-roads in rural India during last couple of decades or so, despite poor infrastructure conditions including roads & warehousing facilities. For instance, rural people resorted to traditional way of brushing the teeth with tooth powder as the brands like Colgate, etc had gone in short supply due to the halt of the supply chain in the aftermath of the lockdown. This has led to the increased sale of locally branded tooth powders in rural and semi-urban areas. Moreover, since the people migrated in rural areas, they could avoid the ill-effects of living in an urbanised area like over crowdedness, polluted air, etc. which only contributed to their health.

B) **Income**: As the pandemic forced companies to close their offices temporarily and the employees had to resort to work from home, the rural educated people working in metro cities migrated to their native places in rural areas in order to work from home which fairly resulted in great savings: the house rent which they were earlier paying in metro cities could be saved, the amount spent on travelling physically to their workstations saved, the overall living expenditures in rural areas is very less as compared to living in metro and big cities. This has inculcated saving habits in the rural people.

C) **Preferences in consumer tastes**: The consumer behaviour pattern has seen a dramatic change in the recent past with the advent of global pandemic. A rural consumer who was using branded items for bathing soap, washing soap, branded clothes, etc has started using locally produced products, leading to increased amount of production and its sale, although the sale is confined only to rural areas.

Additionally, looking at the mass migration of rural people in their native towns and villages to work from home, the use of internet services rapidly increased. Internet service providers came in sudden demand in rural areas, including the emergence of new internet service providers.

D) **Familyrelations**: As the rural people still have a concept of joint family, the pandemic has seen many rural

families living together again which resulted in becoming the family bond stronger.

E) **Borrowings**: The pandemic enabled to borrow from their friends and relatives rather than from banks and other money lenders, this has led to savings in that they do not have to pay the interests to them, unlike banks. The Covid 19 has brought in change in lifestyle like wearing masks, maintaining social distancing and work from home concept. As the lockdown hit the economy,

F) The Brand:

A study by Leapfrog Strategy Consulting showed how marketers and brands responded to the crisis situation as to what reveals about the codes that have emerged through a process of social consensus. It was found that there is a marketing and branding culture in India that is governed by norms and conventions (codes) that top decision-makers converge to very quickly.

G) Rising salience and consciousness of a different set of values:

Patriotism: — Swadeshi vs. Videshi … Local (Indian) brands are more 'cool' and 'desirable' than International brands — Discipline, obedience and compliance — Survival smarts: — Ingenuity and Adaptiveness — Technology Adoption: — Everyone must acquire digital familiarity — Concern for the community and clan over focus on oneself: — Sharing and caring — Environmental consciousness — Simplified living, questioning mindless spending — Purposeful living — A search for a sense of mission, pride and fulfilment vs. focus entirely on lifestyle enhancement.

## H) THE SHAPE-SHIFTING BRAND

| Brand Pre-Covid | Brand Post Covid |
|---|---|
| An entity focused almost entire on commerce and doing business | An entity that has concerns beyond commerce and business |
| Addresses people as 'consumers' and 'shoppers' Intent on creating 'markets' out of all human needs, wants & desires | • Addresses people as citizens and human beings. Being HUMAN is the most important value of all, the greatest priority in a crisis |
| Flagbearers of the ideologies of Materialism, Consumerism and Aspiration | Flagbearers of the ideologies of Humanism, Nationalism, Patriotism |
| Core Belief: "Hell is a place where there are NO SHOPS, NO CHOICES AND FEW PLEASURES" | Core Belief: "Hell is a place where there are NO HEALTHY, HAPPY PEOPLE — ONLY DEATH & DESTRUCTION" |

**Citizenship & Consumption:**

In the pre-COVID-19 past, citizenship and consumption had no connection with each other. Marketers and brands could safely ignore nationalistic sentiments if they wished to. Their focus was on the adage that the Consumer is King.

**CMA Ideologies & Consumption:**

In the pre-COVID-19 past, the Consumer was King and the prevailing ideologies of consumerism, materialism and aspiration (CMA) were the engines driving consumption. Now, the CMA ideologies have taken a backseat and the consumer is stressed and fearful (beleaguered).

**The Humanist Brand and Communication**

In the pre-COVID-19 past, Brands were entirely focused on selling products, commerce and business. Brands only thought of people as shoppers and consumers. During the Lockdown, brands shifted their stance away from commerce to humanism and patriotism.

A study by CMIE's Consumer Pyramids and cited in a blog titled 'Get by from little help from my friends and shopkeepers: Household borrowing in response to Covid 19' brought to light the dramatic and sudden changes that the way people borrowed money and the reasons thereof.

The number borrowing households was rising till 2016 saw a steep dip during April to Sept 2020 with a drop to 45%. The fall was more seen in urban than in rural areas, thereby keeping the rural borrowings intact or little affected during the period.

The number of households who borrowed from family and friends than from banks increased from 14% in 2019 to 21% in rural areas and from 13% to 27% in urban areas. Similarly, there has been a dip from borrowings from banks and financial institutions from 25.6% to 15% in urban areas and 26.6% to 21.9% in rural areas. (Source: Consumer Pyramids Households Survey)

The borrowings from shops zoomed from 52% to 57.6% in rural areas in one year, but the rate of borrowings from shops slightly declined in urban areas. The post demonetisation saw people with lower income borrowed from shops which holds good for rural people during the pandemic period. This shift in borrowings from non-financial firms rather than from banks in rural areas is an important

change to be reckoned with. The main reason for borrowings by household from shops, family and friends is the consumption rather than borrowings for other purposes.

**Enablers of Change**

The recent times have compelled the rural people to adopt and adapt to the changed socio-economic crisis which the pandemic has brought in.

**The Khadi and Village Industries Commission (KVIC)** which had a played a significant role in the promotion of rural as a brand, has come into picture again with an innovative idea of producing and selling protection masks on a large scale – supplying it to rural people. Since this is a govt initiative, the product is sold at a subsidised price that the rural poor can also afford it. Since majority of the people in India lives in rural area and wearing masks in public has become mandatory and will continue to become a practice at least for a couple of years of so, the sale of the product can be imaged to huge.

**Recommendations**

The role of KVIC is commendable in the recent times. The Govt should encourage more and more the village and cottage industries to produce the much sought-after commodities, like masks, sanitizers, anti-septic preparations, etc. which will further boost the awareness for health & hygiene and increase the purchasing power of the rural masses, by providing more employment to the rural poor.

The work from home concept has well taken off and the companies which does not necessarily need the physical presence of their employees in the offices, should encourage them to work from their homes, this will have a good impact on the health & hygiene of the people, especially the rural people working in those companies and also avoid the expenditures which otherwise they would spend in metro cities.

As many sectors remain shut due to the lockdown or can only operate under very stringent conditions, businesses in these sectors need to find ways to survive. **They fall back on sheer enterprise and adaptive ingenuity.** Hotels which would otherwise be shut, convert themselves into quarantine centres with the support of state administrations. Travel companies start operations in home delivery services. Textile companies produce PPE for hospitals and the medical fraternity. Restaurants convert their kitchens and retrain their staff for home delivery. Existing delivery apps and e-commerce companies quickly expand their operations to deliver a whole range of products that they didn't earlier. The local kirana finds ways to cater to the needs of people by bringing them what they want, including difficult to obtain items.

**Limitations**

This research paper is a study with secondary data based on the sudden change in consumer behaviour pattern of rural people in India and it has been derived from different online research journals & sites, and this research study is only limited to the current pandemic period which saw a shift in consumer pattern of rural people and it need not be necessarily applicable for future.

**Conclusion**

It is evident that rural people have become as educated and literate as their urban counterparts and have learn to adapt to the changing socio-economic situations and can contribute significantly to rural marketing and hence can become instrumental incompelling the researchers to dive deep into their consumer behaviour patterns.

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# A study to find the impact of "Employees Absenteeism" on work performance for Technocraft Yarn Division Private Limited.

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**Abstract**: Employee absenteeism is a term used for employees who are frequently absent or not reporting to their workplace. This is different from employees who take leave due to medical/ health grounds. This absenteeism is usually due to employee dissatisfaction from his boss, workplace environment, workplace politics etc. This study is conducted for the workers of Technocraft Yarn Division Pvt ltd to find out the level of employee absenteeism and how it affects the work performance. 107 workers of the quality dept were been surveyed through convenience sampling and feedback was collected through structured questionnaire. Due to Covid pandemic and lockdown of industries the scope of collecting data from more workers was restricted. Statistical tools were used for analyzing data and hypothesis was tested with Chi Square test. Components like working hours, working environment, demographics etc were been analyzed and the results of the same have been discussed in the paper.

**Keywords:** *Employee Absenteeism, Work performance, Employee turnover*

## Introduction

Employee's presence at work place during the scheduled time is highly essential for the smooth running of the production process in particular and the organization in general. Despite the significance of their presence, employees sometime fail to report at the work place during the scheduled time. Absenteeism refers to the failure on the part of employees to report to work though they are scheduled to work. In other words, unauthorized absences constitute Absenteeism.

Absenteeism costs money to the organization, besides reflecting employee dissatisfaction with the company. Like employee turnover, there is avoidable and unavoidable absenteeism. Absenteeism is unavoidable when the employee himself or herself fell sick, his or her dependence at home suddenly become unwell or there is an accident inside the plant. Unavoidable absenteeism is accepted by managers and is even sanctioned by labor laws. For instance, one day leave with wages for every 20 days of service is allowed by the factories Act 1948.

Labor Bureau, Shimla, defined the term "Absenteeism" as the failure of a worker to report for work when he is scheduled to work. Labor bureau also states that the Absenteeism is the total man-shifts lost because of absence as a percentage of the total number of man-shifts scheduled to work." According to Webster's Dictionary, the Absenteeism is the practice or habit of being an "absence" and an absentee is one who habitually stays away."

If an employee absents himself from work by taking permission from his superior and applying for leave, such absenteeism is called as Authorized Absenteeism. If an employee absents himself from work without informing or taking permission and without applying for leave, such absenteeism is called as Unauthorized Absenteeism. If employee absents himself from duty willfully such absenteeism is called Willful Absenteeism. If an employee absents him from duty owing to circumstances beyond his/ her control like involvement in accidents or sudden sickness, such Absenteeism is called Absenteeism caused by circumstances beyond once control.

Research studies undertaken by different authors reveal the various features of absenteeism which are as follows: The rate of absenteeism is the lowest on pay day; it increases considerably on the days following the payment of wages and bonus. The rate of absenteeism varies from department to department within an organization. Absenteeism in traditional industries is seasonal in character

There are various causes of absenteeism such as absenteeism due to unsatisfactory & unhealthy working conditions. The industrial fatigue & stress of the workplace compels workers to remain outside the work. Unsound personnel policies as well as inadequate leave facilities also constitutes to more absenteeism. Lower level of wages or salary is the most important reason which develops a feeling of dissatisfaction among workers.

**Absenteeism can be calculated with the help of following formula:**

Absenteeism Rate = (Number of Man days lost / Number of Man days scheduled to work) x 100

Absenteeism is computed and is expressed in terms of percentages Absenteeism rate can be calculated for different employees and for different time periods like month

and year. The frequency rate reflects the incidence of absence and is usually expressed as the number of separate absence in a given period, irrespective of length of absences. The frequency rate represents the average number of absences per worker in a given period.

Frequency rate = (total no. of times in which the leave was availed / total no. of Man days scheduled to work) x 100

Severity Rate: severity is the average length of time lost per absence and is calculated by using the formula.

Severity rate = (Total no. of absent during a period / Total no. of times absent during that period) x 100

A high severity rate indicates that the employee is absent for longer durations each time. High frequency and severity rates indicate that the employee is absent more frequently and for longer durations each time resulting in high absenteeism even in absolute terms.

**Literature Review**

Muchinsky, P. M. (1977) reviewed the literature on absenteeism in the workforce as a way of withdrawal without turnover. Analysis of the quantitative features of the absence indicators and the correlation between absenteeism and person, attitudinal and organizational factors is examined. The research unit analysis studies discuss the connection between absenteeism and turnover. System interventions are also measured in order to minimize absenteeism among employees. The essay focuses on the methods used to quantify the absenteeism of academics and the problems that have resulted with the usage of various measurements of absenteeism in the literature.

Mayfield, J. and Mayfield, M. (2009) reviewed the literature about the which work investigates the connection between the vocabulary of strategic leadership (as embodied in the concept of vocabulary motivation) and absenteeism. Two reasons for the impact of the language used by the speaker have been tested using a structural equation model: perceptions towards absenteeism and actual attendance. Studies suggest that the language of leadership typically has a positive and substantive connection with involvement by the mediating influence of employee participation.

Conrad, K.M., Riedel, J.E. and Gibbs, J.O. (1990) reviewed the literature of employee absenteeism tends to have significant financial implications for the organization. Workplace wellness development initiatives have been developed as a way of both reducing unnecessary absenteeism and enhancing the safety of employees. The research goal stated by both employers and occupational health nurses is to decide if the suspected correlation between the occupational health promotion plan and employee absenteeism persists under empiric scrutiny. In the last few years, a variety of large-scale job site health promotion plan assessment findings have indicated a positive correlation between system attendance and decreased absenteeism. For the exception of the Wood (1989) report, the work concentrated solely on the impact of exercise programs.

Regalado, A. (2020) reviewed the literature that highlights the issue of Workplace Health, Wellbeing and Inspiration. In this article, the research would address inspiration, results related to the potential causes for an unhealthful workplace and the significance of providing a safe workplace in the public sector. Getting a balanced workplace provides a better likelihood of reducing unemployment, increasing efficiency at work, showing social accountability and raising regulatory questions regarding human capital.

Mullen and Rennane (2017) reviewed the literature of absenteeism in transitions to long-term disability has also been described as important features of absenteeism. In addition to the analysis of the publicly accessible survey with absenteeism initiatives, selected statistics on absenteeism in the general population and selected statistics on absenteeism for people with different conditions were identified. The outcome demonstrates the benefits and shortcomings of the publicly available survey with statistics and calculates the incidence with the aid of data sources and same.

Langenhoff (2011) reviewed the literature of specification and development of variables often decide the design of databases and the study of definitions using an empiric approach. The outcome demonstrates in the two models that the first one is a pooled approach. Such variables are classified into categories such as ethnicity, fitness, household characteristics, work characteristics, etc. and the second one is a model i. E in the world model, both versions of pooled and nation models show on a wall basis – measurements that are mutually relevant and have important forecasts.

Naughton (2005) reviewed the literature of absenteeism inside Company X and investigating the triggers of absenteeism will assess the effect on Employee absenteeism and workforce management principles and work standards by tracking, documenting and discussing absenteeism. The findings of this dissertation 90 give some insight into the problems of absenteeism in Company x, a major Irish retail organization. It also offers some proof that absenteeism is a multi-faceted concern and sometimes a result of more profound issues. Concluding that absenteeism is far more than a inconvenience to the business, it is a big loss to all stores every year.

Based on the above literature review following objectives were formed.

**Objectives Of The Study**

- To measure the current level of employee absenteeism

- To identify the reasons for employee absenteeism.

- To find out the effect of abseentism on work performance.

- To recommend strategies to decrease the absenteeism level

**Problem Statement**

"*Employee abseentism is resulting into low productivity among workers and hampering the growth of the organization.*"

**Scope Of The Study**

The development of any organization depends on the regularity of employees. The study is conducted to know the various levels and reasons for absence among workers in an organization. By looking it one can adopt corrective measures to decrease irregularities in the organization leads to organizational growth.

Reseach Methodology

Explorative research methodology is used in the present study

**Data Sources:**

**Primary Data:** The primary data was collected from the respondents by administering a structured questionnaire.

**Secondary Data:** The secondary data is collected through records of employees maintained at Technocraft Yarn Division Ltd. & the academic reports of employees provided by the management team over there.

**Sampling:**

Sample Population:

There are more than 5000 employees in this company.

Sample Size:

Out of the total population, the sample taken among respondents from the quality department is 107.

**Sample Area:**

The research was conducted at quality department of Technocraft Yarn Division Pvt. Ltd.

**Sample Method:**

The research was made by the survey in accordance to the convenience of the employees. So the sample type is convenience sampling.

**Tools used for analysis:**
**Instrument:**

A structured questionnaire is used & the type of questionnaire is target questions.

**Method:**

The research is conducted by using contact methods through questionnaire. The information is collected from the employees of quality department only

**Data Analysis**

Analysis of Data depends on the Objectives that are been put forth. Looking at the Objective we have prepared a questioner which will fulfill the objectives of our research. After preparing the questioner we went to the company i.e. Techno Craft Yarn to fill out the responses of the lower level workers. We collected 107 responses and performed Chi Square Test on the data so that we can get the numerical result and also can understand the relation between two variables.

| Sr.No. | Null Hypothesis | Chi Square Test | Null Hypothesis Accept/Reject |
|---|---|---|---|
| 1 | **There is no significant difference between Age of Workers and Sick leave.** | 0.044 | Rejected |
| 2 | **There is no significant difference between Age of Workers and Stress level.** | 0.070 | Accepted |
| 3 | **There is no significant difference between Age of Workers and lack of interest in job.** | 0.004 | Rejected |
| 4 | **There is no significant difference between Age of Workers and Poor working condition.** | 0.000 | Rejected |
| 5 | **There is no significant difference between Age of Workers and long working hour.** | 0.544 | Accepted |
| 6 | **There is no significant difference between Age of Workers and Personal reason.** | 0.000 | Rejected |

The above table shows the result of tests taken and lets us know the relationship between the ages and some reasons that worker gave to take a leave. After taking this take we came to know that following are the reasons that are related to Age group of Workers and they are

1. Sick leave:

   The age group who believes that Sick leave is the reason to take leave are 25 to 30 years

2. Lack of interest in Job:

The age group who believes that lack of interest in job is the reason to take leave are 21 to 25 years.

3. Poor working condition:

   The age group who believes that poor working condition is the reason to take leave are 25 to 30 years

4. Personal Reasons:

   In this there are several personal reasons on which we are gone through and did test on it lets see what personal reasons for which they take leaves.

| Sr.No. | Null Hypothesis | Chi Square Test | Null Hypothesis Accept/Reject |
|--------|-----------------|-----------------|-------------------------------|
| 1 | **There is no significant difference between Age of Workers and Attending function.** | 0.073 | Accepted |
| 2 | **There is no significant difference between Age of Workers and Visiting Parents.** | 0.026 | Rejected |
| 3 | **There is no significant difference between Age of Workers and Domestic Problem.** | 0.098 | Accepted |
| 4 | **There is no significant difference between Age of Workers and Other Problem.** | 0.228 | Accepted |

In the Above Table we can see that in personal reasons the age group from 25 to 30 go to visit their parents and for that the take leave.

Now let's see what can are the strategies to decrease the Absenteeism as it defers age wise. We have done Chi square test on the data we have collected from response.

| Sr.No. | Null Hypothesis | Chi Square Test | Null Hypothesis Accept/Reject |
|--------|-----------------|-----------------|-------------------------------|
| 1 | **There is no significant difference between Age of Workers and Change in management Style.** | 0.107 | Accepted |
| 2 | **There is no significant difference between Age of Workers and Change in working Condition.** | 0.347 | Accepted |
| 3 | **There is no significant difference between Age of Workers and Incentive Hike.** | 0.423 | Accepted |
| 4 | **There is no significant difference between Age of Workers and Encouragement.** | 0.147 | Accepted |
| 5 | **There is no significant difference between Age of Workers and Individual Attention.** | 0.089 | Accepted |
| 6 | **There is no significant difference between Age of Workers and Attendance Policy.** | 0.551 | Accepted |

Looking at the above Table we can say that there is no significant relation between any of the strategies and the age of workers as all the null hypothesis are accepted.

**Findings**

1. Maximum no. of employees of the age is between 20-25 years. It means most of employees of these ages are attracted towards work, compared to other age group.

2. Majority of the employees feel that working environment provided is good.

3. Majority of the employees take leave on health grounds.

4. Employees apply leave for personal reasons like social activities and visiting places also constitute major portion of their leave.

5. Majority of the employees are having good relationship with their superiors. Any attempt to improve this, improves the quality of production performance.

6. Benefits are always valuable, need management attention.

7. Need to ensure good coordination among all, compliments from superiors & provide better work atmosphere.

8. Developmental activity implies to both employer and employees, need to be strengthened.

9. Salary and wages play pivotal role in performance.

10. Awareness about leave administration will help the employees to plan their leave properly.

11. Health and safety measures are significant while evaluating Absenteeism.

12. Majority of the employees are seeking either wage hike or incentives as motivating factor.

13. Salary and wages are featuring as important criteria need to be considered on priority basis.

**Recommendations**

Absenteeism affects the organization from multiple angles. It severely affects the production process and the business process. The effect of Unauthorized Absenteeism is more compared to other type of Absenteeism. However, it would be difficult to completely avoid Absenteeism. Managers should take steps to remove causes of absenteeism. On the positive side managers must create work environment which will make the employees realize that it creates sense to the work in the factory rather than staying at home and waste their time.

The following measures are useful in controlling or minimizing absenteeism:

1. Providing good working conditions.

2. Providing welfare measures and fringe benefits, balancing the need of the employees and ability of the organization.

3. Following a proactive approach in identifying and redressing employee grievances.

4. Providing high wages and allowances based on the organizational financial position.

5. Improving the communication network.

6. Providing leave facility based on the needs of the employees according to organizational standards.

7. Providing cordial human relations and industrial relations

8. Granting leaves and financial assistance liberally in case of sickness of employee and his/her family members.

9. Regularity to be encouraged through incentives.

10. Providing extensive training. Encouragement through special allowances in cash for technological advancement

**Suggestions**

Productivity of an organization depends upon the people who work for the unit. "How to make people work more or more better?" is a million dollar question that requires an understanding of what motivates people to work. Similarly it may be possible to get people to work more in higher proportions with marginal increase in providing welfare measures. Such needs have been analyzed and identified through this study. It will be fruitful for the organization to adopt for better human pronounce, provided management simultaneously retain high skilled employees to attain organization effectiveness. This may help in controlling absenteeism.

**Following suggestions may help:**

1. Increase the number of performance related awards

2. Organization can motivate individuals through proper counseling and guidance.

3. Individual attention to employees regarding health matters may be considered on priority basis.

4. Better communication may yield some more results.

5. Supervisors may be considered for management training.

6. Majority of them feel that wage & salary provided to

them may have to be considered for hike. So the company may consider of increasing it.

**Limitations Of The Study**

1. The study is limited to only workers of Technocraft Yarn Division Pvt Ltd and due to busy schedule of the department heads restricted the collection of detailed information.

2. The workers were busy with their work & thus were not co-operative as they had very little time available for interaction.

3. Due to time constraints an in-depth study is not possible & the sample size was restricted to 107 employees.

4. Since the study deals with sensitive area of the organization, it is difficult to extract accurate information from employees.

5. The study is not comparative in nature.

**Conclusion**

The employees of Technocraft Yarn Division Pvt. Ltd. are taking leaves for various personal and family reasons. They are aware of the impact of their absence on the production. Most of the employees admit that they are trying to avoid leaves, but many a times things are beyond their control. Some of the employees feel that the management should provide holiday trip or family get together as recreation so that they will be relaxed after the hectic job schedule. They also add that they are availing all the welfare facilities provided by the company. One will never forget to say that little of empathy towards employees will definitely yield better industrial relations and minimize Absenteeism. Unscheduled absenteeism badly hurts the progress of an organization resulting in loss of productivity, increased costs in hiring additional staff and low morale among the workers. It is high time that employers address this problem on a priority basis. We concluded that the reason to take leave were different for different ages.

The study concluded that providing positive incentives to workers in the form of those motivational factors that nominally influence workers to be absent is better than imposing penalties for discouraging absenteeism. The best reward for workers with lower absenteeism is to grant additional time off for personal matters. Workers are influenced to a lesser extent by deterrents, loss of pay and benefits and loss of promotion opportunities and discharge, imposed for frequent absenteeism. Finally a combination of incentives (additional time off) and penalties (loss of benefits or job) with the primary emphasis on motivational incentives is the most effective approach in reducing absenteeism.

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# Sector-wise impact on Gross State Domestic Product of Top 3 states in India

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**Abstract :** The growth of gross state domestic product (GSDP) is an important parameter to measure the economic health of states and the country as a whole. It helps to describe the status of public welfare in the states and the overall picture of the economy. Historically, there has been uneven growth of state domestic product of Indian states which constrains the overall growth of India's gross domestic product (GDP). The growth of most of the states in India is featured with instability and volatility. This paper examines the extent of disparity in GSDP of Indian states over a period of time. It also compares the growth trend of Real GDP and nominal GDP of India.

This research also analyses the contribution and impact of various sectors on GSDP. Multiple Regression technique was carried out to determine the impact of every sector. Considering the impact of five factors as independent variables and the GSDP as a dependent variable, the analysis of three states with the impact of the sector is obtained over the period from Financial Year 2011-12 to 2017-18. This study reveals that the GDP growth for India as well as for the various states in India is quite inconsistent. Additionally, the research paper concludes that the 'Service sector' has the most significant contribution to the top 3 state of India.

## Introduction

India is a developing country having the 2nd largest population in the world after China. It is the largest democracy in the world having a population of around 121 Crore as per the 2011 census and the 7th largest country in terms of geographical area. There are 29 States and 7 Union Territories (UT). All these States/UTs contributions to the development of the country and its economic activities.

## GDP and GSDP

GDP is the total monetary or market value of all the finished goods and services produced within a country's borders on the other hand GSDP is the monetary value of all finished goods and services made within a state during a specific period. GSDP provide an economic snapshot of a state, used to estimate the size of an economy and growth rate. Just like GDP, GSDP can be calculated in three ways, using expenditures, production, or incomes.

With regards to the composition of GDP, the percentage shares of various sectors have largely changed. This change in composition with the GSDP puts forward an important question as to what is the role of the service and manufacturing sector in the economy and how does it affect the financial health of the State. It thus becomes important to understand the nature and the direction of the relationship between the GSDP and its components.

## Objectives And Methodology

Need of the Study

The GSDP is a critical factor in measuring the economic performance of a country because it gives information about the contribution of each state to the GDP and how different sectors are performing. The growth rate of Real GSDP is often used as an indicator of the general health of the economy. In broad terms, an increase in Real GSDP is interpreted as a sign that the economy is doing well. The study of GSDP and the sector contribution of each state gives a broad idea about the economy and the Indian GDP.

## Objective of the Study

1.  To compare the growth rate of GSDP of different States in India.

2.  To examine trends of Real GDP and Nominal GDP of India.

3.  To analyze the impact of five factors (Agriculture, Construction, Industry, Service, Manufacturing) on GSDP of Top 3 states.

## Review of Literature

GDP growth has always been treated as an issue that has been studied by many researchers. Inconsistency growth of GDP per capita within a country will lead to a higher incidence of poverty as well as hinder the progress in health, education, crime, and eventually the economic growth. The factors towards GDP growth are relatively important to prevent the occurrence of socio-political instability.

Chebbi (2010) concluded that all country economic sectors co integrate and have a tendency to move together. Purfield (2006) Stated that the volatility in economic growth is greater in poor states and differences in state policies affect the cross-state pattern of growth.

Aziz and Azmi (2017) investigated the relationship between GDP growth and factors such as Inflation, Foreign Direct Investment (FDI), and Female Labor Force Participation in Malaysia. Behuria and Khullar (1994) and Gordon and Gupta (2003) pointed out that intermediate

services by providing support services such as transport, communication, insurance, and export financing, had facilitated trade activities which enhanced economic growth in this economy.

Mahmood and Linden (2007) highlighted that shares of the key sectors (industry, service, and agricultural) of the economy had been positively related to economic growth in the long-run in the case of fifteen Schengen countries. Hussain and Khan (2008) also empirically found a positive long-run relationship between GDP growth rate and agriculture growth rate in Pakistan. Katircloglu (2002) and Jatuporn et al (2010) empirically explored a positive association between economic growth and agriculture, services, and industry sectors in the case of the Turkish Republic of Northern Cyprus and Thailand respectively by using the Johansen Co-integration test.

Hussin and Yik (2012) Studied that Agriculture, Service, and Manufacture sectors have contributed positively to GDP per capita in China and India. However, China's economy has been influenced most by the Manufacturing Sector while for India the highest contributor has been the Service Sector. Uddin (2015) found out that the Economic growth in Bangladesh was mainly influenced by the Agriculture and Industry Sector however the service sector was the largest contributor to GDP. These three were the most critical sectors from the point of view of devising economic strategies in the country.

**Research Methodology**

**Research Design**

Research Design is a plan or a strategy for conducting the research. It spells out the basic strategy that researchers adopt to develop evidence that is accurate and interpretable. It also deals with matters such as selecting participants for the research and preparing for data collection.

**Data collection method**

1. Primary data

   It refers to the first-hand data that is gathered by the researcher himself. Data can be collected through various means and methods such as Observations, Surveys, physical testing, mailed questionnaires, telephonic interviews, personal interviews, case studies, etc.

2. Secondary data

   Secondary data means data collected by someone else earlier. It is the readily available form of data collected from various sources like an internal record of the organization, government publications, reports, books, journal articles, websites, etc.

**Data Collection**

Data collection means to analyze the data which is acquired from secondary sources. The scope of the study is defined below in terms of concepts adopted and the period under focus. First the study of different states GDP and then analyze the growth rate of GSDP of different states in India then examine the trend of Nominal and Real GDP of India and then analyze the factors having the positive impact on each state from 2011-2012 to 2017-2018.

Collection of data done by different sources i.e.: -

**Research type** : - Quantitative Research.

**Secondary data** : - Secondary data is collected from various sources like from RBI data handbook, economic survey of states, Newspapers etc.

**Data Analysis and Interpretation**

**Growth rate of GSDP of different states**

The study covers the period 2013-2014 to 2017-2018 and it is based on secondary data collected from RBI, CSO, and Economic survey of the Government of India. The annual growth rate (AGR) and the average annual growth rate (AAGR) have been used to analyse the data.

Percentage of annual growth rate $(X_i)$ = [(Ending value/ Beginning value)-1] * 100

$X_i$ = Year

$i$ (Year) = (1,2,3,4...........n)

Average annual growth rate (AAGR) =" AGR /n

**AGR of GSDP and GDP of India at current prices.**

| Sr No | STATE | 2013-2014 GSDP GROWTH (IN %) | 2014-2015 GSDP GROWTH (IN %) | 2015-2016 GSDP GROWTH (IN %) | 2016-2017 GSDP GROWTH (IN %) | 2017-2018 GSDP GROWTH (IN %) | AAGR 2013-14 TO 2017-18 (IN %) |
|---|---|---|---|---|---|---|---|
| 1 | Maharashtra | 13 | 7.9 | 11.6 | 13.6 | 10.6 | 11.34 |
| 2 | Tamil Nadu | 13.3 | 10.8 | 9.7 | 8 | 12.3 | 10.82 |
| 3 | Uttar Pradesh | 14.3 | 7.6 | 12.4 | 9.9 | 10 | 10.84 |
| 4 | Karnataka | 17.4 | 11.8 | 11 | 11.8 | 12.1 | 12.82 |
| 5 | Gujarat | 11.5 | 14.1 | 11.6 | 13 | 14 | 12.84 |
| 6 | West Bengal | 14.4 | 6.1 | 11 | 10.3 | 16.1 | 11.58 |
| 7 | Rajasthan | 11.6 | 11.7 | 11.1 | 11 | 10.7 | 11.22 |
| 8 | Andhra-Pradesh | 12.9 | 13.4 | 15.9 | 14.7 | 15.3 | 14.44 |
| 9 | Telangana | 12.4 | 12 | 14.2 | 14 | 14.1 | 13.34 |
| 10 | Madhya-Pradesh | 15.4 | 9.2 | 13.1 | 19.3 | 12.24 | 13.84 |
| 11 | Kerala | 12.8 | 10.2 | 9.6 | 10.7 | 7.3 | 10.12 |
| 12 | Delhi | 13.4 | 11.5 | 10.7 | 12.5 | 11.2 | 11.86 |
| 13 | Haryana | 15.5 | 9.2 | 10.9 | 12.8 | 12.53 | 12.18 |
| 14 | Bihar | 12.3 | 8.2 | 7.7 | 15.3 | 14.5 | 11.6 |
| 15 | Punjab | 11.6 | 6.9 | 9.9 | 9.8 | 10.7 | 9.78 |
| **INDIA (GDP GROWTH RATE)** | | 12.97 | 10.99 | 10.46 | 11.55 | 11.2 | 11.434 |

- It is observed that during the year 2013-2014, Karnataka witnessed the highest growth rate in GSDP at 17.4% followed by Haryana with a 15.5% growth rate in GSDP. The growth of India is 12.97% in the year 2013-2014.

- During the year 2014-2015, Gujrat recorded the highest growth rate in GSDP at 14.1% followed by Andhra Pradesh with a 13.4% growth rate in GSDP. In comparison with the previous year Madhya Pradesh having a Negative growth rate 0f 9.2% in the year 2014-2015. Moreover, the AGR of GDP of India is 10.99% which is lower than the previous year 2013-2014.

- During the year 2015-2016, Andhra Pradesh had the highest growth rate in GSDP at 15.9% followed by Telangana. Madhya Pradesh having a positive growth rate of 13.1% in the year 2015-2016.

- The growth of the GDP of India has decreased to 10.46% from 10.99%. The top 15 states in terms of highest GSDP at a current price during 2015-16 were Andhra Pradesh, Telangana, Madhya Pradesh, Uttar Pradesh, Maharashtra, Gujrat, Rajasthan, Karnataka, West Bengal, Haryana, Delhi, Punjab, Tamil Nadu, Kerala, Bihar.

- During the year 2016-2017, Madhya Pradesh recorded the highest growth rate of 19.3% in GSDP and Bihar has come up with a 15.3% growth rate from the 7.7% growth rate in the previous year. The GDP growth rate of India is 11.55% and it is higher than 10.46% (GDP growth rate in the year 2015-2016).

- In the year 2017-2018, the highest growth rate in GSDP is of West Bengal 16.1% followed by Andhra Pradesh having a 15.3% growth rate. Kerala having a Negative growth rate of 7.3% in the year 2017-2018. The GDP growth rate of India is 11.2 and it is less than the previous year's GDP growth rate.

- In between 2013-2014 and 2017-2018, the average annual growth rate of GSDP of Andhra Pradesh is highest (14.44%) whereas Punjab maintained the lowest growth rate (9.78%). There is increasing inter-state disparity in the growth rate of GSDP of different states during 2013-2014 to 2017-2018.

- Between 2013 to 2018, Andhra Pradesh, Madhya Pradesh, Telangana, Gujrat, Karnataka, Haryana, and Delhi recorded the highest growth in GSDP among 29 states.

**Trends of GDP in India**

In the case of India, the growth rate of GDP at constant prices shows a decelerated increasing trend. This was due to largely domestic policy, tax disputes, and shaken investor confidence in the Indian economy with lower Gross Domestic Saving Rate (GDSR) and Gross Fixed Capital Formation (GFCF) whereas GDP at current prices reveals a decreasing trend due to falling rate of inflation.

**The trend of GDP at constant and current prices in India.**

|  | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
|---|---|---|---|---|---|
| **GDP AT CURRENT PRICE(IN%)** | 12.97 | 10.99 | 10.46 | 11.55 | 11.2 |
| **GDP AT CONSTANT PRICE(IN%)** | 5.1 | 6.3 | 7.6 | 8 | 6.6 |

The decreasing trend in current prices is due to the rate of inflation. The rate of inflation was 10% in the year 2012, 9.4% in 2013, 5.8% in 2014, 4.9% in 2016, 3.6% in 2017 and 4.74% in 2018.

The trends of real GDP and nominal GDP of India is explained in the graph are as follow
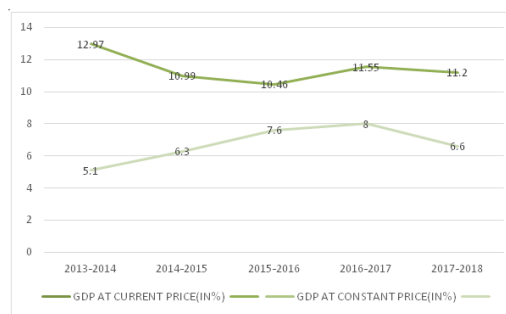


The trend in GDP of India

The impact of five factors (agriculture, construction, industry, service, manufacturing) on GSDP of top 3 states.

The study used secondary data for the Period 2011-2012 to 2017-2018. Data was collected from the RBI handbook, Economic Survey of each state.

GSDP is calculated by several components but in this study, only Agriculture, Manufacturing, Construction, Industry, and service were selected for the Study. The dependent variable in this study is GSDP and the other factors are the Independent Variable.

- **HYPOTHESIS**

H0 = There will be no significant Difference Between GSDP and the Variables.

H1= There will be a significant Difference Between GSDP and the Variables.

Level of Significance: a = 5% (0.05)

Decision Rule: Reject H0, if p-value < a (0.05) otherwise accept.

**i) MAHARASHTRA**

| YEAR | GSDP In (Lakh Cr) | Sectoral GSDP at Factor Cost (Current Price) | | | | |
|---|---|---|---|---|---|---|
|  |  | Agriculture In (Lakh Cr) | Manufacturing In (Lakh Cr) | Construction In (Lakh Cr) | Industry In (Lakh Cr) | Service In (Lakh Cr) |
| 2011-2012 | 12.28 | 1.019 | 2.46 | 0.8055 | 4.098 | 5.845 |
| 2012-2013 | 14.59 | 1.082 | 2.82 | 0.8396 | 4.541 | 6.779 |
| 2013-2014 | 16.43 | 1.367 | 3.242 | 0.9253 | 5.053 | 7.713 |
| 2014-2015 | 18.81 | 1.151 | 3.419 | 1.0115 | 5.359 | 8.752 |
| 2015-2016 | 20.23 | 1.175 | 3.807 | 1.0215 | 5.841 | 9.735 |
| 2016-2017 | 22.57 | 1.631 | 4.038 | 1.0968 | 6.261 | 11.051 |
| 2017-2018 | 24.11 | 1.395 | 4.277 | 1.1831 | 6.701 | 12.598 |

The following table Provide the R and R Square value. The R-value represents the simple Correlation and the R Square indicates how much of the total variation in the dependent variable, can be explained by the Independent variable.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .997[a] | .994 | .992 | .37186 |

a. Predictors: (Constant), Industry

The value of R Square in the model is 99.40%, showing that about 99.40% of the Total variation in GSDP of Maharashtra can be explained by the Independent variable

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 108.663 | 1 | 108.663 | 785.838 | .000[b] |
| | Residual | .691 | 5 | .138 | | |
| | Total | 109.354 | 6 | | | |

a. Dependent Variable: GSDP

b. Predictors: (Constant), Industry

This indicates the statistical significance of the regression model that was run.

$F(1,5) = 785.838$

p value $= 0.000$

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | -6.329 | .894 | | -7.076 | .001 |
| | Industry | 4.579 | .163 | .997 | 28.033 | .000 |

a. Dependent Variable: GSDP

The model obtained is: -

GSDP of Maharashtra $= 4.579*$ (Industry) $- 6.329$

The Independent variable Industry is affecting the GSDP as the p-value is less than 0.05.

Agriculture, Manufacturing, Construction, and Service.

The next table is the ANOVA table, which reports how well the regression equation predicts the dependent variable.

Here, $p < 0.05$

Therefore, it may be concluded that this regression model predicts the dependent variable (GSDP) significantly well.

The coefficient table provides us with the necessary information to predict GSDP from 5 factors also determine whether all 5 factors contribute significantly to the model.

Exclude Variable are those which are not included in the equation as it is not affecting the dependent variable at that significance level (95%).

**Excluded Variables**

| Model | | Beta In | T | Sig. | Partial Correlation | Collinearity Statistics Tolerance |
|---|---|---|---|---|---|---|
| 1 | Agriculture | -.009[b] | -.154 | .885 | -.077 | .445 |
| | Manufacturing | .019[b] | .038 | .972 | .019 | .006 |
| | Construction | .228[b] | .982 | .382 | .441 | .024 |
| | Service | .009[b] | .025 | .981 | .013 | .012 |

a. Dependent Variable: GSDP

b. Predictors in the Model: (Constant), Industry

The Independent variable Agriculture, Manufacturing, Construction and Service are not affecting the dependent variable as the p-value is greater than 0.05.

**i) Tamil Nadu**

| YEAR | GSDP In (Lakh Cr) | Sectoral GSDP at Factor Cost (Current Price) | | | | |
|---|---|---|---|---|---|---|
| | | Agriculture In (Lakh Cr) | Manufacturing In (Lakh Cr) | Construction In (Lakh Cr) | Industry In (Lakh Cr) | Service In (Lakh Cr) |
| 2011-2012 | 12.28 | 1.019 | 2.46 | 0.8055 | 4.098 | 5.845 |
| 2011-2012 | 7.51 | 0.5375 | 1.517 | 0.924 | 2.554 | 3.498 |
| 2012-2013 | 8.54 | 0.4696 | 1.782 | 1.023 | 2.964 | 4.041 |
| 2013-2014 | 9.68 | 0.6297 | 1.814 | 1.141 | 3.117 | 4.675 |
| 2014-2015 | 10.72 | 0.7181 | 1.821 | 1.191 | 3.208 | 5.327 |
| 2015-2016 | 11.76 | 0.7021 | 2.205 | 1.242 | 3.709 | 5.731 |
| 2016-2017 | 12.71 | 0.5687 | 2.415 | 1.262 | 3.988 | 6.213 |
| 2017-2018 | 14.21 | 0.8088 | 2.714 | 1.356 | 4.406 | 6.905 |

The following table Provide the R and R Square value. The R-value represents the simple Correlation and the R Square indicates how much of the total variation in the dependent variable, can be explained by the Independent variable.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .998[a] | .997 | .996 | .14539 |

a. Predictors: (Constant), Service

The value of R Square in the model is 99.70%, showing that about 99.70% of the Total variation in GSDP of Tamil Nadu can be explained by the Independent variable Agriculture, Manufacturing, Construction, and Service.

The next table is the ANOVA table, which reports how well the regression equation predicts the dependent variable.

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| 1   Regression | 33.25 | 1 | 33.25 | 1573.120 | .000[b] |
| Residual | .106 | 5 | .021 | | |
| Total | 33.359 | 6 | | | |

a. Dependent Variable: GSDP

b. Predictors: (Constant), Service

This indicates the statistical significance of the regression model that was run.

$F(1,5) = 1573.120$

p value = 0.000

Here, $p < 0.05$

Therefore, it may be concluded that this regression model predicts the dependent variable (GSDP) significantly well.

The coefficient table provides us with the necessary information to predict GSDP from 5 factors also determine whether all 5 factors contribute significantly to the model.

**Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1   (Constant) | .290 | .103 | | 2.813 | .048 |
| Service | 1.629 | .055 | .834 | 29.72 | .000 |
| Manufacturing | .968 | .157 | .173 | 6.152 | .004 |

a. Dependent Variable: GSDP

The model obtained is: -

GSDP of Tamil Nadu = 1.629* (Service) + 0.968* (Manufacturing) + 0.290

The Independent variable Service and Manufacturing is affecting the GSDP as the p-value is less than 0.05.

Exclude Variable are those which are not included in the equation as it is not affecting the dependent variable at that significance level (95%).

**Excluded Variables[a]**

| Model | Beta In | T | Sig. | Partial Correlation | Collinearity Statistics Tolerance |
|---|---|---|---|---|---|
| 1   Agriculture | .025[b] | 2.427 | .094 | .814 | .332 |
| Construction | -.017[b] | -.258 | .813 | -1.48 | .023 |
| Industry | -.293[b] | -.991 | .395 | -.497 | .001 |

a. Dependent Variable: GSDP

b. Predictors in the Model: (Constant), Service

The Independent variable Agriculture, Construction and Industry are not affecting the dependent variable as the p-value is greater than 0.05.

**i) Uttar Pradesh**

| YEAR | GSDP In (Lakh Cr) | Sectoral GSDP at Factor Cost (Current Price) | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | | Agriculture In (Lakh Cr) | Manufacturing In (Lakh Cr) | Construction In (Lakh Cr) | Industry In (Lakh Cr) | Service In (Lakh Cr) |
| 2011-2012 | 7.24 | 1.241 | 0.876 | 0.848 | 1.883 | 3.103 |
| 2012-2013 | 8.22 | 1.495 | 0.952 | 0.932 | 2.076 | 3.565 |
| 2013-2014 | 9.41 | 1.652 | 1.137 | 1.011 | 2.402 | 4.072 |
| 2014-2015 | 10.11 | 1.563 | 1.055 | 1.128 | 2.476 | 4.561 |
| 2015-2016 | 11.37 | 1.763 | 1.313 | 1.152 | 2.804 | 5.041 |
| 2016-2017 | 12.51 | 1.948 | 1.549 | 1.191 | 3.136 | 5.472 |
| 2017-2018 | 13.75 | 2.136 | 1.671 | 1.274 | 3.364 | 6.056 |

The following table Provide the R and R Square value. The R-value represents the simple Correlation and the R Square indicates how much of the total variation in the dependent variable, can be explained by the Independent variable.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| --- | --- | --- | --- | --- |
| 1 | .998[a] | .996 | .996 | .15198 |

a. Predictors: (Constant), Service

The value of R Square in the model is 99.60%, showing that about 99.60% of the Total variation in GSDP of Uttar Pradesh can be explained by the Independent variable Agriculture, Manufacturing, Construction, and Service.

The next table is the ANOVA table, which reports how well the regression equation predicts the dependent variable.

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | Regression | 32.297 | 1 | 32.297 | 1398.311 | .000[b] |
| | Residual | .115 | 5 | .023 | | |
| | Total | 32.413 | 6 | | | |

a. Dependent Variable: GSDP

b. Predictors: (Constant), Service

This indicates the statistical significance of the regression model that was run.

$F(1,5)=1398.311$

p value = 0.000

Here, $p < 0.05$

Therefore, it may be concluded that this regression

model predicts the dependent variable (GSDP) significantly well.

The coefficient table provides us with the necessary information to predict GSDP from 5 factors also determine whether all 5 factors contribute significantly to the model.

**Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1    (Constant) | 0.225 | .002 | | 122.878 | .000 |
| Service | 1.727 | .001 | .782 | 2061.668 | .000 |
| Manufacturing | 1.452 | .004 | .188 | 392.744 | .000 |
| Agriculture | .285 | .004 | .036 | 73.556 | .000 |

a. Dependent Variable: GSDP

The model obtained is: -

GSDP of Uttar Pradesh = 1.727*(Service)+1.452*(Manufacturing)+0.285(Agriculture)+0.225

The Independent variables Service, Manufacturing, and Agriculture are affecting the GSDP as the p-value is less than 0.05.

Exclude Variable are those which are not included in the equation as it is not affecting the dependent variable at that significance level (95%).

**Excluded Variables[a]**

| Model | Beta In | T | Sig. | Partial Correlation | Collinearity Statistics Tolerance |
|---|---|---|---|---|---|
| 1    Construction | .001[b] | .664 | .575 | .425 | .003 |
| Industry | .001[b] | .194 | .864 | .136 | .001 |

a. Dependent Variable: GSDP

b. Predictors in the Model: (Constant), Service

The Independent variables Construction and Industry are not affecting the dependent variable as the P value is greater than 0.05.

The below table gives a summary of all the three states and the Multiple Regression analysis and the decision of the hypothesis Test.

**Summary of p-values**

| SR. NO. | STATES | FACTORS | p-VALUE | H1-HYPOTHESIS |
|---------|--------|---------|---------|---------------|
| 1 | MAHARASHTRA | Agriculture | 0.885 | Reject |
| | | Manufacturing | 0.972 | Reject |
| | | Construction | 0.382 | Reject |
| | | Industry | 0.000 | **Accept** |
| | | Service | 0.981 | Reject |
| 2 | TAMIL NADU | Agriculture | 0.09 | Reject |
| | | Manufacturing | 0.004 | **Accept** |
| | | Construction | 0.813 | Reject |
| | | Industry | 0.395 | Reject |
| | | Service | 0.000 | **Accept** |
| 3 | UTTAR PRADESH | Agriculture | 0.000 | **Accept** |
| | | Manufacturing | 0.000 | **Accept** |
| | | Construction | 0.575 | Reject |
| | | Industry | 0.864 | Reject |
| | | Service | 0.000 | **Accept** |

From the above table it is clear that the Maharashtra GSDP has an impact of the **Industry Sector**, in the case of Tamil Nadu, GSDP has an impact of the **Service and Manufacturing Sector,** For Uttar Pradesh, GSDP has an impact of **Service, Manufacturing and Agriculture Sector,**

**Finding, Suggestions And Conclusion**

**Findings**

**A.** The first objective of the study is to compare the growth rate of Different states in India. From this, it is found that:

a. Andhra Pradesh has the highest growth rate in GSDP at 14.44% followed by Madhya Pradesh with a 13.84% growth rate from the year 2013-2014 to 2017-2018.

b. India having a GDP growth rate of 11.43% from the year 2013-2014 to 2017-2018.

**B.** The second objective is to examine the trend of the Real GDP and Nominal GDP of India. From this, it is found that:

a. The decreasing trend in current prices is due to the rate of inflation.

b. The rate of inflation was 10% in the year 2012, 9.4% in 2013, 5.8% in 2014, 4.9% in 2016, 3.6% in 2017 and 4.74% in 2018.

**C.** The third objective is to analyze the impact of five factors (Agriculture, Construction, Industry, Service, Manufacturing) on the GSDP of Top 3 states. From this, it is found that:

a. The Maharashtra State is having the impact of the Industry sector on GSDP.

b. The Tamil Nadu State is having the impact of the Service and Manufacturing sector on GSDP.

c. The Uttar Pradesh State is having the impact of the Service, Manufacturing, and Agriculture sectors on GSDP.

**Suggestions**

GSDP is one of the primary parameters used to gauge the health of a state economy and a country economy.

1. The Maharashtra state needs to focus on the Service sector.

2. The state should focus on the agriculture sector more as the sector could the major contributor to state GSDP.

**Conclusion**

Thus, it may conclude that regional disparity is a common process in developing countries like India. Moreover, the Growth of GSDP is inconsistent in different states in India as well as in the GDP of India. There should be decentralization of economic activity with all factors of Production throughout the country to reduce the disparity in the growth rate of GSDP of states in India. The economic growth rate of India for the past couple of years has been witnessed a downturn partly because of the uneven growth rate of Indian states. Moreover instability, Volatility appears to be a dominant characteristic of the economic growth of Indian states.

It is also found that the different sectors are affecting the GSDP of each state. The study found a significant effect of the Industry sector on Maharashtra GSDP but a significant

effect of the Agriculture, Manufacturing, Construction, and Service sector could not be done. A significant effect of the Service and Manufacturing sector on Tamil Nadu, effect of Agriculture, Manufacturing and Service sector on Uttar Pradesh over the period from 2011-2012 to 2017-2018.

Finally, the Service sector is a more significant contribution to economic growth in four states from 2011-2012 to 2017-2018. Therefore, this sector should be given priority in the planning of National Development Policies.

**Future scope**

1. This research work can further be extended by including other important factors of economic growth such as R&D, Infrastructure, Institutions, government policies, banking, insurances.

2. This research can be further extended to include all the states of India so that the overall sector effect can be established.

3. A single factor or variables are not sufficient to focus on overall aspects of macroeconomics some scholar can start afresh taking avenue can advance a further study.

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# A Study on Social Media Influencers Affecting The Buying Patterns of Consumers in Mumbai

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**Abstract** Online social networking is one of the most widely used and popular pass time for the millennials. This research is to study the effects that social media influencers have over the consumers buying patterns in Mumbai. A Social Media Influencer is a user on social media who has established credibility on widely used social media sites like Instagram, Snapchat, Twitter, YouTube and such. This kind of marketing is also called as influencer marketing. In recent years influencer marketing has surpassed traditional marketing and digital marketing. It is being predominantly used by brands to communicate and market themselves to he focused target audience. The purpose of the study is to study the credibility and the influence it has over a consumer's perception of a brand.

**Keywords:-** Social media, social media influencer, online, consumers buying decision, influencer marketing, brands, online shopping, trust,

## Introduction

When was the last time you had to buy something and you looked at the review or products that one of your liked social media influencersused? We live in an era where people are inclined to look at reviews and opinions about the product online before even thinking of buying it. In the last seven years the growth of influencers on social media platforms like Face book, Twitter, Instagram, Snapchat, YouTube and such as drastically increased. About 326.1 million people from India use social media platforms, it has reached all the corners of the country. The social media influencers act as mediators with a niche target audience, which increases gradually as per the influencer's content. When an influencer talks about or in other words markets a product or brand it gives the followers the information of the brand and creates a recall value. This kind of marketing is also called as influencer marketing. Influencer marketing can be defined as the process of promoting and selling products or services through individuals capable of driving action from your target audience. Influencers share the values of a brand and their customers, bridging the gap between both entities.

Influencer marketing is based on utilization of influencers to drive a brand's message, to reach the right target audience. Using abundant social media platforms like, for example, Facebook, Instagram, Twitter and YouTube, web-based life influencers use these platforms to popularise the brands among the niche consumers. According to Forbes, influencer marketing can be defined as a form of marketing in which focus is put on explicit key people instead of the objective market all in all.

As the fast-growing social media industry, the brands and organizations hire or associate themselves with social media influencers with thousands of followers, in the category the product is in, in a way it connects with the consumers more easily and directly. They use it and show it on a personal level which is more acceptable and connects with the followers. Social media influencers represent a new type of independent, third-party endorsers who shape an audience's attitudes through blogs, tweets, and the use of other social media channels. influencers frequently contribute new data and can influence mentalities and practices of others, for example, help potential clients settle on a buy choice. An influencer must be trustful, or the brand risks to lose its validity with its customers.

Additionally, as social media influencers grew to fame, there was a new regulation introduced, which states to mention if your post is a paid partnership. It was made for people or followers to know that they are not being cheated and the influencers actually support a brand, and or if it is a sponsored post.

On an average a millennial spends almost six hours on social media which makes them perceptible and open to the influencer marketing. This research is to study all the aspects that affect the consumers who follow social media influencers.

## Literature Review

Social media influencers on social media platforms have come a long way with the millennial. Also called as influencer marketing, it is a new phenomenon in the industry and has opened a new way for brands to connect with the right audience. Because of the constantly changing and fluctuating market, this topic has been widely studied by the contemporary researchers. The literature review covered the identification of social media influencers, their importance and impact on brands, and the strategic planning they employed while communicating with consumers, and the effects that they have on their followers, the paid partnerships, and sponsored posts of the products from the growing brands. Brands have always had a focus on

targeting their consumers wants and needs. The image a brand gains from its social media influencers helps build direct relationships with its key consumers and encourages brand loyalty. brands are quickly consolidating influencer showcasing to get arrangements that create loyal customer content. Influencer marketing is for sure not a new idea as, shoppers relied upon specialists for direction. In this computerized time pushed by social media-based life, the term influencer includes a broad assortment of socially astute experts. The many-sided nature of systems and stages has provoked the need to associate brands with ability to spread the message, subsequently it is just evitable cap influencer showcasing will be operational for long-term. According to existing literature, Electronic-Word-of-Mouth (eWOM) has greater effects on consumer decision-making compared to traditional advertising, because of its credibility. Consumers find it more trustworthy and reliable. This study is to gain a deeper understanding of how consumers perceive the marketing tool and thereafter how it can affect their attitudes. This research is to study the effects that the social media influencers have on the new age consumers this research reviewed the buying patterns of those consumers in Mumbai.

## Objective

The objective of this research is to study what affects the millennia's buying patterns in Mumbai.

The effects of social media influencer on social networking platforms like Instagram, Snapchat, Twitter,YouTube,Tumblr and more.

## Hypothesis

$H_0$- Social media influencer marketing has not successfully changed the consumers buying patterns.

$H_1$- Social media influencer marketing has successfully changed the consumers buying patterns.

## Methodology

The research was to study the effects of social media influencers on buying patterns of consumers in Mumbai. Qualitative and quantitative methods were used to collect the data. The first hand data was collected by questionnaire, personal interviews in Mumbai. Secondary data was generated through books, journals, newsarticles, research papers and websites.

## Sample Size

Sample size of the research was 60 respondents of the google form.

## Analysis Of Data And Interpretation

How many social media sites are you on? (you can choose multiple)
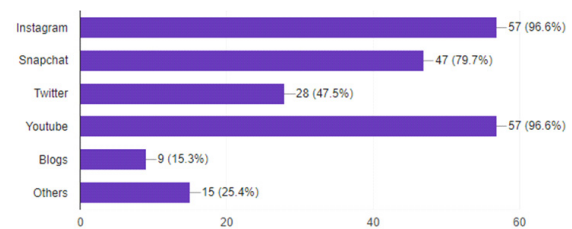


## Finding

The millennials prefer social media platforms like Instagram, Snapchat, Twitter, YouTube, LinkedIn,Tumblr,Pinterest, and Facebook.

2.  Do you follow any influencer on social media?
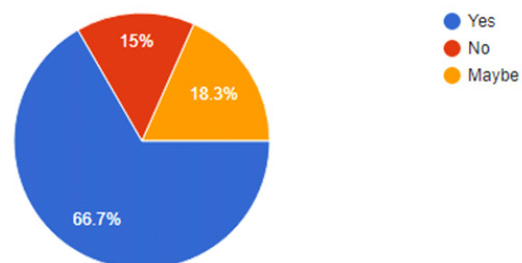


About 66.7% of consumers follow social media influencers

3.  If yes, approximately how many influencers do you follow on all of the platforms?
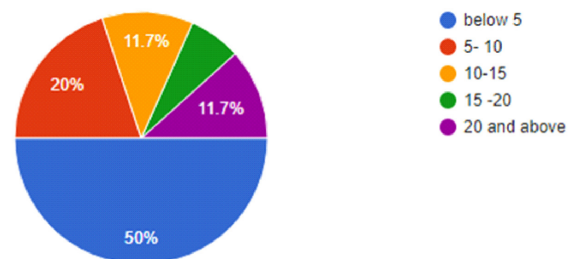


About 50% of people follow at least 5 social media influencers, the arsons to follow these influencers are entertainment, follow new trends, fashion, Inspirations, discounts, food reviews, art and travel inspirations. Today's generation believes in reviews and following new trends on social media.

4.  To what extent are you inspired by an influencer?
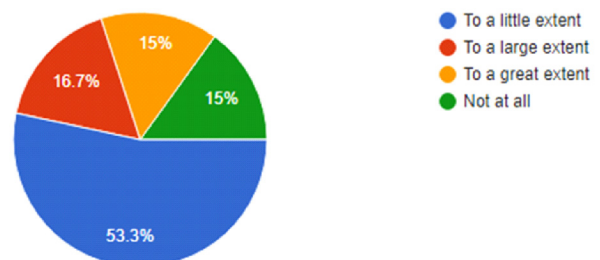
In the above graph, it shows the extent that consumers are inspired by the influencers; the 15% people believe that the influencers are fake and shallow; they cannot connect with their content.

5. Do you believe the number of followers\ subscribers do matter and increase the trustworthiness?
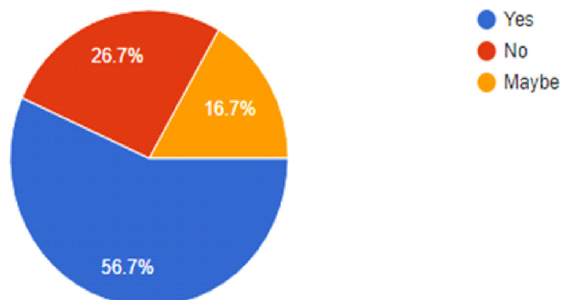


The people follow an influencer who is famous and has a fan following, as it shows the credibility of their work. The number of followers does make a difference,as the quality of the content too would be better and the reviews would be authentic as the followers are more.

6. Do you believe the review given by the influencers is authentic?
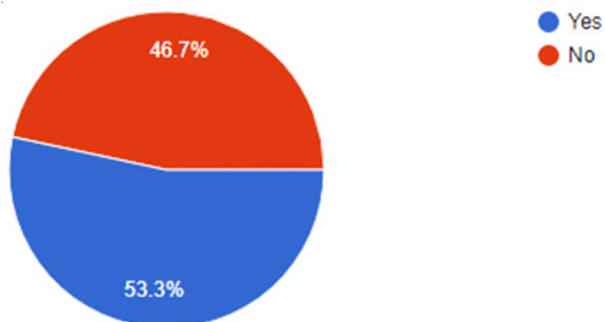


About 53.3% of consumers believe that the reviews given by the influencers are authentic, they are reliable. It also reflects on the trust factor.

7. Does a sponsored post by the influencer affect your decision about the brand\product?
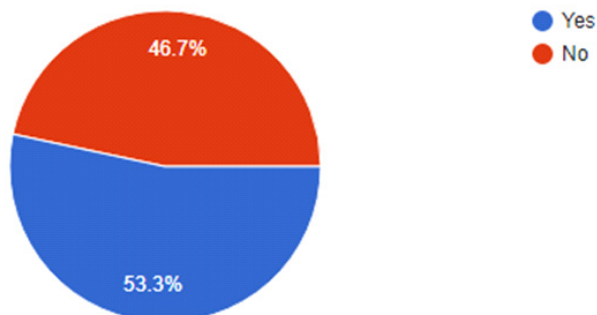


Another important subject for the consumers is that there should be a clear connection between the influencer and the promoted product. There should be a connection of the product or brand with the influencer; otherwise the post seems to be bought.

8. Have you ever unfollowed an influencer?
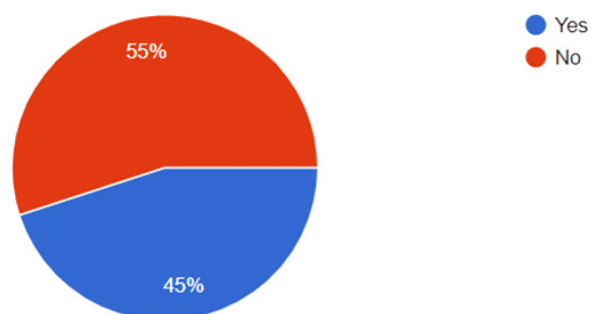


According to the graph 55% of the respondents has never unfollowed an influencer, it shows the loyalty that the people have towards the influencer. As a result, the brands can rely on these influencers to market their product to the right focused audience.

**Interpretation**

From the above data it is clear that about 70% of the millennia's follow a social media influencer. From which at least 50% consumers follow at least 5 influencers. And about 55% of consumers have bought products inspired by an influencer, and they trust the review by the influencers to be authentic.

**Findings And Conclusion**

- From the research we found out that social media influencers have successfully managed to influence consumers buying patterns.

- Social media influencers have become a great part of a marketing for brands to market their product to the right focused group.

- There is a trust factor, between the followers and the influencer, which plays an important role in the buying patterns of the consumers.

- There are still some reliability issues on sponsored posts or paid sponsorships, as it breaks the personal touch with the people.

- Influencers do inspire people to buy new products, give them new ideas and provide entertainment.

- Also, the more the number of followers the more trustworthy the people think the content of the influencers is, the review is more reliable.

**Suggestions**

- The posts that are paid for or sponsored, it should be mentioned in it. It makes it easier for the followers to decipher between the paid and unpaid posts.

- The number of followers though important, they should be gained ethically

- The content of the influencers must be such that it connects with the consumers.

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# Business Intelligence: An Innovative Approach in Banking Sector

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**Abstract:** The financial services industry is rapidly changing. Factors such as globalization, deregulation, mergers and acquisitions, competition from non- financial institutions, and technological innovation, have forced companies to re-think their business. Many large companies have been using Business Intelligence (BI) computer software for some years to help them gain competitive advantage. With the introduction of cheaper and more generalized products to the market place BI is now in the reach of smaller and medium sized companies. Business Intelligence is also known as knowledge management, management information systems (MIS), Executive information systems (EIS) and On-line analytical Processing (OLAP).

**Keywords:** Business Intelligence, Data warehouse, Star Schema, Cube, Enterprise Resource Planning, Customer Relationship Management, OnLineAnalytical Processing.

## 1. Defining Businessintelligence

"Business intelligence is the process of gathering high-quality and meaningful information about the subject matter being researched that will help the individual(s) analyzing the information, draws conclusions or make assumptions." [Jonathan, DMR 2000]

Business intelligence refers to the use of technology to collect and effectively use information to improve business effectiveness. An ideal BI system gives an organization's employees, partners, and supplier's easy access to the information they need to effectively do their jobs, and the ability to analyze and easily share this information with others.

### 1.1. TraditionalReporting

Traditionally reporting in an organization often flows up the management hierarchy of the business e.g. Production operators will collect information about a production line, e.g. units produced, production time, down time and utilization %, this information will be passed to a shift supervisor who may well pass it in a summarized form to the production manager and then to a production director.

"The key to an information marketplace is an active information repository—or catalog—which contains or points to a variety of "information objects" both inside and external to the organization. Users can browse through the catalog, shopping for objects that interest them and publishing objects that they've created or modified for others to consume." [Eckerson, DMR 1998]

### 1.2. Analytic versus BusinessIntelligence

"Information workers at all levels of the organization need to be able to interact with the data: to drill down, drill up, slice and dice business information to quickly find the relevant facts on their own, without administrative intervention."[MS, MSW2002]

Both business intelligence tools and analytic applications draw on information that has been sourced from multiple disparate systems across (and sometimes beyond) an enterprise and integrated into an information repository. Apart from this commonality, the contrast between them couldn't be greater.

Business intelligence tools have been likened to spreadsheets on steroids. They deliver powerful analysis and knowledge discovery capabilities into the hands of specialists who have gone through week-long training classes to become familiar in their use. But in practice, using a business intelligence tool is a painstaking and time-consuming process even for a power user. The user has to be proficient in the use of the tool, know how to structure ad hoc queries and SQL statements, and also understand how to perform intricate analyses. Consequently, with business intelligence tools, analysis is performed in a silo – separate from management functions rather than integrated with them. The resulting reports and forecasts are not always intuitively understandable and, in any case, represent after-the-fact knowledge.

In contrast, analytic applications are focused on immediacy of information, its broad deployment and its direct applicability across the entire enterprise value chain from front- and back-office operations to supply chain, CRM, Web channel, sales and marketing, and other critical line functions. Integration, analysis and delivery capabilities can all built into the application. Instead of waiting for reports to be sent to them by power users, analytics-enabled managers themselves use business problem-specific, Web-based dashboards and scorecards to evaluate key performance metrics on a continual basis. Rather than putting users through a voodoo-like process that is staggering in its complexity, analytic applications provide analytic workflows that guide managers quickly and consistently through their businessdecisions.

### 1.3. Strategic or Tactical

Business intelligence applications can be deployed either strategically i.e. across functional department or tactically i.e. within a functional department.

#### 1.3.1. Strategic

Strategic BI has the potential of big rewards. It can give senior managers a holistic view of the company andcanidentifytrendsandopportunitiesforgrowth.It

can also be used for monitoring the company against its Key Performance Indicators (KPI's). Because it goes across departmental boundaries it encourages collaborative working in the organization.

#### 1.3.2. Tactical

Can be applied to the 'pain' areas of your business where the extra knowledge and insight that BI can bring will bring quick and quantifiable results. It is usually a good place to start if you have had no previous experience in BI. An example of tactical BI deployment might be to look at production yield from a manufacturing process, we might want to record inputs, output, wastage, plant breakdown.

### 2. Identifying Business Intelligence Opportunities

The first task in starting a BI initiative—and the first goal of the BI road map—is identifying what you want to achieve with business intelligence. In practical terms this means looking for opportunities in your organization where business intelligence can improve the quality of day-to-day decision making.

**This process is divided into three primary steps:**

1. Doing your homework: requires consideration of where business intelligence can be applied in an organization (for example, business units or functional areas), who is to benefit (for example, executives, analysts, and managers), and what types of information are needed (for example, dimensions and measures).

2. Sharing and collecting ideas: involves gathering people together to brainstorm and share their ideas and experiences about which business processes can benefit from business intelligence and what information can help them improve theseprocesses.

3. Evaluating alternatives: uses standard criteria to assess the ideas collected during brainstorming efforts and identify those BI opportunities that offer the greatest benefits.
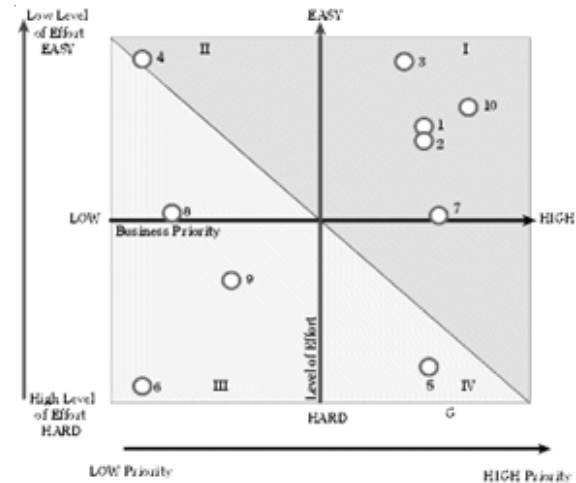


Figure 1. A sample BI opportunity scorecard [Source: VittLuckevichMisner, BI 2002]

### 1.1. Costs, Benefits &Returns

"Return on investment (ROI), the yardstick against which most corporate IT projects are measured, has not been consistently used as a justification for data warehousing for two reasons. First, in the rush to implement this highly popular decision support solution and important competitive weapon, early adopters have tended to evaluate data warehousing using less stringent criteria than for other technology outlays. Second, due to the relative immaturity of the technology, data warehousing projects are recognized as inherently risky and deserving of greater latitude in delivering ROI." [CRANFORD, DMR 1998]

BI opportunities are typically more difficult to evaluate than other IT projects using traditional return on investment, payback, and discounted cash flow techniques, especially for companies that have no experience with the technologies. OLTP systems are inextricably linked to the day-to-day processes of the business, where costs are generally well known and consequences of systems failures, for example, not processing an order or not invoicing a customer for goods shipped, are understood and easilyquantified.

With business intelligence, however, the most important benefits, while intuitively obvious, are often not easily quantifiable in advance. They revolve around less measurable, more esoteric variables, such as the impact of having information sooner, the quality of decisions, new marketplace insights and tactics, and potential shifts in competitive strategy.

The list of intangible benefits, while difficult to quantify, is where the greatest and fastest paybacks occur.

- Improved operational and strategic decisions from better and more timelyinformation

- Improved employee communications and job satisfaction resulting from a greater sense of

empowerment

- Improved knowledgesharing

## 3. Business Intelligenceinfrastructure

Business organizations can gain a competitive advantage with a well-designed business intelligence (BI) infrastructure. Think of the BI infrastructure as a set of layers that begin with the operational systems information and meta data and end in delivery of business intelligence to various business user communities. These layers are illustrated in Figure below.
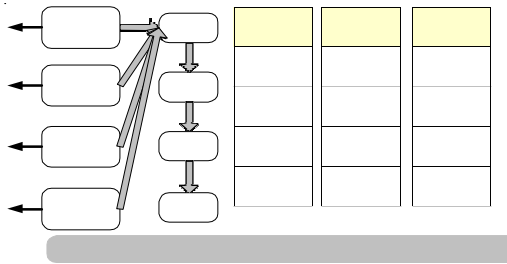


Figure 2 Business Intelligence Infrastructure's Layers
[DEBROSSE, TD 2003]

### 3.1. BusinessBenefits

The payback achieved by building the business intelligence infrastructure is a function of how efficiently it operates, how well the infrastructure is supported and enhanced by the business organization as well as its capacity for producing business insight from raw operational data. The business intelligence infrastructure delivers key information to business users. For maximum impact, standards and procedures must be in place to provide key business information proactively. This business intelligence infrastructure enables the organization to unlock the information from the legacy systems, to integrate data across the enterprise and empower business users to become information self- sufficient.

Providing managers and knowledge workers with new tools allowing them to see data in new ways empowers them to make faster and better decisions. Rather than responding to continuous stream of report requests, the business intelligence platform provides business users self-service decision support via the Web or at the desktop.

### 3.2. DataIntegration

"It's exactly this widespread source of data that has finance organizations struggling to meet the current challenges before them. As companies grow larger through mergers, acquisitions and global expansion, they collect and create more and more financial systems, a collection that becomes increasingly difficult to manage and integrate." [DEBROSSE, TD 2003]

Based on the overall requirements of business intelligence, the data integration layer is required to extract, cleanse and transform data into load files for the information warehouse. This layer begins with transaction-level operational data and meta data about these operational systems. Typically this data integration is done using a relational staging database and utilizing flat file extracts from source systems.

### 3.3. InformationWarehouse

The information warehouse layer consists of relational and/or OLAP cube services that allow business users to gain insight into their areas of responsibility in the organization. Important in the warehouse design the definition of databases that provide information on confirmed dimensions or business variables that are true across the whole enterprise.

"What's needed to aggregate the data, then make it available to the appropriate decision makers is a data repository capable of pulling data from the disparate sources spread across the enterprise – an enterprise data warehouse (EDW)." [DEBROSSE, TD 2003]

In order to architect this information warehouse layer correctly, the business requirements and key business questions need to be defined. When this information is available, there will be additional insight into the business derived from the underlying data that cannot be fully anticipated before the data is actually

available. Key areas to consider in defining requirements relate to the major functional areas of the organization.

### 3.4. BIApplications

The most visible layer of the business intelligence infrastructure is the applications layer which delivers the information to business users. Business intelligence requirements include scheduled report generation and distribution, query and analysis capabilities to pursue special investigations and graphical analysis permitting trendidentification.

This layer should enable business users to interact with the information to gain new insight into the underlying business variables to support business decisions.

In order to achieve maximum velocity of business intelligence, continuous monitoring processes should be in place to trigger alerts to business decision- makers, accelerating action toward resolving problems or compensating for unforeseen business events. This proactive nature of business intelligence can provide tremendous businessbenefits.

### 3.5. Portals

Presenting business intelligence on the Web through

a portal is gaining considerable momentum. Web-based portals are becoming commonplace as a single personalized point of access for key business information. All major BI vendors have developed components which snap into the popular portal infrastructure.

"Strictly focusing on the business intelligence (BI) aspects of corporate portals is dangerous because it misses the needs of end users." [KOUNADIS, DMR 2000]

### 3.6. How well is Your Business Intelligence Infrastructure Implemented andSupported?

To determine the completeness and adequacy of your BI infrastructure, answer the following questions. Any "no" answers indicate opportunity areas for improvement.

1. Do you have an effective data integration process in place to create required business intelligence on a dailybasis?

2. Are continuous monitoring processes in place to allow alerts to be communicated immediately to those who need to takeaction?

3. Is your information delivery process automated?

4. Is your warehouse administration infrastructure completelyautomated?

5. Are alerting techniques used to communicate exceptions quickly so decisions areaccelerated?

6. Are the key business questions being answered about your business areas of responsibility?

7. Is information available on standardized dimension such as customer, product andgeography?

8. Do you have adequate competitive information to answer key business questions?

9. Have you delivered scorecards on key performance indicators to top decision- makers?

10. Do you leverage your enterprise portal infrastructure to deliver business intelligence?

### 4. Business Intelligence and Financialindustry

The financial services industry is rapidly changing. Factors such as globalization, deregulation, mergers and acquisitions, competition from non-financial institutions, and technological innovation, have forced companies to re-think their business strategy.

"As competition intensifies in the retail financial services marketplace, accurate measures of customer value down to the account level are becoming increasingly pivotal to success at the retail end of the market. This applies both to established players and new entrants." [SIMON, NCR 2000]

Financial services companies now have to create new revenue streams, enter new markets, gain market share, and reduce operational costs.

In addition, customers' expectations are changing. They are becoming better informed and more demanding. Companies are therefore transforming their management strategy to become more customer-centric than productfocused.

Though these challenges span the financial services industry, consumer banking, investment banking, and insurance each has its own unique demands that require different success strategies.

| Challenge | Process | Average Class | World |
|---|---|---|---|
| Provide timely, accurate information to decisionmakers. | Closing cycle | 5 - 8 days | < 2 days |
| Provide accurate forecasts to Investors | % of time on analysis /forecasting | 20% | 44% |
| Increase productivity and Bandwidth per function | FTEs per $B | 122 | <95 |
| Control expenses | Cost of Finance | 1.15% of revenue | < .53% of revenue |

**Table 1: Financial Management Challenges**

[Source: 2000 Hackett Group Benchmarking/Solutions Book of Numbers]

Business intelligence solutions have played a Improve customer loyalty and increase their value by providing access to account information so that customers can make faster and more effective company and employee investment strategies.

Respond quickly to meet regulatory requirements by reporting on the level of exposure of holdings and investments in volatile regions.

### 4. Cib – A Biimplementation

CIB-Credit information Bureau, a various bank departments are responsible for maintaining the information related to borrowing related to any person, significant part in the strategy of many of financial services' companies, to quickly adapt to market changes. With easy access to large amounts of complex data from disperse sources, companies

are able to manage costs and performance, and acquire and increase the profitability ofcustomers.

Business intelligence solutions can help financial services companies in many ways, including retail banking, insurance, and investment banking.

### 4.1. RetailBanking

Identify profitable customers and products by understanding customer buying patterns and characteristics.

Retain customers and increase their value by understanding individual customer behavior, identifying and responding to changing needs, and offering better products and services.

Optimize multi-channel interaction by understanding customer preferences, transaction costs, and channel performance.

Improve customer service by identifying and responding quickly to incoming call trends by customer, representative, geography, and dispute types.

Increase effectiveness of marketing campaigns by analyzing optimal response rates and channel strategies.

Reduce customer acquisition costs by identifying profitable customer characteristics and executing targeted marketing acquisitioncampaigns.

Reduce delivery costs by providing electronic bill reporting to enable customers to analyze their bills and make informed decisions.

Reduce risk and minimize losses by understanding risk exposure both throughout the organization and at an individuallevel.

"By establishing the value of each account to its business, the institution gets all the benefits of detailed data, plus the ability to aggregate this data in an infinite variety of ways. The value of this capability is reflected by the wide range of functions across the institution which queue up to make use of aggregated account data as soon as it becomes available." [SIMON, NCR 2000]

### 4.2. InvestmentBanking

"Increase customer satisfaction by exceeding demands of high net worth individuals through improved understanding of their needs, risk tolerance, and investment interests." [BO, BUSINESSOBJECT.COM 2003]

Improve customer loyalty and increase their value by providing access to account information so that customers can make faster and more effective company and employee investment strategies.

Respond quickly to meet regulatory requirements by reporting on the level of exposure of holdings and investments in volatile regions.

### 4. Cib – A Biimplementation

CIB-Credit information Bureau, a various bank departments are responsible for maintaining the information related to borrowing related to any person, Company, and group of companies.

CIB maintains this information by frequently fetching borrowing's related information from various banks and institutes throughout various countries.

This is a requirement imposed by various banks on all financial institution that they need to get the credit worthiness report before granting a loan above a certain amount to a customer. The current practice of obtaining a credit worthiness report is that the Financial Institution submits a form in various banks. Here the report is prepared manually by the various banks staff and handed over to the requesting institution on the followingday.

The reason behind to maintain such an information is to track the net amount hold by any borrower, to eliminate the manual work at various banks end, and to provide quick and easy service to the Financial Institution. This application will allow the user to access the Credit Information Bureau central repository invarious banks.

### 5.1. Problem Statement

"To provide fast, accurate, and dynamic analysis on both individual borrower and Group basis."

Currently CIB gets borrowings information through fax and/or telephones and if any bank or institutes wants to inquire about the holding of a certain person it has to first contact CIB department and then after 15-20 days the information is provided to the bank.

The process is quite complex. CIB provide information about borrowings of a particular borrower, also if the borrower belongs to a particular group of companies then the group's net borrowing also needs to beidentified.

### 5.2. Existing Repository

Currently the database is running on Oracle 9i. The database contains information related to borrowings and application security.

### 5.3. Entities Summary

Following is a summary of the operational data store. These tables will serve as source tables for our business intelligence application. In the table some description of each table is also specified.

Table 2: Operational Entity Summary

Out of 30 tables, in original schema, we will be using only 4 tables, as specified above, since the required analysis can be performed based on the information in these fourtables.

### 5.4. The Solution

As with all business intelligence implementations, our solution is not just a software application. As discussed in previous sections a typical business intelligence solution consists of several layers. Starting from OLTP Data bases, to Data extraction, transformation, loading, generation of multidimensional data store, and finally a very user friendly User Interface providing Drill-down and Roll-up facilities.

As specified in the previous sections currently Oracle 9i has been used as data base of OLTP. In the following table the tools/technologies used in implementing each layer is specified.

| Layer | Tool/Technology |
|---|---|
| Operational Database (OLTP) | Oracle 9i |
| DataExtraction/ Transformation/Loading | Microsoft Data Transformation Service |
| Data Staging Area | MS SQL Server 7.0 |
| User Interface | C#.Net, Pivot Table Service |

Table 3. Tool/Technologies Used

### 5.5. The Schema Design

We have used Star Schema in our data warehouse design. We have developed only one dimension for fulfilling all current analytical requirements.

We have only one fact table, for Borrowing detail information, and four dimension tables for Borrower, Institute, Director/Guarantor and Time related information.

### 5.6. DataTransformation

In order to extract data from Oracle 9i Server and then loads it into SQL server, we have used MS-SQL Data Transformation Services.
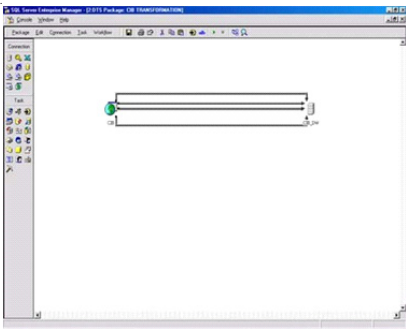


Figure: Data Transformation, Extraction and Loading

### 5.7. The Interface

The User interface is developed using Visual Studio.Net (C#.Net). By default user interface for any analytical/Business Intelligence Application needs to be dynamic and very user friendly.

OLBA-Online Business Analysis – is a very user friendly and easy to use application. It is very secure, dynamic and analytically enriched tool. OLBA provides graphical as well as analytical analysis to user on subject areas according to its rights/permission. OLBA allows user to perform analysis on various basis. For example, through OLBA user can analyze net borrowings based on Borrower, Institute, Time, on director/guarantor.Also OLBA allows user to view aggregation of facts on various levels as designed in the Data warehouse Cube.
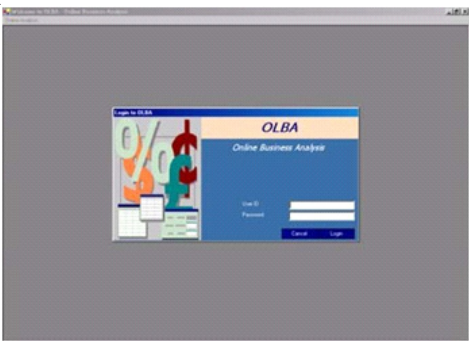


Figure: OLBA – User Interface
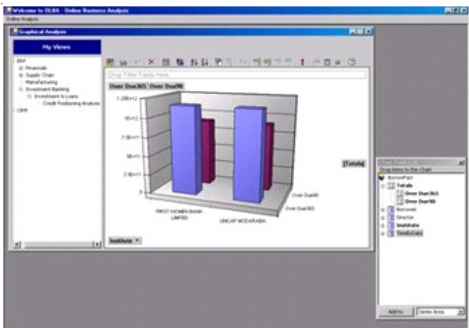


Figure3: OLBA – Graphical Analysis



Figure: OLBA – Numerical Analysis

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# Reimagining Capitalism

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**Abstract:** Capitalist societies of the developed world having transformed societies dynamically for past centuries, seem to have become dysfunctional for nearly a decade plus years. The living standard has not improved, inequality gaps have risen, and environmental degradation is posing danger for global prosperity. Also, the discipline of economics is being endangered by the ways modern economies are working.

**Keywords:** Capitalism, inclusive economy, global prosperity

## Introduction

An inclusive economic system that is innovative as well as sustainable is possible with fundamental changes in understanding how capitalism works and how a public policy can reshape economic future.

The most important realization of today is that earlier days when men in suits and ties acted like warriors fighting at times physically for profits, are behind us.

Those were the days when a lot of weird things happened in the markets because of some ridiculous passions for money.

Past fifty years organisations are viewed and valued almost with just one idea as a profit generating machine in short term and rising share prices excluding everything else what the organisation does for a social cause. It was like treating and value someone based on the income only, pulling away all the humanity from the organisations. Looking back, it is felt that the very foundation of our society was a major threat.

Higher profit margins aggravate income inequality but does not increase social wealth. Suppose 10% population of the country take 90% of stocks, and earn larger share of profits, then the balance of the society is left with less wealth.

More the income inequality more are the problems in social and health welfare like illiteracy, social mobility, life expectancy, and more.

The solution to this is the change of behaviour by the organisations and changing the ways they operate. Getting away from the obsession of earning only profits is not easy and more like an addict getting rid of a habit.

Parting away with 2% of the profits to charity makes someone a philanthropist but still the craze of earning profit remains and the behaviour does not change.

If the organisations start trusting the free market system, they may be able to change their behaviour and be fair to the society by bringing in and measuring social, environmental and governance elements.

Capitalism has supported many major innovations but must be based on justice in parity with profits to keep the enormous fabric of human society intact.

## Thinking

Once upon a time the profession of economics worked in the interest of larger good (public interest), Then the free market ideology (neoliberalism) with an assumption of maintaining market

equilibrium, have so far worked for big organisations and the rich, which has created a divide between rich and poor as the tax percentage have risen killing economic growth, wage raise has killed jobs, and government regulations have been inefficient.

Economics in the background of rising inequality and instability, needs to be viewed differently. People should be viewed as creators of economic growth, mutuality will promote public good, and cooperation will help in creating wealth.

In this new evolutionary economics prosperity is the result of increasing consumer demand for goods which props up more innovations to solve the problems and fill the gap in the market. This requires high level of economic and social cooperation to produce specific products.

Consider the markets and technology like the mobile phones, internet, clean energy that were funded by public money at the vital stages and still the government has been undervalued driver of growth and innovation. The long accepted dual role of active private sector and a staggering role by the government warrants an urgent discussion to address the most critical social and environmental issues.

Knowledge on the free markets has driven a thought of cutting public expenditure to boost economic growth. The traditional theory in a way by not challenging this concept has supported and fostered to build a strange relationship between conventional economic philosophy and the framed policies so far. The society needs to understand the source of economic value, innovation and device a mechanism making the private sector and the government work together thus creating vibrant economies needed.

For last fifty years it has always been the management thinking that an improved organisational performance, good governance and right strategies ensured good health of the organisation indirectly meaning a stronger society. This was on the premise that there is only one social responsibility of an organisation, that of using its resources to generate and increase profits.

With a revolution in eighties created by companies from Japan in managing their organisations, challenged the thinking of fifty years about the social responsibility in order to compete in the global market. Uprising in Eastern Europe, and Soviet Russia prompted leaders to look

at the global issues and market, addressing financial impact for customers. The thoughts about future effects in economic and management sense continued to proliferate.

In the millennium decade along with thinking about the future in the economic sense, refurbishing of fundamentals in management like governance while leading organisations was triggered due to technological advancements that enabled globalization, but also disturbed the economies when dot-com crashed in the year 2000, and later global financial crisis of 2008. This laid the foundation of rethinking about social responsibility of an organisation.

Organisations have a crucial role in the society and economy as they create jobs, innovate, provide goods and services boosting economic growth while satisfying their own individual business goals and objectives. COVID-19 has helped in establishing an intense connection between the business organisations and the society as the stakeholders, customers and even employees expect the leader to communicate and demonstrate the stand of the organisation on essential issues.

Our basic ideas about economic growth is very narrow. Major breakthroughs like the moon landing or advent of Internet has happened because of government funding and not just the private sector as is understood.

Invention and innovation in technology requires funding in basic and applied research which is funded by the government.

Of-course this does not mean that the organisational leaders are not critical to their success, but one cannot ignore the public funding. Consider the healthcare in the recent pandemic that has opened our eyes about the weaknesses of the global economy and our thoughts on economic growth and value creation.

COVID-19 has redefined our focus on what is of value in an economy. Our belief of high-value components of society like finance and real estate are not foundational or essential components in comparison to healthcare. Citizens working in healthcare, education, public transport, social care, super-markets and delivery services are our key components of the society. The pandemic has made it clear as to how much reliance is on unpaid labour and the dependency on the government to create and promote jobs through stronger economic developmental policies. This will clarify the role played by global leaders in redefining value in future.

It is not required to fit everything into GDP. Economic value in GDP measurement is based on market transactions – goods and services sold in the market and is used to defend disproportionate inequalities of wealth and income. Those activities that have a specific price are included in the measurement which is a flawed concept for example if one marries his cook, GDP will go down, because an activity that is paid for continues but there is no price or no transaction done. Similarly, if pollution is created, GDP will go up, as that needs to be cleared by someone which attracts a price and transaction.

For all these gone years up to the first quarter of 2020 it was normal for the few rich people to hold one-fourth of the country's wealth, for a few to draw nearly a third of the income earned while the three-fourth of the country's population would borrow to meet expenses required. It was normal till March 2020 to take an unpaid holiday. Slow decarbonizing the world's economy or exposing ourselves to potential climate change calamity seemed tolerable. But going back to the same political system which is swamped with money and majority of the population has a belief that only a few insiders are benefitted with interest groups controlling the policies, is disastrous. Instead imagine three years to five years down the line when economic growth is driven by innovation, where company goals are aligned to employee goals especially in sectors like healthcare which are extremely inequitable. COVID-19 has made it very transparent that intervention by the government to govern intellectual property rights, pricing of treatment, manufacturing COVID-19 drugs and vaccines need bold policies to make the overall treatment accessible and affordable.

Capitalism can be major invention as pandemic has posed a massive challenge and an opportunity to solve inequality by creating lots of good jobs, by transforming agriculture, transportation and energy systems. This is possible with a persistent pressure of free market that will drive cathartic innovation in a massive scale.

This is possible as we have resources and the required knowledge to build unbiased and viable capitalism. To make this possible, organisations will have to understand their role and how they think about the government.

Free markets can make us reach our goals of capitalism,

as they are the foundation of affluence and autonomy. We need to work towards controlling greenhouse gases, and create honest openings keeping the policy guidelines unrestricted and reasonable. Currently the balance between the role of money in politics and the attack on government policies is missing due the increasing importance of shareholders. This has resulted in changing policies to one's own favour as that being the fastest and easiest route to profitability.

Strengthening the conversation with public, fulfilling the need to rebuild the democracy, presentment of facts and having mutual respect leads to commitment of all-encompassing society for everyone. Organisations ethically contributing to the health of institutions keeping our society strong and promoting a sincerely unrestricted and reasonable capitalism at the same time satisfying their own fiscal interest will help in reviving the status of answerable and receptive government making itself capable progressively.

The shocks of pandemic tell us that we do not have to go back to normal where we were, but we need to reimagine capitalism that balances the strength of free market with an able and receptive government. This is the right time for businesses to make government as their partner in reimagining capitalism and not as a rival thus making a society for everyone rather than for only some blessed.

The society will be driven by responsibility and sustainability rather than being driven by constant growth which will be a radical change to reimagine capitalism as many major sectors like construction, auto, agriculture, energy and many more will undergo a drastic change.

The new type of capitalism will help a very well interrelated world in the 21$^{st}$ century promoting

a form of political market working for a greater good instead of having a narrow quest of profitability and growth. An intensely ethical capitalism that is caring and responsible socially will consider every stake holder and significantly make the leaders responsible. Hence it is time to explore and change fundamentally the principles about what a business is, serving whose interests, and how can it create value.

Reimagining capitalism brings about a new paradigm placing at the centre the society, empowering everyone including those who have been traditionally side lined either by race, creed, culture to participate in the democracy and economy. So reimagining capitalism is for the good of many and not just for a few privileged.

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# Rural Transformation through Digitalisation in India

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**Abstract:** This study made an attempt to understand the various digital initiatives by the Indian Government, its impact and progress. The study results reveal the spread of digitalization across various areas of rural life in India with profound Socio-Economic impact.

**Keywords:** Rural Economy, Rural Development, Socio-Economic Development, Digital Inclusion, Digitalinida, Google, ICT, Direct Benefits Transfer, Digital Village

## Introduction

Digitalisation promises to boost productivity growth and economic competitiveness. Digitalisation contributes directly to economic growth through the ICT supply side by enhancing the contribution of ICT goods and services in total value added (i.e. production effect). The analysis of unprecedented volumes of digital data ("big data") generated in all areas of social life will be a further driver of this transformation process (OECD, 2015d).

Adoption and use of Information and Communication Technology (ICT) foster productivity, green and inclusive growth through digital innovation. Digital innovation refers to: (i) in a narrow sense, the implementation of a new or significantly improved ICT product (good or service), i.e. ICT product innovation; and (ii) in a broader sense, to the use of ICTs to implement a new or significantly improved product, process, marketing method, or organisational method, i.e. ICT-enabled innovation. ICT product innovation is a major factor for the progressive decrease in ICT prices which remains a key driving force for ICT adoption, and thus for ICT-enabled innovation, across the economy.

Digital India program is a campaign launched by the Government of India on July 2, 2015 with "Power to Empower" motto. The vision of this program is inclusive growth in the area of electronic services. This program focused on digital development of the country by providing people all facilities and services so that they are all connected to each other virtually and electronically. The aim is to provide the people with such digitally and electronically advanced technologies so that the rural areas are connected to the urban areas through network devices and services. This will boost the generation and growth of employment opportunities in the country. To connect the whole country virtually, major innovations and advancements need to be done in technological field so that the country moves towards being a digitally empowered economy. The Digital India program is centred by three components which were:-

- Creation of digital infrastructure
- Increasing Digital literacy
- Digital delivery of government services.

## Objective:

-To understand the various digital initiatives by the Indian Government.

-To understand the impact and progress of the digital initiatives.

## Literature Review:

Akinola (2012) The paper examines the security and reliability part of cashless society. It is a fact that cashless society has many advantages and it may lead to reduce corruption, crimes on the one hand and on the other hand it will able to increase the government revenue to a great extent.

Chitla (2012) The author discussed the role of ICT in eradication of poverty and rural development. it becomes important to incorporate ICT led growth. The program has a role to improve social and economic well being of the people living in rural areas. It has a role to play in education, income generation, healthcare benefits etc. The government is also able to improve the e – governance with the application of ICT. This will surely improve smooth implementation of various social welfare schemes like Direct Benefits Transfer (DBT), meant for the rural poor.

Razak etal (2013) The authors discussed the role of IT to create a smart village in Malaysia. Developing a smart village is not an easy task and involves lots of activities. There is a need to develop an integrated approach which focuses on the overall development of that village.

Singh (2013) The author described the usage and importance of internet banking to provide value added services to the rural poor. Accesses to banking services are very important for the overall growth of any economy or people living in that economy.

Kak etal (2015) The authors tried to describe the role of ICT in developing socio economic aspect of rural India. In a globalized environment the consumers are suppose to get better service and facilities as compared to traditional product and services. As the business opportunities increased the rural consumers also become the target consumers.

Midha (2016) focused on barriers and remedies to prevent the challenges faced by the Indian people. Vision, scope and pillars were also included. The study also discussed how the government services can be available to every citizen electronically and improve the quality of life of every citizen.

Gulati (2016) studied and domestic challenges that hamper the successful implementation of the program and suggest some feasible remedies to deal with it. The study also highlighted the opportunities that pave the way for achieving the program's aim of making India the preferred choice for digital activities by both global and domestic investors and also how far the "Digital India" model can prove to be an attraction for the investors to invest in the sectors which are yet to achieve their full potential in India.

**Research Methodology:**

Analysing various schemes. The information was sourced through secondary data through various reports and documents.

**Analysis:**

According to analysts, the Digital India plan could boost GDP up to $1 trillion by 2025. It can play a key role in macro-economic factors such as GDP growth, employment generation, labour productivity, growth in number of businesses and revenue leakages for the Government. As per the World Bank report, a 10% increase in mobile and broadband penetration increases the per capita GDP by 0.81% and 1.38% respectively in the developing countries. India is the 2nd largest telecom market in the world with 915 million wireless subscribers and world's 3rd largest Internet market with almost 259 million broadband users. There is still a huge economic opportunity in India as the tele-density in rural India is only 45% where more than 65% of the population lives. Future growth of telecommunication industry in terms of number of subscribers is expected to come from rural areas as urban areas are saturated with a tele-density of more than 160%.

**The Pillars of Digitalisation**



Source: https://digitalindia.gov.in/

**Markets for Farmers:**

National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. Small Farmers Agribusiness Consortium (SFAC) is the lead agency for implementing eNAM under the aegis of Ministry of Agriculture and Farmers' Welfare, Government of India.

Ministry of Agriculture launched eNam, the electronic National Agriculture Market, to connect the 7,000 APMC mandis across India to promote transparency in agricultural markets

eNAM was launched on 2015, since then 585 markets across 16 states and 2 union territories were connected. Total cumulative value of trade under eNAM has reached Rs 48,215 crore. Over 1 crore farmers and 1 lakh traders have registered on eNAM portal so far.

The Karnataka state government and the National Commodity and Derivatives Exchange (NCDEX) started Rashtriya e-Market Services to encourage competition in agricultural markets and help farmers receive better prices for their crops. An electronic auction system links more than 300 Agricultural Produce Market Committee (APMC) mandis.Incoming commodities are recorded online at the gate of each mandi and assayed at dedicated facilities. Traders across the state can see the lots and bid via computer or mobile phone. Once a farmer accepts the price, payment is made electronically directly to the farmer's bank account. The impact is that average price for yield increased by 38% in nominal terms and 13% in real terms between 2013– 14 and 2015–16. 4.2 million Farmers trade with 34,000 registered traders on the platform, as of July 2017.

**The Digital India land Records Modernisation Programme (DILRMP)** - This is an initiative for last few decades. The erstwhile National Land Records Modernisation Program – seeks to improve the quality of land records in the country, make them more accessible, and move towards government-guaranteed titles.

The DILRMP is being implemented across all the states with differential progress. While two states (Karnataka and Odisha) and three union territories have completed 100% computerization of land records, four states are yet to start the process. The remaining states have computerized between 80-90% of the records.

A program for Computer-Assisted Registration of Deeds, referred to as CARD, was introduced in Andhra Pradesh from the late 1990s. It comprised three elements, namely streamlining of registration procedures to be followed in registration of property transactions, automatic property valuation to eliminate officials' discretion in setting fees; and digitization of all ECs from 1983 as well as making these and other key documents such market valuations and deed extracts available online to allow anybody to easily verify claims regarding property values and ownership.

To facilitate communications, Digital India is implementing plans to connect 2.5 million Gram Panchayats (local governments) with high-speed internet by 2018, with hundreds of thousands already internet-enabled. GOI has also mandated that all mobiles phones must support at least one of 22 Indian languages, other than English and Hindi, beginning July 2017. With only 27% of villages having banking services within 5 kilometers, the government is licensing new banks and using mobile phone payment technology to an increasing extent. Mobile coverage is high—over 1 billion of India's population of 1.4 billion are connected. Government has focused on reforming PDS using new technologies. There is now far less pilfering thanks to the digitisation of 230 million ration cards, 56% of which are strengthened with a universal ID and Aadhaar. Several states have now installed electronic point-of-sale devices at FPSs to track sales of food grains to cardholders on a real-time basis. A much debated policy shift - in-kind cash transfers in place of food distribution - is also being facilitated by digital technology.

Since 2014, liquid petroleum gas **(LPG) subsidies** to over 176 million consumers have transferred over Rs.400 billion ($6.2 billion) directly to beneficiaries' bank accounts. Through GOI's 'LPG Give It Up Campaign', 12 million consumers voluntarily gave up their subsidies to provide greater access to LPG for their more underprivileged neighbours. Nearly 6.3 million new LPG connections have been provided to poor families in 2015–16, with a target of providing 50 million LPG connections over three years.

Further, the **Mahatma Gandhi National Rural Employment Guarantee Scheme**, (MGNREGS), the largest in the world, guarantees up to 100 days of rural employment for those in need of employment at Rs100 (US$1.5)/day. Using DBTs to pay beneficiaries has reduced transfer costs, waste and corruption - and sidestepping any possible misallocation of funds transferred from central to state to district to panchayats for distribution.

According to Mckinsey report in 2019, India's newly digitizing sectors have the potential to create sizable economic value by 2025: from $130 billion to $170 billion in financial services, including digital payments; $50 billion to $65 billion in agriculture; $25 billion to $35 billion each in retail and e-commerce, logistics and transportation; and $10 billion in energy and healthcare . Digitizing more government services and benefit transfers could yield economic value of $20 billion to $40 billion, while digital skill-training and job-market platforms could yield up to $70 billion. While these ranges underscore large potential value, realization of this value is not guaranteed: losing momentum on government policies that enable the digital economy would mean India could realize less than half of the potential value by 2025.

Google India signed a Memorandum of Understanding (MoU) with the Telangana Government on 21, August, 2019 for making the Telangana digitally active, get more local language content online using Google's digital publishing tool, Navlekha. Google will provide services like digitalise the Government's content in Telugu and services on government sites in their local languages. Google will also work with the government under the e-governance plan – agriculture (NeGP-A), different facilities of eservices were provided to the farmers. These e-services include internet, touch screen kiosks, agriclinics, mass media, common service centres, kisan call centres and integrated platforms. This project designed and developed within the Department of Agriculture & Cooperation so that services can be provided to the farmers directly through their mobile only.  To increase the digital literacy in the Telangana state.In 2019 Budget, government of India planning for opening more than 300,000 common service centers (CSCs) and 1.2 million people are digitally delivering various services to rural India. These CSCs are expands in different villages and will create digital infrastructure in the villages with the aim of converting village into Digital village. The case of Akodara village in India is well known case in the literature.

### Data for Farmers:

There are many initiatives towards aggregation of digitized data in the integrated agriculture platform will help banks to assess individual farmers' creditworthiness and insurance companies to access precise yield forecasts for individual farm holdings. This data could include digitally verifiable land records; Soil Health Cards; crop-cutting experiments; field-, drone-, and satellite-based images of standing crops; evidence of digital payments to agri-input companies; digital payments received online; agricultural trading platforms; Direct Benefit Transfer payments into farmers' bank accounts; and digitized cooperative bank data.

The Karnataka government, through the Bhoomi-bank integration scheme, is integrating 20 million Records of Rights, Tenancy, and Crops from 6.7 million farmers with bank computers to simplify the application process for farmers.

Central government launched a Kisan pilot program in 2015 to see if satellite and drone-based imaging and other geospatial technology could produce timely and accurate crop-yield data. ¡ Pilot jointly conducted by Mahalanobis National Crop Forecast Centre (MNCFC), Indian Space Research Organisation (ISRO), India Meteorological Department (IMD), state agriculture departments, and remote sensing centres.

SAMRAKSHANE is an end-to-end e-governance solution to handle crop insurance under Pradhan Mantri Fasal Bima Yojana (PMFBY) program and the Modified Weather Based Crop Insurance Scheme (MWBCIS). This related to the Karnataka State Natural Disaster Monitoring

Centre (KSNMDC) for weather data and calculates the compensation based on term sheets under MWBCIS ¡ Transparent and farmer friendly system for enrolment, registering claims, compensation calculation, and payment of compensation to farmers. Around, 1,059,801 enrolments under Kharif (2016) and 1,395,933 enrolments under Rabi (2016) 1,425,976 enrolments in kharif (2017) as of August 18, 2016 .126,928 CSC enrolments with a premium amount of $2.6 million

Ministry of Agriculture launched soil health card in 2015 ¡ Scheme tests soil samples to encourage judicious use of inputs such as fertilizer. Soil samples from 10 hectare plots in rainfed areas and 2.5 hectare plots in irrigated areas are tested in a lab, which issues a card with test results in local languages ¡ Card to contain information on soil nutrients and suggestions on how to adapt farming practices to particular soil types. 158.7 million Soil Health Cards dispatched to farmers, as of Sept 27, 2018. Early indicators show 10–25% increase in yield for paddy and cereals

Ministry of Agriculture launched mKisan in 2013 to increase the information available to farmers on crucial aspects of farming such as weather & soil health. Customised information, services, and advisories are given to farmers by SMS, accounting for preferences in language, agricultural practices, and location. A small fee is charged for the service. Covered 42.4 million farmers, as of September 27, 2018. Over 22.2 billion texts have been sent since inception, as of September 27, 2018.

mKRISHI is a technology platform for Indian farmers ¡ Tata Consultancy Services designed it to enable farmers in remote areas to access real-time agricultural information, best practices, and market and weather information The service, started in 2013, plans to reach 2.5 million farmers and generate ~$150 million in revenue by 2023. The mKRISHI platform includes a variety of solutions such as – Disease management system enables farmers to upload photos of their crops and get real-time information on pest type and pest control – Smart devices such as IoT-enabled soil sensors and 'smart shirts' capture crop and soil data for use in forecasting production and monitoring pests. Significant revenue, yield and profit improvements, such as 15% improvement in yield, 88% increase in profits, and 19% decrease in cost for farmers in Tamil Nadu ¡ More than 5,000 farmers in Tamil Nadu, Uttar Pradesh, and Maharashtra currently use the service.

One of the leading private sector organisations, the Mahindra group, launched a web/ mobile-based digital platform called MyAgriGuru in February 2017 to create an integrated agri-community. The app connects experts and farmers and enables exchange of ideas and information to create an empowering agriculture ecosystem in the country. The platform has 4 broad sections — Crop, Agri-Buzz,

Market Prices, and Weather. Section Crop: Contains information about crops including market price trends, agronomic activity calendar, new technologies, and innovative practices related to crop. Section Agri-Buzz: A unique platform connecting farmers to come and initiate a conversation, inviting opinions and advice from others. Section Market Price: Lists prices of agricultural commodities in all Agricultural Produce Market Committee mandis across India .Section Weather: Provides regional shortand long-term weather forecasts Provides latest news/updates related to agriculture including schemes and subsidies. Exhaustive information available on 10 crops including cotton, wheat, and potato Agri-Buzz has seen an average of 120 interactions per day and in total 11,500 interactions ¡ In 7 months after launch, the app was downloaded by more than 200,000 people.

Microsoft started a pilot with Hyderabad-based International Crop Research Institute for Semi-Arid Tropics (a UN agency) in 2016 to build a sowing solution to help farmers to predict the right time for sowing crops. Microsoft developed a sowing app to conveniently provide sowing information to farmers. App tells famers which week is perfect for sowing seeds, and provides information on soil health, recommended fertilisers, etc. App uses rainfall data collected from farms in 13 districts in Andhra Pradesh over 45 years to give farmers a sense of when to start planting. Official results showed a 30% increase in yield for the initial pilot with 175 groundnut farmers. Sowing app delivered SMS advice in the native language of Telugu and Kannada to farmers in Andhra Pradesh and Karnataka to sow their groundnut crops.

In addition to enabling farmers to see live prices from individual buyers, online trading ultimately could enable better postharvest management and processing of crops; inadequate storage and logistics resulted in a loss of more than $15 billion worth of agricultural produce in 2013.

Recent studies have stated that IoT and AI based applications will create around 2.8 million job over the next decade and an annual revenue of 60000 crores.

**Conclusion:**

The above discussions clearly indicate the profound impact of digitalization on the various facet of rural Indian life. Digital connectivity and inclusion are becoming increasingly important in the digital age, but will have a positive role in shaping the Socio –Economic life of rural India.

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# Rural Economy and role of Digital Technology

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**Abstract:** As we have seen a greater transformation of digital technology in the last few decade. It has been observed that since last year in rural areas the use of internet has tremendously increased. On 8th November 2016 when demonetization happened many people started implementing online banking system. This has expanded the use of internet in rural areas as well. Even during the period of lockdown, many people have started working from home and many students doing their study online this has increased the usage of the internet in rural areas as compared to urban areas. Technology helped many rural people to do their business at one click. The study also revolves around the world that India is among the first with the largest usage of internet in comparison to China and the US. With the help of the internet, many people living in rural areas got creative ideas that will help them to implement in their own business. As the emerging of digital platforms like Facebook, Twitter, Instagram and LinkedIn which help in the sector like agriculture to improve their services at one go.

It has also been observed that even amazon has reached its service to rural areas during this lockdown. Digital technology has started been adopted by rural areas for their better future.

**Keywords:** Rural economy, Technology, transformation, digital

## Introduction

As per 2020 statistic, 65% of people living in rural areas and 35% of people live in urban areas in India. The rural sector plays an important role in the Indian economy because most of the raw material for the industrial sector as well as an agricultural sector comes from there. The rural sector is also known as a backbone of Indian economy. With the rise of information technology and digital sector in urban areas, it has also been found that many rural areas have also started adopting technology in large number.

Information Technology is becoming an important source for the Indian economy's evolution. It has affected every sector and created progress in rural development. Either being an agricultural field, business or services digital technology has been playing key role by enhancing income of the nation. The growth of smartphones, online banking and digitalize TV helped rural areas adopting new techniques for their better standard of living. At present, the information technology plays a vital role in every advancement and extension, the construction of modern society like education, health, agriculture, rural development, medical, engineering, business etc. In this way, the information technology has changed the glance at the life of a human.

Due to demonetization and corona outbreak, we have seen people are relay on technology even in rural areas as well. There have been various applications used by people for better communication and work purposes. In this way, the information technology has been changed the glance at the life of a human. It has gained particularly position in the business and e-commerce.

There are four major players which constitute this digital services ecosystem; (i) second-largest internet user base with penetration of almost 50% today; (ii) providers of digital services like digital payment platforms, social media platforms, e-commerce platforms, entertainment and digital advertising. Going forward, emerging technologies like AI, ML, IoT, drones and robotics with the advent of 5G will revolutionize the other sectors like healthcare, education, agriculture, travel & tourism, gaming etc.; (iii) e-Governance initiatives and delivery of social services by the government which are spearheading the digital transformation of the nation; (iv) the fast-emerging digital ecosystem of tech startups that is poised to create a vibrant indigenous digital services sector to cater not only to Indian customers but has the potential to turn India into a global digital services hub.

Research Methodology:

Research Design: Descriptive Research

Research Approach: Quantitative Approach

Secondary Data: The secondary data collected by visiting various internet websites.

## Internet Penetration in Rural India

India has witnessed tremendous users of the internet from last year. With the growth of 12% in March 2019, it has increased to 53% in November 2019. This shows that the internet has been used on a larger scale in India. Of the overall Internet population, 433 Mn are 12+ years old & 71 Mn are 5-11 years old who access the Internet on the devices of family members. Even though Internet penetration is only seen in urban areas but it has also found that even rural areas are adopting the internet in a faster way. For the first time, we see that with close to 227 Mn internet users in rural India, which is approximately 10% more than those in urban, the digital divide which existed between rural and urban India is no longer there.

Due to demonetization and coronavirus outbreak, it has been observed that people have started adopting digital services and technology for their benefits. Before demonetization, people never felt the use of digital transaction and internet banking, but after demonization,

people started focusing on using internet banking and digital transaction which helped them to overcome problems.

Recent coronavirus outbreak, made people do all things online starting from working to online lectures many students and people relay on the internet and within a month everything became digitalized. Even people living in rural areas started using the internet for their growth. During lockdown situation, many users started focusing on PubG, Tik Tok and all social media platform at greater number. Zoom became most user platform for video meeting and conference call in this outbreak of coronavirus even in rural areas. Moreover, India has become the 2nd largest internet users in comparative of China and the US.

At a state level, NCT of Delhi has registered the highest Internet penetration followed by Kerala, J&K, Haryana, Himachal Pradesh and Punjab. Within Metros, with a growth of 12%, Mumbai has the highest Internet population of 13Mn.

As per the report of the Internet & Mobile Association of India female pollution use internet as compared to male pollution. The study has been found that rural area has cheap data pack which helps many users to buy the internet at the best price. Active internet user has defined in the report that those who use the internet for at least once in the month have been increasing the usage by 30 million in rural areas.

## Digital Divide in Rural Areas

A "digital divide" exists among different demographic groups, as well as among different geographic areas. People living in rural areas are less likely to access internet than people living in urban areas or city areas.

Rural areas still face the risk of "Double Digital Divide". While doing supply they are still lagging behind in terms of the provision of Next generation access (NGA) infrastructure – so closing this gap has to be a continued investment priority. On the other side of demand, many rural areas lack the basic skills and knowledge of the potential of digital technology so that even if the 'digital highways' are in place, they may remain under-exploited in terms of service provision, business use, or customer take up.

## The Urban-Rural Divide

The rural – urban divide is a prominent aspect in India and other parts of the world. The problem faced by urban and rural divide is in digitalization.  Due to less internet access in rural –urban gap have been the sharpest in education attainment and wages, but there have also been important convergent trends in occupation choices. Thus, there has been a significantly faster expansion of blue-collar jobs (primarily production and service workers) in rural areas relatively to urban areas, which was surprising given the usual priors that blue and white collar occupations are mostly centered only in urban locations.

Even after independence the focus of government is still on urban areas to transform smart cities. Government try to exclude rural areas and it will further worsen the rural-urban divide. While the persons living in these smart cities will enjoy digital governance, satellite traffic updates but people living in rural areas still have to defecate in open.

## Information and Communication Technology

Information and Communication Technology (ICT) revolution have evolved dramatically in transforming societies, cultures and economies. The application of IT in various fields and Internet technology has been able to influence larger sections of society. ICT includes any communication applications or devices that encompasses of television, radio, cellular phones, computer and network software and hardware, satellite systems etc., as well as the many other services and applications related with them, such as videoconferencing and distance learning. ICT diffusion refers to the persuaded IT development, which increases productivity, competitiveness, economic growth and human welfare from the use of technology by different sectors of economy and there begins the digital divide in the use, access, skills and others. There seems to be an inequality between "haves" and "have-nots". When information technology became popular, debates on the impact of this technology were midpoint on 'information gaps' between the developed and developing countries. This awareness gave birth to another term the 'digital divide' 'in 1990s which encompasses broader meaning than information gap. In this context, the role of ICTs plays a significant role in rural, national development and to achieve the universal access of ICTs.

The Digital Divide is a social issue denoting to the contradictory amount of information between those who have access to the Internet and those who do not have access. The term became popular among scholars, policy makers, and advocacy groups, in the late 1990. The ease of access of rural areas to the Internet is a test of the digital divide. But currently there are diverse ways to eradicate the digital divide in rural areas. Use of Power lines and satellite communications proposal has new possibilities of universal access to the Internet, and lack of telephone lines will not limit access. Incapability of potential Internet users constitutes another type of divide and maintenance should be taken to avoid that persons with disabilities be left out of Internet access. Rural development is the process of improving the quality of life and economic wellbeing of people living in relatively isolated and sparsely populated areas. The people of India live mostly in rural areas (villages). Therefore, it is the heart of the villages that the nation lives. The well-being of India depends upon the prosperity of the villages.

## Case study of Gujarat Rural Area

Imagine a situation that you have reached where not a single person uses cash for their daily living. No! You have not reached to that era of cashless. But there is one city in Gujarat name Akodara wherein the whole city is cashless, this is not an imaginary story but it is the real story. Now the village Akodara is tagged as 'first digital village of India'. This is the first city where no one carries cash; everyone uses the electronic mode of fund transfer for their daily routine transactions–whether big or small.

Akodara is a village in Sabarkantha district of Gujarat, India. This village is located 64 kilometres away from the state capital Gandhi Nagar, 10 kilometres from Himmat Nagar and 41 kilometres away from district headquarter Sabarkantha. The village is under the administration of a Sarpanch who is the elected representative in the village. According to census India 2011, Akodara village has 236 houses with the population 1,191 individuals; out of which, 538 are males and 653 are females. The literacy rate of Akodara is 91.69 per cent, which is more than the average literacy rate of the state of Gujarat that is 75.84 per cent. The population of children below 6 years of age is 84 in number, which is 7.05 per cent of the population of Akodara village; the child sex ratio is approximately 867 and that of Gujarat state average is 890. The people from scheduled caste are 6.47 per cent of the total population of Akodara and that from Scheduled Tribe are 4.53 per cent. The Census India 2011 report shows that 401 people were involved in work-related activities, which comprise of 309 males and 92 females. A total of 98.50 per cent workers call their work as main work and 1.50 per cent of workers are involved in minimal activities and earn their livelihood for less than 6 months. The nearest railway station is Hapa road railway station, however; Himmat Nagar Junction railway station is 10.4 kilometres far from the village. Sardar Vallabhbhai Patel International Airport is the nearest international airport, which is 75.3 kilometres away in Ahmadabad.

Akodara village has received the tag 'first digital village of India'. The villagers use various cashless modes for payment of all goods and services. The financial transactions in Akodara village are done through digital modes, namely, SMS, net-banking, debit cards, etc. In 2015, ICICI Bank adopted this village under the Digital Village Project and has made it cashless by using digital technology. In January 2016, the project was started by the honourable Prime Minister Shri Narendra Modi, and MD and CEO of ICICI Bank Ms Chanda Kochar in order to mark the 60-year celebration of the existence of ICICI group. All the households of this village have savings bank accounts in the local ICICI Bank branch. The bank provided training to the village households to make them familiar with the digital technology in order to reduce dependency on the cash-based transactions. The village has almost 100% financial literacy. Villagers used to have mobiles and now they comfortably use mobile banking for all financial transactions. Mobile banking is available in three languages, namely, Hindi, English and Gujarati. Akodara village also has its own official website. The important financial transactions of the villagers, that is, selling the agricultural produce at the local area market or in mandi (rural market) or selling the milk and milk products at the cooperative societies have been made cashless through digital mode. All the schools from primary to higher secondary level in this village are fully equipped with smart boards, computer systems and tablets. The bank has also established a micro ATM-based solution to give the commission agents of the local mandi ease of making payments to farmers against their agricultural produce. Himmat Nagar, which is 13 kilometres from Akodara, is the first mandi in Gujarat to become cashless with this particular transaction facility. Three micro ATMs have been set up which are being used for payment of services such as usage of drinking water from a reverse osmosis (RO) plant set up by ICICI Bank, and for making payments against the purchase of goods. The villagers can also do banking transactions through Unstructured Supplementary Services Data (USSD) available on the National USSD Platform using mobile phones and registered mobile numbers. This is one of the real working models of 100 per cent financial inclusion and access to electronic banking. Every person in Akodara has a savings bank account with ICICI bank, which can be accessed through the local branch of the bank, ATM or through mobile phones via SMS. Their accounts are also linked to their Aadhar Cards which facilitate them to get all government benefits directly in their bank accounts. Earlier, widows used to spend almost 10–15 per cent of their total pension amount only on travelling to the district headquarters to receive their monthly pension; this direct transfer and easy access to their accounts is a boon for them and results in their real and significant savings. During demonetization period in India, when everyone was struggling to get new currency notes, people used to stand in long queues at ATMs and banks, there was no change in the life of people in Akodara. The not only payment system has been digitalized, but services such as education, agriculture and other basic facilities have also been made digital.

All the teachers in the Akodara village are very happy as the classrooms in their school are digitally integrated with an LCD projector and computer. The students not only listen to the teacher but can also get the audio-video experience, leading to faster learning. This makes the learning process interesting and conceptually clear to the students. The parents are also digitally connected with the attendance system of the school and they regularly receive the important instructions and details of their children through an SMS. In the outbreak of coronavirus, schools became digitalized and the teacher got to suffer a lot. All the cities in India in urban and rural should learn from Akodara village, that teacher became well-trained in digital education as compare to other cities before this outbreak. If this city can create awareness of becoming digitized then each and every city

will become digitalized in education.

The important financial transaction of selling and buying agriculture produce and milk have also been made digital. Digitization has almost removed the chances of corruption and fraud in the village as all villagers have linked Aadhar Card to their bank accounts and receive all the benefits from the government directly into their bank accounts. Digitization is the ultimate boon for them.

**Rural Banking**

Rural sector occupies a critical place in the Indian economic system, as three out of every four Indian live in rural areas and five out of every six persons living in rural areas are dependent upon agriculture as source of income. Agriculture along with its allied activities contributes around 35 per cent to National Income. Hence, the development of agriculture would mean the development of rural masses. The rapid development of rural areas, agriculture and allied activities as a sector and various classes of people residing in the country side has been the basis of policy formulation in the successive Five Year Plans of the country.

Rural banking traditionally refers to the financial services for the people living in rural areas. It also helps them to make financially independent for agriculture services. Rural development for a quite long time was equated with just agricultural growth. Rural development is a strategy designed to improve the economic and social life of a specific group of people -the rural poor. It signifies extending the benefits of development to the poorest among those who seek a livelihood in rural areas. The group includes small scale farmers, tenants and the landless. If these people have to be employed fully and their economic position has to be improved, it is necessary to promote certain other activities such as dairy, poultry etc. as allied activities and also village and cottage industries in order to supplement their meagre farm/ wage income.

The traditional banking system, the systems and procedures of which are actually designed for the urban industrial and business financing, has limitations in reaching out to the last mile. That is the gap that the rural banking system addresses. The principal stated objective of rural banks in India is to reach timely credit, at terms dictated by social considerations rather than economic ones, to needy farmers, so that they do not fall victim to the schemes of unscrupulous moneylenders. As the chart below shows, this aim is still a long way from being achieved. Shockingly, more than half of Indian farmer households, mostly share-croppers and marginal farmers, are outside the ambit of any kind of financial services - formal or informal.

"Financial Inclusion" and "Rural Banking" are often used interchangeably to denote the mandate of reaching financial services to the huge unbanked masses of rural India. In effect, the former is a strategy or, as NABARD defines it, a process, while the later denotes a paradigm and style of banking. A rural bank, while essentially a vehicle of financial inclusion, exists solely to service the specific financial needs of a people that survive on farming and animal husbandry in Indian villages. In a social sense, a rural bank enters the daily lives of its customers and becomes a partner in their well-being and distress. It may add on services in response to shifts in demographic patterns - for example, facilitating payments to and from farmers' family members studying and working in cities. It may take extensive recourse to technology to cut costs, to extend outreach and to improve processes - mobile banking, biometric ATMs and smartcards all being good examples. But, its objectives for business lines and style are always defined by the particular financing requirements of farmers, by crop cycles, by the vagaries of weather and by seasonal events like festivals.

Buying Online Products on Amazon and Flipkart

Online shopping is the easy solution for busy life in today's world. In the past decade, there had been a massive change in the way of customer's shopping. Despite consumers' continuation to buy from a physical store, the users or buyers feel very convenient to online shopping. Online shopping saves crucial time for modern people because they get so busy that they cannot or unwilling to spend much time shopping.

In the twenty-first century, trade and commerce have been so diversified that multichannel has taken place and online shopping has increased significantly throughout the world. Amazon and Flipkart have grown faster in last 4-5 years. Even now in rural areas you may find people buying online products and even it get delivered at a particular time. Living in 21$^{st}$ century we can see massive growth in rural areas buying online products.

With more and more consumers become increasingly familiar with the Internet and its benefit, online shopping is becoming popular and getting preference among a group of consumers seeking better value proposition regarding information, convenience, cost, choice.

Unlike a physical store, all the goods in online stores described through text, with photos, and with multimedia files. Many online stores will provide links for much extra information about their product. On the other hand, some online consumers are an adventurous explorer, fun seeker, shopping lover, and some are technology muddler, hate waiting for the product to ship. Online shopping offers various deals on every products people living in rural areas prefer to gain such offers and they find it easy to buy rather than visiting to the shop.

The primary goal of a business is to offer product and services that best serve their consumer needs. A business

which fulfills the customer needs with satisfaction very well is more successful than its competitors as satisfied buyers tend to make a repetitive purchase.

## Demonetization

Demonetization is a generation's memorable experience and is going to be one the economic events of our time. Its impact is felt by every Indian citizen. As the country says goodbye to the old Rs. 500 and Rs. 1,000 rupee notes and with restrictions on exchanging money and taxation on high amounts of deposits, Indian economy had faced through some serious churns. But how is this going to affect the common person of India in the short run as well as the long run. Initially, there was a huge hue and cry about the idea; people had to wait in really long queues just to withdraw the necessary money they needed. The public doubted prime minister's plan and revolted against the bad preparation they faced in this regard. The changes did invite a lot of trouble to the public in the beginning but it all seemed worth that, as far as the long-term effects were concerned. There was a limit to the per-capita withdrawal and that was a huge issue for many people, mainly because of their personal requirements which included marriage, health, property etc. The Indian system mainly functions on cash, and so, less cash means disruption in the flow. Therefore, the government's step to curb black money and fake currency has hit hard to poor people the most. But as the time passed the things slowed down a bit. The queues in the banks shortened, ATMs were filled with money, new currency circulated and all these normalized the situation.

Demonetisation has affected every Indian, but it has hit the agricultural sector badly. Agriculture in India accounts for 50 percent of the workforce. Farmers, who are the backbone of our economy, were severely affected by the note demonetization of 8 November 2016. Agriculture is impacted through the inputoutput channels as well as price and output feedback effects. Sale, transport, marketing and distribution of ready produce to mandis is dominantly cash-dependent. Farmers suffered a setback due to nationwide cash shortage and a fall in the demand for vegetables in wholesale markets. . Farmers were not able to purchase inputs like seeds from market. They were using old seeds from the last year harvest and not purchasing new quality seeds from market. In northern Indian states, the crop of rice was prepared. Some of the farmers have sold their crops, and some was in the process. It is true that almost crops are sold in cash the transaction which has been done is cash is to be deposited in the banks and can be withdrawn accordingly. The consumers of rural farmer is not as advance as the urban middle class, which can be easily managed with a very little amount of cash. The problem of the demonetization is largely associated with the rural areas of the country have lesser number of banks and ATMs compared to the urban areas and semi-urban areas. The problem was not the inaccessibility of the banks and ATMs, but the limit on cash which can be withdrawn

As situation was very bad in rural areas it became hard for people to understand digital techniques but slowly and gradually people started implementing and became cashless. This helped them to do all the transaction while sitting at one place. Nevertheless, this change will have a huge impact on the economy.

## Coronavirus outbreak

As we have seen a massive outbreak of covid19 in the world 2020. Many people have to leave their jobs and many started working online. But how people living in rural areas faced this situation was very much tough to understand.

Due to digitalized world and demonization happened people started using internet on a large scale in rural areas. The Covid-19 pandemic has disrupted the Indian education system, pushing the migrate from traditional education to online. In a sense, it has created an opportunity to fill the gaps in rural education, which has many challenges for students such as lack of parental interest, digital divide, traditional modes of teaching, under-trained faculty, etc.

At this crossroads, fuelled by the emergency created by Covid-19, India can bridge the digital divide by innovating on delivery models for education and collaborating with stakeholders to come up with cost-effective solutions for prototypes to test at scale.

Due to digitalized by government it helped millions of rural people to stay connected with work and other activities.

## Conclusion:

The study rural economy and role of technology helps to understand people living in rural areas are more techno convenient than people living in urban area. They accept all the things earlier and start implementing in their day to day life.

Despite the levels of success identified in the Indian digital sector, the fact remains that we have barely scratched the surface of its true potential for India. Digital services can improve governance and social services delivery; provide benefits and empowerment to Indian citizens; while at the same time India can emerge as the global hub for digital services in the future.

The speed of adoption of digitisation, digitalisation and digital transformation at their respective levels by Indian businesses, users, government and supporting ecosystem is expected to be fuelled by the 5G connectivity even at a greater scale and it may truly bring a paradigmatic shift in the Indian economy. It is up to us, at present, to pave the right policy roadmap for the brighter future for our nation.

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# SRUJAN: A Multidisciplinary Journal

## Announcement and Appeal

Vidya Prasarak Mandal (VPM), Thane, a registered society engaged in educational activities, is happy to announce the publication of a multidisciplinary journal - "Srujan", meaning creativity.

Srujan considers original research that deliberates on ideas, suggestions related to global, national or regional perspective. It is a combination of:

❈ Research papers ❈ Articles ❈ Abstracts ❈ Case-Studies

In line with global way of conducting multi-disciplinary research Srujan highlights the developments, innovations and intellectual research work in the field of traditional and modern business management.

The articles/papers in Srujan are peer reviewed before their inclusion. A panel of experts are appointed from academics and industry. The papers submitted for publication are sent to subject experts for a blind review. Suggestions received from the experts are promptly communicated to the contributors. The author/authors are asked to make appropriate modifications in the paper based on the suggestions before submitting for final editing to the editorial board. An appeal is made to all the academicians to send their articles for publication in Srujan for the coming year. With your help we propose to make the journal an outstanding quality publication from India. Guidelines for contributors are enclosed herewith.

*Please send the papers to the following email id: srujan@vpmthane.org*

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"Management Education: Being Relevant through Applying, Analysing, Evaluating and Creating"

**Srujan 2022** will be released during our Conference which will be held on Saturday 5th February 2022.
*Surjan* is a multidisciplinary journal in which scholars and researchers can contribute substantial research content to enrich learning in the area of business function like finance, marketing, operations management, information system, human resource, organizational behavior, design thinking, project management, quality management, sustainable business management, general management and international business.

## Calendar for Submission:

**Submission of Abstract: 30ᵗʰ August 2021**
**Submission of Full Paper: 30ᵗʰ October 2021**

## Registration for National Conference

**Conference Assistance:**
**Dr. Smita Jape,** Associate Professor, Convener - 91 9619367480
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| Who can participate:- | Registration Fees |
|---|---|
| Academicians/Faculty | Rs 1000/- |
| Research Scholars | Rs 500 /- |
| Industry Participants | Rs 2000/- |
| Students | Rs 100 /- |

Vidya Prasarak Mandal's

## Dr. V. N. Bedekar Institute of Management Studies, Thane

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## NATIONAL CONFERENCE

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## 5th February, 2022