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January - March 2016

SUMEDHA JOURNAL OF MANAGEMENT

Volume 5

Number 1



PRINT : ISSN : 2277-6753

Online ISSN : 2322-0449

SUMEDHA

Journal of Management

Vol. 5

No. 1

January - March 2016

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Index Copernicus value 5.20 Impact Factor: 0.305 (From Global Impact Factor),
INDEXED IN Indianjournals.com , PROQUEST DATABASE, ISRA Journal Factor - 2.318

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SUMEDHA
Journal of Management

Chief Editor Message

As SUMEDHA Journal of Management its seventeenth issue, We look forward to the momentous growth of our Journal, increasing in their appeal, readership and relevance to the fast-changing world of Business Management. During these five years journey our journal has been critically evaluated by various institutions with similar line of interest and faculty fraternity. We have been consistently seeking advice from experts to continuously improve the quality of the journal. Our journal has been got Impact Factor from Index Copernicus value 5.20, ISRA Journal Factor 2.318. On behalf of the Management, Editorial Board and Editorial Team, I express my profound gratitude to all our authors, reviewers, readers and patrons for offering their overwhelming support and I anticipate a continued and lively partnership for years to come.

All of us recognize the necessity for change, which results in progress. It gives way to new ideas and perspectives reflecting the current and emerging environment, which builds on the solid foundations of the past.

Last but not least valuable would be your response and suggestions on this issue. Kindly send us your views so that we can keep on upgrading our journal.

Thanking you

Dr. A Kotishwar
Chief Editor

Socio-Economic Background of Women Entrepreneurs in Visakhapatnam City -A Case Study

– Prof. D.M. Sheaba Rani*

– K. Venkatarattaiah**

Abstract

Women and business were considered as exclusive terms. For women entrepreneurs, starting and operating business is a major challenging task and involves considerable risk and difficulties, because in the Indian social environment women have always lived as subordinate to men. Women entrepreneur is an adult woman who creates, owns and runs an enterprise. The present study is strictly based on the primary data collected from entrepreneurs in Visakhapatnam city. The aspects on which the data collected from the sample respondents include socio-economic profile of the respondents, educational and occupational backgrounds, finance, motivational factors and problems faced by them. The study covered a sample of 100 women entrepreneurs from Visakhapatnam city. The major findings emanating from the study are that 82 per cent of the respondents started their business at young age to prove their caliber. The study reveals that house wives (70%) are the largest group taking business, 78 per cent of them have come from a business family and motivation by family (64%) seems to be the overwhelming force behind the selection of trades. Almost all respondents expressed that they have started business to earn money, since money plays a pivotal role to lead a happy and comfortable life. The problems faced by the respondents are numerous. The family life of married respondents is largely affected. The respondents are suffering from inadequate facilities, inadequate sales, poor knowledge of market, price fluctuations, working capital, inadequate loan facility, poor government assistance etc. Inadequate sales are because of heavy competition in the competitive business world.

Keywords : Entrepreneur, Motivation, Occupation, Business, Capital, Problems, Government, Facilities, Technical, Reasons and Social Background.

1. Introduction

The socio-economic development of a country cannot be fully realized so long as its women are confined to a subordinate position and their talents are unexplored. Over the past few decades the sex role of women has been breaking the barriers of four walls. Indian women have demonstrated their great potential as successful entrepreneurs. Some of the women entrepreneurs are leading the biggest shipping companies, trading the export houses, brewing plants, plastic factories and electronic

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establishments, garments and handicrafts exports are primarily in the hands of women entrepreneur (Akhouri & Sengupta, 1988).¹

Women and business were considered as exclusive terms. For women entrepreneurs, starting and operating business is a major challenging task and involves considerable risk and difficulties, because in the Indian social environment women have always lived as subordinate to men. There has been considerable changes in the socio-psycho-cultural and economic norms of our society due to liberalized policies of the Government of India, increase in education level of women and increased social awareness in respect of the role women play. Despite several developmental measures and constitutional guarantees, women are still lagging behind in almost all sectors. In the present paper the author has tried to study the women entrepreneurs' socio-economic background, motivational factors contributing to start the business and problems faced by them and also suggested ways and means to overcome the problems.

Women Entrepreneurship

Women entrepreneur could be defined as "an adult women who creates, owns and runs an enterprise". An entrepreneur is a person who has an enterprising quality with an eye on opportunities and an un scanning vision, commercial acumen and above all, a person who is willing to take risks because of the adventurous spirit within. Same holds good for women also. Entrepreneurship among women is an emerging reality and is a recent phenomenon. There is a need to develop the latest skill of entrepreneurship among women to provide social justice.

Now women entered into all developmental areas not confined to the house. The government has initiated many policies and programmes exclusively for rural and urban women like, Development of Women and Children in Rural Areas (DWACRA) 1982, Chief Minister Rojgar Yojana (PMRY) 1993-94 etc. Many women proved that they are more capable of doing things with more efficiency than men, especially in decision making with sincerity, patience and hard work. In view of the above qualities they are also becoming good entrepreneurs for the development of business and industry.

Need for the Study

Very few efforts have been made in exploring the women entrepreneurship in India. The data available on these aspects are scatted and not very authentic and do not provide data for decision-making with a view to improve a lot of women entrepreneurs. However, it is also a fact that more and more women are getting into the domain of the entrepreneurial activities. The efforts of Government of India through various welfare organizations, non-governmental agencies and Ministry of Commerce and Industry have started looking after and helping the efforts of women entrepreneurs. Encouraged with the efforts made by different agencies this case study on "Socio-Economic Background of Women entrepreneurs in Visakhapatnam", with the following objectives is undertaken.

Objectives

The study has been pursued to achieve the following objectives:

1. To study the social-economic background of the women entrepreneurs.
2. To find out the motivating factors attracted the women entrepreneurs to start the business.
3. To analyze and critically examine the problems faced by the women entrepreneurs.
4. To suggest different remedial measures in helping and accelerating women entrepreneurs.

Methodology and Sampling

The present study is strictly based on the primary data collected from entrepreneurs in Visakhapatnam city. In order to conduct the study questionnaires were prepared and administered to women entrepreneurs who had already set up their enterprises. The aspects on which the data collected from the sample respondents include socio-economic profile of the respondents, educational and occupational backgrounds, finance, motivational factors and problems faced by them. The information was collected through (a) Field survey of the units of women entrepreneurs. (b) Interviewing the women entrepreneurs.

The study covered a sample of 100 women entrepreneurs from Visakhapatnam city. The sample was collected by random sampling method. The sample is drawn from different areas of Visakhapatnam like Jagadamba center to Old Post office, Dwarakanagar, Seethammadhara, M.V.P. Colony, Chinna Waltair, Pedda Waltair, etc. The data for the present Study have been collected during the period May-June 2015.

Results and Discussion

1. Age of the Women Entrepreneurs

Age has influence on one's own life. As age advances the maturity of an individual increases. The attitude, mental make-up and the behaviour pattern of a person varies with advancement in age. This is proved in our study that 60 per cent of the respondents are in the age group of 26-40 years, where women are more matured in that age group. About 26 per cent of the respondents are in the age group of 31-35 years, 20 per cent are in the age group of 36-40 years and 16 percent are in the age group of 41-45 years. An equal per cent of respondents are in the age group of 26-30 years and 46-50 years i.e. 14 per cent each and 51-55 years and above 55 years are only 2 per cent each (table no.1). Therefore, it is concluded that age is one of the important factor which enables them to think clearly and act positively in the direction of setting a unit. Respondents are young and they have ample scope to further the prospects of their business.

2. Social back ground of Women Entrepreneurs

Entrepreneurial orientation is largely conditioned upon the socio-economic background. Among Socio-economic variables caste or social group plays a pivotal role. Entrepreneurs belonging to certain

caste are born businessmen. Enterprising talents are inbuilt in them. In India, vysya community is known for their business talents. With long standing in business these talents can be acquired by other caste groups also.

a) Religion

It could be observed from the data presented in table no.2 that the respondents mostly belong to Hindu religion (88%). The predominant Hindu population in this state³ has been reflected in respondents selected for the study. Christian respondents are 10 per cent. Muslim respondents are found to be only 2 per cent; perhaps the custom of Burk has much influence on Muslim entrepreneurs.

b) Community

The community background of the respondents is given in table no.3. About 58 per cent of the respondents belong to forward community. Among forward community majority of the respondents belong to vysya community who are known for their inbuilt enterprising talents. Most of the people in forward community are financially sound and with this financial background they are able to start their own business. 36 per cent of the respondents belong to B.C. community. However, S.C. and S.T. community respondents are negligible. This may be attributed to their socio-economic back ground.

3. Marital Status of Women Entrepreneurs

Marriage is a very important event in the life of a woman. Marriage is treated as an important social institution in India. Hence, an analysis of marital status would help to understand the extent of the women participation in the economic activities before and after marriage. Table no. 4 gives the picture of marital status of the selected respondents. It is observed that 90 per cent of the respondents are married. And only 10 per cent are unmarried women and surprisingly there are no divorced and widower respondents. Thus, it is concluded that married people having nuclear family are venturing to start units.

4. Educational background of Women Entrepreneurs

Education plays an important role in determining one's socio-economic status in the entire society⁴. Table no.5 deals with educational qualifications. It is observed that most of the business is promoted by under graduate holders (64%) followed by degree holders (26%), P.G. holders (6%) and Medical Diploma holders (4%). With regard to different categories of trade, women who had education up to intermediate seem to have preferred, food processing, fancy, departmental stores, typing and zerox and cool drink shops.

5. Reasons to start business by Women Entrepreneurs

Table no.6 explains the basic reasons for starting a particular unit. This study reveals that

experience as a motivator (70%) and the only business available (55%). Another contributory factor for the promotion of the unit is marketing factor (50%). It may be concluded from the table that majority of the respondents belong to business family and most of them assisted their parents or husbands, with that business experience they started their own units.

6. Occupational background of Women Entrepreneurs

a) The Year of Commencement of Units

About 38 per cent of the units were started from 2011 onwards, followed by 2006-2010 (34%) and 1996-2000 (20%). During 2001-2005 the lowest number of 8 respondents entered into business (table no.7).

b) Age at Commencement of Business

Turning to the age of the respondents at which they entered into the business, 38 per cent are in the age group of 26-30 years, 18 per cent are in the age group of 31-35 years and 26 per cent are in the age group of 20-25 years. About 18 per cent and 12 per cent of the respondents are in the age group of 31-35 years and 36-40 years respectively. Only 2 per cent of the respondents are in the age group of 46-50 years Therefore, it can be concluded that about 82 per cent of the respondents started business at young age to prove their caliber.(table no.8)

c) Previous Occupation

The previous occupational background of the respondents is given in table no.9. Vast majorities of 70 per cent of the respondents were housewives; second position goes to unemployment (24%), white collar earners (4%) and daily wage earners (2%). Housewives were the largest group taking the business. Mounting pressures of unemployment, bleak job prospects and steep rise in the cost of living might have forced them to enter business and to earn something to support the family, since the husband's income alone was insufficient to make both ends meet. Thus housewives may be a potential source of entrepreneurship.

d) Women Entrepreneurs Classified by Trade

The list of selected women entrepreneurs is furnished in table no.10. They are classified according to type of the trade they pursue. It could be seen from the table that about 20 per cent opted for textiles and readymade garments. The next in order is departmental stores (18%). This business seems to have suited most respondents, since it entails less risk and can be persuaded as a household business. Then followed by fancy (14%), typing and Xerox (12%), food processing and cool drinks (10%) each, others (8%), beauty parlour and medical (4%) each. The list of trades furnished in the table clearly indicates that women have ventured to enter diversified fields of trade.

e) Occupation of Entrepreneurs' Father/Husband

About 78 per cent of the respondents' father/husband has business background. 18 per cent are daily wage earners and 4 per cent are white-collar job holders. None of the respondent has come from the family indulging in social service and agriculture. From the table it can be concluded that majority of the respondents have come from business family. Such business link is conducive to the growth of entrepreneurship among respondents (table no.11).

7. Finance contributed by the Women Entrepreneurs

a) Capital Employed

Table no.12 gives a picture of capital employed by the respondents. As per capital employed is concerned, most of them have invested capital of Rs. - 4,00,001-6,00,000 (42%) followed by Rs. 6,00,001- 8,00,000 (12%), Rs. 8,00,001-10,00,000(10%) and Rs. 2,00,001-4,00,000 (8%), Same per cent of 14 each to above Rs. 10, 00,000 and below Rs.2, 00,000. it is to be noted that about Rs.10,00,000 investment is made in textiles, fancy, typing and Xerox and medical stores because these businesses required huge capital to buy materials, and typing and Xerox machines.

b) Source of Finance

Table no. 13 shows that 60 per cent of the respondents have used personal wealth to start the business and another 6 percent used family income. Only 2 per cent have taken money from relatives. Most of the respondents opined that getting finance from private financier is easier than financial institutions, because they have to fulfill number of formalities and collateral their property to financial institutions. Private finance and financial institutions accounts to 25 per cent and 4 per cent respectively. It may be concluded that the majority of the respondents i.e. 60 per cent have used their own funds to start the business.

c) Return on Capital Employed

Return on capital employed is described in table no. 14. A high majority of 62 per cent of the respondents are getting profit below 10 per cent and 24 per cent of them are getting profit in between 10-15 per cent. Only 8 per cent of the respondents are getting 20-25 per cent of profit. In the field survey it is observed that the respondents are afraid to reveal the actual profit because of the income tax problem.

8. Motivational factors attracted the Women Entrepreneurs to start the Business

a. Motivational Factors Contributing to Start the Business

An attempt is made in this study to elicit information from respondents relating to the motivational factors leading them to undertake the respective trades. Motivation by family (64%) seems to

be the overwhelming force behind the selection of trades. The reason is that 90 per cent of the respondents are married, their husbands and in-laws motivated them to start the business. About 62 per cent polled in favour of economic independence and 52 per cent were in favour of profit motive. Incentives offered by the government are very negligible (4%). About 34 per cent reiterated the problem of unemployment among the respondents. From the table it may be concluded that women are coming out of traditional bonds. They are encouraged by their family members to do business, further they are also striving for economic independence (table no.15).

b. Monitory and Non-monitory Motivational Factors

Table no.16 deals with monitory and non-monitory motivational factors attracted the respondents to start business. The study revealed that income (52%) is one of the basic factors for setting a unit. However 27 per cent of them are undertaking this business out of interest. Nearly 21 per cent of the respondents polled in favour of security factor. When we look into non-monitory factors recognition (53%) and status (41%) are contributing to start the business (table no.16a). Almost all respondents expressed that they started the business to earn money, since money plays a pivotal role to lead a happy and comfortable life.

9. Problems faced by Women Entrepreneurs

a. Socio-Personal Problems

Socio personal problems faced by the respondents are depicted in table no .17. Most of the respondents (76%) stated that they family life is effected, the reason is that 90 per cent of the sample respondents are married. About 14 per cent lacks family support. Weak collateral position accounts for only 8 per cent, the reason is that 60 per cent of the respondents started the business with their own funds and are financially sound.

b. Technical problems

Technical problems faced by the respondents are described in table n o. 18. About 52 per cent of the respondents are suffering from inadequate equipment followed by inadequate availability of land and premises (46%), poor record keeping and control and non-availability of agencies to guide them accounts an equal per cent of 33 each.

c. Raw Material, Inventory and Market Problems

The above problems are elicited in table no.19. Majority of the respondents (56%) stated that they are suffering from inadequate sales followed by problems of poor knowledge of markets (40%) and Raw-materials (25%). From the table it can be concluded that inadequate sales are because of heavy competition in the competitive business world.

d. Financial Problems

Financial problems are given in table no. 20, when there is price fluctuations in raw-materials correspondingly there will be price fluctuations in finished products also. This is proved in our study. Some of the respondents faced the problems of price fluctuations in raw material (42%) and price fluctuations in finished products (39%). About 34 per cent of them faced the problem of lack of working capital because of inadequate loan facility available to them.

e. Problems of Government Assistance

The problem of government assistance is shown in table no.21. Majority of the respondents (64%) faced the problems of poor government assistance and followed by Redtapism (52%). Almost all respondents need help from government but government is unable to offer any help or assistance to them. Hence government, banks and financial institutions should pay special support to the women entrepreneurs and give subsidies for the loans taken by them.

Findings of the Study

The present study reveals that the respondents are young and they have ample scope to further the prospects of their business. And most of them belong to Hindu religion (88%). The predominant Hindu population in this state has been reflected in respondents selected for the study. Muslim respondents are found to be only 2 per cent, perhaps the custom of "Burka" has much influence on muslim entrepreneurs. Nearly 60 per cent of the respondents belong to forward community. And among forward community majority of them belong to vysya community who are known for their inbuilt enterprising talents. However, S.C. and S.T. respondents are negligible. This may be attributed to their socio-economic background. A whopping majority of 90 per cent of the respondents are married, surprisingly there are no divorced and widower respondents. A vast majority of 64 per cent of the respondents are under graduate holders. Respondents who had education up to intermediate seem to have preferred the trade like, food processing, fancy, departmental stores, typing and Xerox and cool drinks shops. One of the major reasons for starting the business is experience, since majority of them belong to business family. The age of the respondents at the time of starting their business is found in the age group of 20-35 years (82%). Respondents started their business at young age to prove their caliber.

The study reveals that housewives (70%) were the largest group taking the business. The reason might be to earn something to support the family, since the husband's income alone was insufficient to make both ends meet. The list of trades clearly indicates that respondents have ventured to enter diversified field of trade. Majority of 78 per cent of the respondents have come from business family. Such business link is conducive to the growth of entrepreneurship among respondents.

A vast majority of 60 per cent of the respondents have used their own funds to start the business. Almost all respondents opined that getting finance from private financiers is easier than

financial institutions because they have to fulfill number of formalities and collateral their property. A whopping majority of 86 per cent of the respondents revealed that they are getting less profit that is below 15 per cent. In the field survey it is observed that the respondents are afraid to reveal the actual profit because of the income tax problem.

The present study reveals that motivation by family (64%) seems to be the overwhelming force behind the selection of trades. Almost all respondents expressed that they have started business to earn money, since money plays a pivotal role to lead a happy and comfortable life. Recognition and status are the two important non-monetary factors attracted them to enter into the business. The problems faced by the respondents are numerous. The family life of married respondents is largely affected. The respondents are suffering from inadequate facilities, inadequate sales, poor knowledge of market, price fluctuations, working capital, inadequate loan facility, poor government assistance etc. Inadequate sales are because of heavy competition in the competitive business world.

Suggestions

1. Initially if they are first generation entrepreneurs, it is desirable to take up non-technical business.
2. Technical know-how and training facility in management should be imparted. Therefore frequent workshops and refresher courses must be conducted by agencies concerned.
3. Wide publicity through different media, conferences, seminars and other related activities must be conducted to educate and stress the need for more women entrepreneurs. This goes a long way for the rapid industrialization and also making this section a potent and dynamic force to reckon with.
4. Banks and financial institutions must come forward to extend loans without insisting on collateral securities.
5. Financial aid/loans at a low rate of interest should be made available to the women entrepreneurs.
6. Government should give subsidies for the loans taken by the women entrepreneurs.
7. Liberalize the formalities of loan facility provided by government, banks, financial institutions, funding agencies etc.
8. Government banks and financial institutions should pay special support to the women entrepreneurs.
9. The entrepreneurs have felt paucity of inadequate facilities, financial subsidies, inadequate sales, poor knowledge of market, price fluctuations and poor government assistance etc. It is assumed that these factors need to be considered mostly by the government and funding agencies for various purposes.
10. Finally re-frame and re-organize Entrepreneur Development Programme in the country to encourage women entrepreneurs into business domain.

References

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Table 1 : Age of the Women Entrepreneurs

Age	No. of Respondents	Percentage
20-25	6	6
26-30	14	14
31-35	26	26
36-40	20	20
41-45	16	16
46-50	14	14
51-55	2	2
55 & Above	2	2
Total	100	100

Table 2 : Religion of the women entrepreneurs

Religion	No. of Respondents	Percentage
Hindu	88	88
Muslim	2	2
Christian	10	10
Any other	0	0
Total	100	100

Table 3 : Community of Women Entrepreneurs

Community	No. of Respondents	Percentage
SC	4	4
ST	2	2
BC	36	36
OC	58	58
Total	100	100

Table 4 : Marital Status of Women Entrepreneurs

Marital Status	No. of Respondents	Percentage
Unmarried	10	10
Married	90	90
Divorced	0	0
Widow	0	0
Total	100	100

Table 5 : Educational background of Women Entrepreneurs

Qualification	No. of Respondents	Percentage
Prematric	24	24
Matric	40	40
Diploma	4	4
Degree	26	26
P.G	6	6
Total	100	100

Table 6 : Reasons to start business by Women Entrepreneurs

Reasons	No. of Respondents	Percentage
Scope	34	34
Raw material	20	20
Marketing	50	50
Experience	70	70
The only business available	55	55
Others	3	3

Table 7 : The year of Commencement of Business

Year	No. of Respondents	Percentage
1996-2000	20	20
2001-2005	8	8
2006-2010	34	34
2011-Onwards	38	38
Total	100	100

Table 8

Year	No. of Respondents	Percentage
20-25	26	26
26-30	38	38
31-35	18	18
36-40	12	12
41-45	4	4
46-50	2	2
51-55	0	0
Above 55	0	0
Total	100	100

Table 9 : Previous Occupation

Occupation	No. of Respondents	Percentage
Unemployed	24	24
Housewife	70	70
Daily wage earner	2	2
White collar job	4	4
Any other	0	0
Total	100	100

Table 10 : Women Entrepreneurs Classified by Trade

Type of Trade	No. of Respondents	Percentage
Fancy Shops	14	14
Provision stores	18	18
Cool drink shops	10	10
Cloth and ready made garments	20	20
Food processing	10	10
Typing and zerox centres	12	12
Beauty parlour	4	4
Medical	4	4
others	8	8
Total	100	100

Table 11 : Occupation of Entrepreneurs' Father/Husband

Occupation	No. of Respondents	Percentage
Agriculture	0	0
Social service	0	0
Daily wage	18	18
Business	78	78
White collar job	4	4
Total	100	100

Table 12 : Capital Employed

Capital	No. of Respondents	Percentage
> 2,00,000	14	14
2,00,001-4,00,000	8	8
4,00,001-6,00,000	42	42
6,00,001-8,00,000	12	12
8,00,001-10,00,000	10	10
Above 10,00,000	14	14
Total	100	100

Table 13 : Source of Finance

Sources	No. of Respondents	Percentage
Personal wealth	60	60
Loans from financial institutions	4	4
Assistance from relatives	2	2
Family wealth	6	6
Private finance	28	28
Total	100	100

Table 14 : Return on Capital Employed by the Entrepreneur

Rate of Return	No. of Respondents	Percentage
0-5	0	0
5 - 10	62	62
10-15	24	24
15-20	6	6
20-25	8	8
25 & Above	0	0
Total	100	100

Table 15 : Motivational factors Contributing to start the Business

Motivational Factors	No. of Respondents	Percentage
To earn more profits	52	52
To have independent job	62	62
Prior experience	30	30
Motivational by the family	64	64
Heavy demand for the product/services	6	6
No opportunity for employment	34	34
Absence of competition	0	0
Incentives offered by the Government	4	4

Table 16 : Monitory Factors

Monitory Factors	No. of Respondents	Percentage
Income	52	52
Security	21	21
Interest	27	27
Others	0	0

Table 16a : Non-monitory Factors

Non-monitory Factors	No. of Respondents	Percentage
Status	41	41
Recognition	53	53
Model	26	26
Others	0	0

Table 17 : Socio-personal Problems

Problems	No. of Respondents	Percentage
Weak collateral position	8	8
Family life is effected	76	76
Overcoming the belief that woman are not as serious as man	12	12
Lack of confidence to start business	20	20
No support by family	14	14

Table 18 : Technical Problems

Problems	No. of Respondents	Percentage
Poor record keeping and control	33	33
Lack of management experience	16	16
Inadequate availability of land, plots and premises	46	46
Non availability of agency to guide	33	33
Inadequate facilities and equipments	52	52

Table 19 : Raw Materials, Inventory and Market Problems

Problems	No. of Respondents	Percentage
Poor knowledge of market and competition	40	40
Raw material problems	25	25
Inventory management	9	9
Inadequate sales promotional avenues	56	56
General difficulties in production process	0	0

Table 20 : Financial Problems

Financial Problems	No. of Respondents	Percentage
Price fluctuations and variations in raw material	42	42
Lack of working capital	34	34
Non availability of loan and subsidies	25	25
Price fluctuations of finished products	39	39

Table 21 : Problems of Government Assistance

Problems	No. of Respondents	Percentage
Advisory organizations become exploitative and dishonest	21	21
Redtapism at various levels	52	52
Lack of Government help in technical matters when needed	23	23
Poor Government Assistance	64	64

A Study of Mutual Fund Recent Trends and Challenges in India

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Abstract

The landscape of the financial sector in India is continuously evolving, accredited to regulatory changes being undertaken, which is leading market participant like the asset management companies (AMCs) and distributors to restructure their strategies and adopt business models which will yield sustainable benefits. Some of the other trends which have emerged strongly over the past year are heavy outflows triggered by market volatility and partnering of asset management companies with banks, to increase the strength of distribution networks. The whole paper is divided into five sections. In the first part, we have discussed the conceptual framework of mutual fund. In the next section, we have focused on the growth of mutual fund industry in India. In the third section, we have analysed the trends in the mutual fund industry. Then, we have discussed the challenges of mutual fund industry and finally, the way ahead for mutual fund industry in India

Keywords: Mutual Funds, Growth, Challenges, Business models, Regulatory

Introduction

Mutual Fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. One of the main advantages of mutual funds is that they give small investors access to professionally managed, diversified portfolios of equities, bonds and other securities, which would be quite difficult (if not impossible) to create with a small amount of capital. Each shareholder participates proportionally in the gain or loss of the fund. Mutual fund units, or shares, are issued and can typically be purchased or redeemed as needed at the fund's current net asset value (NAV) per share, which is sometimes expressed as NAVPS. Mutual funds as an intermediation mechanism and products play an important role in India's financial sector development. Apart from pooling resources from small investors, they also provide informed

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decision making mechanism to them. Thus they contribute to not only financial sector participation, but also financial inclusion and thereby enhance market efficiency. Additionally they contribute to financial stability and help in enhancing market transparency

The Indian mutual fund industry has been one of the fastest growing and most competitive segments of the financial sector. Its net inflow has been highest since 2007-08 and the assets under management are at an all-time high. This growth may be contributed both to a positive outlook as well as well-timed and paced initiatives by SEBI to re-energise the mutual fund industry from time to time. The year 2014-15 saw the introduction of the concept of seed capital, increase in cash transaction limits for investors and increase in minimum net worth for asset management companies (AMCs) to launch and manage new schemes as some of the regulatory reforms undertaken by SEBI

Growth in global AUM

AUM of world-wide mutual funds and exchange-traded funds [ETF] stood at \$33.4 trillion at year-end 2014, with more than 80% of the assets held across USA and Europe. Mature markets of USA and Europe have demonstrated lower CAGR for the 5-year period starting from the beginning of this decade. Higher growth in India represents the latent potential of the Indian market which can be tapped to improve the penetration of the mutual fund industry in India. While the average AUM to GDP ratio stands at 7% for India and is considerably lower than the global figure, there is a wide variation across the different districts of India. A SEBI study (2013) reveals that key districts with high volume of fund collection have a figure of around 30%, comparable to the global estimate. However, other districts have figures as low as 2%, highlighting the geographic concentration in the domestic AUM build-up.

2. Review of Literature

The review of some of the literature related to the performance of mutual fund is shown below.

Panigrahi (1996) studied the growth of the mutual fund industry from 1991-92 to 1994-95. Mutual fund collections as a proportion of aggregate bank deposits constantly rose from an eager 8.78 per cent in 1991-92 to 15.91 per cent in 1994-95. Expenses as a portion of income generated also increased from 2.27 per cent to 4.25 per cent during the period of study

Syama Sunder (1998) conducted a survey to get an insight into mutual fund operations of private institutions with special reference to Kothari Pioneer. He found that the awareness about mutual fund as an investment option was poor in small cities. Open-ended schemes were preferred by investors and age and income played a vital role in selecting the fund schemes. Also brand image and return were the prime considerations for the mutual fund investors.

Gupta (2001) in his study examined the growth and development of the mutual fund industry in India during the period 1987 to September 1999. The study revealed that mutual fund

industry witnessed major growth in terms of investible funds, number of mutual fund schemes, investor base and range of products offered to the investors.

Mehru (2004) in his study analyzed the problems of mutual funds in India. The study highlighted several problems such as lack of awareness among investors, poor after sale services, non-disclosure of portfolio by mutual funds, inter -scheme transfer of funds and lack of professional fund managers. The study point out that mutual fund were wrongly promoted as an alternative to equity investing and created very high expectations in the minds of the investors.

Ramamurthy and Reddy (2005) conducted a study to analyze recent trends in Indian mutual fund industry. They concluded that major benefits delivered to small investors by mutual funds are professional management, diversification of investment; return potential, expedient administration, liquidity, transparency, affordability, flexibility, wide choice and appropriate regulation.

Viramgami (2009) in his study of resources mobilization by Indian mutual fund industry concluded that Income schemes, Liquid/MM schemes, Growth schemes showed growth between March 2000 to March 2007. In terms of resources mobilization, liquid/money market, Growth, ELSS and Income funds emerged as the most popular schemes among investors and these three accounted for more than 70 per cent of the resources. Among various sectors operating in mutual fund industry, private sector mutual funds were the most prominent players in the industry.

Singh and Chander (2000) in their study showed that income/debt schemes outnumbered the growth and balanced schemes. Further the number of open-ended schemes was more than close-ended schemes. The study also found that performance was independent of corpus size and the performance of debt funds was better than equity funds.

Turan and Bodla (2001) in their study examined the growth of both public and private sector mutual funds in India in terms of resource mobilization, promotion of various schemes and their investment pattern for a period 1995 to 1998. The study showed that a large majority of both listed and open-ended schemes incurred losses due to the defensive investment strategies adopted by the fund managers.

Agarwal (2011) analysed the Indian Mutual Fund Industry and point out that there has been incredible growth in the mutual fund industry in India, attracting large investments from domestic and foreign investors. Tremendous increase in number of AMCs providing ample of opportunity to the investors in the form of safety, hedging, arbitrage, limitedrisk with better returns than any other long-term securities has resulted in attracting more investors towards mutual fund investments.

Gupta (2011) in her paper revealed that low customer awareness levels and financial literacy posed the biggest challenge in channelizing household savings into mutual funds. Further, fund house showed limited focus on increasing retail penetration.

3. Objectives of the study

1. To assess the trends in mutual fund industry in India
2. To study Challenges for Mutual Fund Industry

Growth of Mutual Fund Industry

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India, at the initiative of the Government of India and Reserve Bank. Unit Trust of India (UTI) was established on 1963 by an Act of Parliament. It was set up by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management.

The year 1987 marked the entry of non- UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non - UTI Mutual Fund established in June 1987 followed by Canbank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990. At the end of 1993, the mutual fund industry had assets under management of Rs.47,004 crores. With the entry of private sector funds in 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of fund families. Also, 1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993 SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996. The number of mutual fund houses went on increasing, with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions. As at the end of January 2003, there were 33 mutual funds with total assets of Rs. 1,21,805 crores. The Unit Trust of India with Rs.44,541 crores of assets under management was way ahead of other mutual funds. Indian mutual fund industry has grown at a Compounded Annual Growth Rate (CAGR) of 15 per cent from FY07 to FY13, the growth performance in the recent years have been rather subdued. However, Assets under Management (AUM) as a per cent of GDP for India is about 5 to 6 per cent, significantly lower than some other emerging economies, for example, 40 percent for Brazil and around 33 per cent for South Africa . This indicates significant headroom for growth. However, the industry growth will continue to be characterized by external factors such as volatility and performance of the capital markets, and macro-economic drivers such as GDP growth, inflation and interest rates. The Indian mutual fund industry has shown relatively slow

growth in the period FY 10-13 growing at a CAGR of approximately 3.2 per cent. Average (AUM) stood at INR 8,140 billion as of September 2013. However, AUM increased to INR 8,800 billion as of December 2013. Lackluster stock market performance, rising inflation and anticipation of a rise in interest rates has led to a tapering of growth in the Indian mutual fund industry in the recent years. In comparison to global markets, India's AUM penetration as a per cent of GDP is between 5-6 per cent while it is around 77 per cent for the U.S., 40 per cent for Brazil and 31 per cent for South Africa. Despite the relatively low penetration of mutual funds in India, the market is highly concentrated. Though, there are 44 AMCs operating in the sector, approximately 80 per cent of the AUM is concentrated with 8 of the leading players in the market. There have been recent instances of consolidation in the market and market concentration is expected to remain in the near-term

Table 1: Resource mobilisation by mutual funds (in ` crore)

Year	Gross Mobilisation	Redemption	Net Inflow	Assets at the end of period
2013-14	97,68,100	97,14,318	53,782	8,25,240
2014-15	1,10,86,259	1,09,82,971	1,03,287	10,82,757

In 2014-15, mutual funds showed encouraging growth in terms of net resource mobilisation. The gross mobilisation of resources by all mutual funds during 2014-15 was 1,10,86,259 crore compared to 97,68,100 crore during the previous year showing an increase of 13.5 per cent over the previous year. Correspondingly, redemption increased by 13.1 per cent to 1,09,82,971 crore in 2014-15 from 97,14,318 crore in 2013-14. The net resources mobilised by all the mutual funds in 2014-15 was ` 1,03,287 crore compared to net mobilisation of ` 53,782 crore in 2013-14, showing a rise of 92.0 per cent. The cumulative net assets of all mutual funds as on March 31, 2015 was 10,82,757 crore as against ` 8,25,240 crore on March 31, 2014, representing an increase of 31.2 per cent.

Table 2: Sector-wise Resource Mobilisation

Month/ Year	Private Sector MFs				Public Sector MFs				Grand Total
	Open- ended	Close- ended	Interval	Total	Open- ended	Close- ended	Interval	Total	
1	2	3	4	5	6	7	8	9	10
Mobilisation of Funds									
2013-14	79,12,853	1,21,634	14,909	80,49,397	16,94,672	22,733	1,296	17,18,703	97,68,100
2014-15	90,97,753	43,785	2,423	91,43,962	19,28,467	13,760	69	19,42,297	1,10,86,260
Repurchases/Redemption									
2013-14	79,19,832	70,564	10,161	80,00,559	16,98,146	14,061	1,550	17,13,758	97,14,318
2014-15	89,46,880	87,004	6,378	90,40,262	19,24,059	18,071	579	19,42,710	1,09,82,972
Net Inflow/Outflow of Funds									
2013-14	-6,979	51,069	4,748	48,838	-3,474	8,672	-254	4,943	53,782
2014-15	1,50,874	(43,219)	(3,955)	1,03,700	4,408	(4,310)	(510)	-412	1,03,288

Table :Sector-wise Resource Mobilisation by Mutual Funds (in crore)

Schemes	Gross Funds Mobilised (in ` crore)	Repurchase/ Redemption (in ` crore)	Net Inflow/ Outflow of Funds (in ` crore)	Assets Under Management son Mar31, 2015 (in ` crore)	Percentage Variation over March 31,2014
1	2	3	4	5	6
A. Income/Debt Oriented Schemes					
i) Liquid/Money Market	1,04,05,265	1,03,95,484	9,781	1,62,562	22.0
ii) Gilt	13,133	5,421	7,711	14,614	139.0
iii) Debt (other than assured returns)	4,93,503	4,88,627	4,876	5,15,772	12.0
iv) Infra structure development	188	-	188	1,179	34.1
	1,09,12,088	1,08,89,53	22,556	6,94,128	15.5
B. Growth/Equity Oriented					
i) ELSS	8,343	5,43	2,908	39,470	54.5
ii) Others	1,39,829	4	68,121	3,05,669	84.6
Sub-total (i + ii)	1,48,171	77,14	71,030	3,45,139	80.6
C. Balanced Schemes					
Balanced schemes	15,417	5,59	9,826	26,368	57.0
D. Exchange Traded Fund					
i) Gold ETF	118.27	1,59	-1,475	6,655	-23.3
ii) Other ETFs	9,856	3	2,251	8,060	78.0
Sub-total (i + ii)	9,974	9,19	776	14,715	11.4
E. Fund of Funds Investing Overseas					
Fund of Funds investing overseas	609	1,509.0	-899.9	2,408	-24.5
TOTAL (A+B+C+D+E)	1,10,86,259	1,09,82,97	1,03,288	10,82,757	31.2

Private sector mutual funds retained the dominant place in the mutual fund industry in 2014-15, similar to last year with 82.5 percent share in gross resource mobilisation and 100.4 percent in net resource mobilisation. The corresponding share of UTI mutual funds and other public sector mutual funds was 10.2 and 7.4 percent respectively in gross resource mobilisation. While other public sector mutual funds contributed 0.8 percent to the net resource mobilisation, the UTI mutual funds had net redemption of 1.2 percent. In absolute terms, gross resource mobilisation by private sector mutual funds rose by 13.6 percent to 91,43,962 crore in 2014-15 from 80,49,397 crore in 2013-14. Net resource mobilisation by private sector mutual funds more than doubled to ` 1, 03,700 crore in 2014-15 compared to ` 48,838 crore in 2013-14. Net resources raised by other public sector mutual funds were much lesser at ` 865 crore in 2014-15 representing a decline of 80.9 percent.

Table 3: Scheme-wise resource mobilisation by mutual funds and AUM

Schemes	Open-	Close-	Interv	Total
A. Income/Debt Oriented Schemes				
i) Liquid/Money Market	52(53)	0(0)	0(0)	52(53)
ii) Gilt Debt (other than assured returns)	45(44)	0(0)	0(0)	45(44)
iv) Debt (assured returns)	267(259)	906(753)	72(65)	1,245(1,077)
v) Infrastructure Development	0(0)	0(0)	0(0)	0(0)
Sub-total (i+ii+iii)	0	4(4)	0	4(4)
	364(356)	910(757)	72(65)	1,346(1,178)
B. Growth/Equity Oriented Schemes				
i) ELSS	39(38)	16(14)	0(0)	55(52)
ii) Others	303(287)	76(24)	0(0)	379(311)
Sub-total (i+ii)	342(325)	92(38)	0(0)	434(363)
C. Balanced Schemes				
Balanced schemes	25	0(1)	0(0)	25(30)
D. Exchange Traded Fund				
i) Gold ETF	14(14)	0(0)	0(0)	14(14)
ii) Other ETFs	34(26)	0(0)	0(0)	34(26)
Sub-total (i+ii)	48(40)	0(0)	0(0)	48(40)
E. Fund of Funds Investing Overseas				
Fund of Funds investing overseas	31(27)	0(0)	0(0)	31(27)
TOTAL (A+B+C+D+E)	810(777)	1,002(796)	72(65)	1,884(1,638)

A scheme-wise pattern reveals that net inflows were positive for all the scheme categories except the fund of funds investing overseas schemes. Growth/ equity oriented schemes registered the highest net inflows amounting to 71,030 crore followed by income/debt oriented schemes at 22,556 crore in 2014-15. Other schemes under growth/equity oriented schemes registered an inflow of 68,121 crore followed by balanced schemes at 9,826 crore and liquid/money market schemes at 9,781 crore.

AUM was the highest for income/debt oriented schemes at 6,94,128 crore with a growth of 15.5 percent while AUM for growth/equity oriented schemes increased by 80.6 percent to 3,45,139 crore. AUM of gilt schemes in 2014-15 increased by 139 percent, followed by a rise of 84.6 percent in 'others' schemes of growth/equity oriented schemes and a 78.0 percent increase in 'other' ETF schemes. Except the fund of funds investing overseas schemes and gold ETFs, all the

schemes registered an increase in AUM over the previous year. The highest decline in AUM was registered for fund of funds investing overseas schemes at 24.5 percent

Table 4: Number of schemes by investment objective

Schemes	Open-ended	Close-	Interval	Total
A. Income/Debt Oriented Schemes				
i) Liquid/Money Market	52(53)	0(0)	0(0)	52(53)
ii) Gilt				
iii) Debt (other than assured returns)	45(44)	0(0)	0(0)	45(44)
iv) Debt (assured returns)	267(259)	906(753)	72(65)	1,245(1,077)
v) Infrastructure Development	0(0)	0(0)	0(0)	0(0)
Sub-total (i+ii+iii)	0	4(4)	0	4(4)
	364(3)	9	72(65)	1,346(1,178)
B. Growth/Equity Oriented Schemes				
i) ELSS	39(38)		0(0)	55(52)
ii) Others			0(0)	379(311)
Sub-total (i+ii)	342(3)		0(0)	434(363)
C. Balanced Schemes				
Balanced schemes	25(2)	0(1)	0(0)	25(30)
D. Exchange Traded Fund				
i) Gold ETF	14(14)	0(0)	0(0)	14(14)
ii) Other ETFs		0(0)	0(0)	34(26)
Sub-total (i+ii)	48(4)	0(0)	0(0)	48(40)
E. Fund of Funds Investing Overseas				
Fund of Funds investing overseas	31(2)	0(0)	0(0)	31(27)
TOTAL (A+B+C+D+E)	810(7)	1,	72(65)	1,884(1,638)

As on March 31, 2015, there were 1,884 mutual fund schemes of which 1,346 were income/debt oriented schemes, 434 were growth/equity oriented schemes and 25 were balanced schemes. There were 48 ETFs, of which 14 were gold ETFs and 34 were other ETFs. Also, there were 31 schemes operating as fund of funds which invested in overseas securities. In terms of the investment objective, there were 810 open-ended schemes and 1,002 close-ended schemes as on March 31, 2015

Table 5: Trends in transactions on stock exchanges by mutual funds

Year	Equity			Debt			Total		
	Gross Purchase	Gross Sales	Net Purchase/Sales	Gross Purchase	Gross Sales	Net Purchase/Sales	Gross Purchase	Gross Sales	Net Purchase/Sales
		2	3	4	5	6	7	8	9
2013-14	1,12,13	1,33,35	-	15,38,08	9,94,84	5,43,24	16,50,21	11,28,19	5,22,023
2014-15	2,31,40	1,90,68	40,72	17,17,15	11,30,13	5,87,01	19,48,56	13,20,82	6,27,741

Over the past years, mutual fund investments in equity had been outweighed by investments in debt. During 2014-15, combined net investments by mutual funds in debt and equity were 6,27,741 crore as compared to 5,22,023 crore in 2013-14, accounting for an increase of 20.3 percent. Net investments by mutual funds in the equity segment were 40,722 crore, whereas their net investments in the debt segment were 5,87,018 crore during the same period. After five consecutive years, 2014-15 had positive flows by mutual funds in the equity segment. Net investments were the highest in March 2015 (81,240 crore) followed by August 2014 (78,852 crore). Net investments of mutual funds in the debt and equity segment were positive for all the months during the year except for April 2014 in the equity segment.

4. Challenges for Mutual Fund Industry

- 1) **Lack of Financial Education and Awareness:** Financial literacy is the one of the most fundamental factor impeding the growth of penetration of any financial product in the smaller cities and towns. Investors need to be made aware of their financial goals and the means to achieve the same. SEBI is making efforts for the investor awareness campaign.
- 2) **Limited Distribution Network:** The second critical issue for fund houses to distribute their products in smaller cities is the availability of quality distribution infrastructure. Fund houses need infrastructure like branched, adequate number of relationship managers and sales service staff in these locations to be able to increase their sales volume coming from these geographies.
- 3) **Distribution cost:** Cost of establishing A Distribution network in B-15 cities is quite high. It is the cost per transaction or the low sales volume that makes the pursuit economically unviable or at least challenging
- 4) **Cultural Bias:** Cultural Bias towards physical assets, as of FY13, 46 percent of total individual wealth in India is invested in physical assets. Although, in the past few decades, the investors have increasingly relied on financial assets to invest their savings, the contribution of MFs in the asset portfolio is very low

The way forward

The Mutual fund industry needs to have an "outside-in" perspective as compared to "inside-out" perspective. Understanding investors' needs should be followed by a product channel alignment.

Increasing financial literacy will be the key to unlock the doors to B-15 and also to remove the perception that equates mutual fund to only equity. Investor awareness campaigns should be conducted to increase the AUM in smaller cities which would help industry to progress in a holistic manner. Knowledge about mutual fund industry should be included in educational curriculum. Fund houses may need to find and partner with the right distributor to make the products available to investors in smaller cities. Therefore, Banks and IFAs could play a pivotal role in reaching the investor base. Also, distributors should be incentivized enough to ensure that they project mutual funds as a long-term investment for fulfilling financial goals. For future growth, tax could act as an enabler as tax benefits can be a pull factor for investors. For example, fund of funds does not get the required tax benefit from the government. May be, government could look at such funds and few offshore funds from India for tax benefits.

Technology can act as a key enabler and help the fund houses reach investors at a low cost and more efficient manner. AMC's need to make the relevant investments in technology to help reach investors to help ensure transactions on the channels of their choice

5. Conclusion

The road ahead for the mutual fund industry will be paved by the performance of the capital markets. But, more importantly, it remains to be seen, how fund houses adapt themselves to changes in regulations, Thereby shaping growth for the future. A continuously evolving regulatory framework makes it mandatory for the industry to elicit a clear growth path, making it easier to assess obstacles and tide over them with time.

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"Public Private Partnership" & "Privatisation"- A Case Study of Mangalore City Corporation

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Abstract

The study is an attempt to view Public Private Partnership model from a new dimension of "Privatisation". The features of Public Private Partnership differ from project to project. However, the basic concept of Public Private Partnership signifies private involvement in providing public services which is the fundamental principle of "Privatisation" as well. The difference between the two lies in the degree of private involvement in the project. Therefore the usage of the two terms can be viewed as a language game. The paper tries to bring out the similarities and differences between the two terms by concentrating on the Mangalore city Corporation case of PPP in installation and maintenance of street lights and Privatisation of water. The reaction of the public to the above two cases is examined to understand the mental blockage involved in the usage of the terms "Public Private Partnership" and "Privatisation".

Keywords: degree of involvement, differences, language game, similarities, street lights.

Introduction

India has adopted mixed economic system. Economic system is the framework chosen by a country to run its economy. There are three economic system followed globally- Capitalist, Socialist and Mixed economic system. In a capitalist economy production and distribution of goods and services is largely owned by the private player and the government does not interfere in economic activities. On the other hand, in a socialist economy production and distribution of goods and services are largely owned by the government and very few economic activities are carried out by the private enterprises. India has adopted the mixed economy system which is a combination of capitalist and socialist system, with the intention of getting the advantages of both and avoiding their disadvantages.

In India, the public sector is guided by the welfare motive and is directed by the government at all points whereas; the private sector is guided by the profit motive and subject to only regulation by the government. The major task of the public sector lies in the area of development and maintenance of infrastructure and public utilities. But, today, in executing these tasks the public agencies are turning towards private assistance. Private assistance is often looked for in the name of "Public Private

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Partnership" or popularly called as "PPP". The theory behind this model is that private enterprises operate far more efficiently and offer better services compared to the public agencies. But, one must understand that the bottom line of "Public Private Partnership" remains the same as "Privatisation".

Literature Review

Much research has been done on the concept of Public Private Partnership. California Debt & Investment Advisory Commission in its Issue Brief- Privatisation & Public Private Partnership- A Comparative Analysis says that "There are advantages and disadvantages to using both Privatisation and Public Private Partnership in the delivery of public services and projects. Local agencies should carefully consider these factors in the light of their particular project needs and resources. While neither Privatisation nor Public Private Partnership is likely to fully replace conventional financing, when used judiciously, they can be useful financing option for public agencies to consider." (treasurer.ca.gov, n.d.)

As per the public auditing guidelines, 2009, issued by Comptroller & Auditor General of India, "The main difference between Public Private Partnership and Privatisation is that in the former there is no permanent transfer of ownership of the assets to the private partner and moreover, the public sector agency remains accountable for providing services of the required quality. Thus, the responsibility and accountability to deliver the goods and services efficiently remains with the public sector, which is not diluted because of the Public Private Partnership arrangement. On the other hand, not only ownership is transferred to the private sector, but the accountability is also shifted totally to the purchaser, though the government may set standards and retail price/ quality control by establishing appropriate regulatory mechanism, as per the relevant legislation." (India, 2009)

Savas in his book Privatisation and Public Private Partnership opined that "Privatisation" and "Contracting out" are terms that generate opposition quickly and the expression such as "Alternative Delivery System" or "Public Private Partnership" is more acceptable. (Savas, 2000)

"The emphasis in many cases has shifted from outright Privatisation to partial sales, and to outsourcing government operations to private contractors in the form of public private sector partnerships. Outsourcing has so far generated less controversy than Privatisation" (Simon, 1997)

Public Private Partnership

PPP is a partnership between a statutory entity and private company wherein the private company provides a public service and assumes substantial technical, financial and operational risk in the project. For this, a special commercial venture called "Special Purpose Vehicle" (SPV) is formed to execute the agreement. SPV is unique for each project and it is the SPV that sign the contract with the government and sub-contractors for the execution of the project.

PPP'S have gained interest globally. This model is being used throughout the world for setting up and maintaining power stations, schools, hospitals, waste management and a host of other such

facilities. This model has been claimed to be the best form to extract the advantages of both the sectors.

Three diverse stages of PPP are seen across the globe. BRIC nations and few other Emerging Market Economies are at Stage I of the PPP maturity curve in the global economy. In this stage, the countries establish policies and legislative framework along with institutions to set up and guide the implementation of projects. It is important to note that many regions of US still come under Stage I of the curve. Nations that come under stage II establish dedicated PPP units in agencies and begin developing new hybrid delivery models. In this stage PPP models gain depth and its use is expanded to multiple projects and sectors. Australia and UK has reached Stage III of the market maturity curve. These countries use more sophisticated risk models to develop advance infrastructure market.

Public Private Partnership in India

Evolution of PPP

Phase I: (19th & early 20th century)

Few notable PPP's could be found as early as 19th century:

- The great Indian Peninsular Railway company (1853)
- The Bombay Tramway Company's tramway services in Mumbai
- PPP model were there in power generation and distribution in Mumbai and Kolkata in the early 20th century

Phase II: (1991-2006)

- 86 PPP project worth INR 340 billion were awarded till 2004 (World Bank study of 13 states 2005)
- Most of the projects were in bridges and roads sector
- Large scale private financing has been limited to Vishakhapatnam and Tirupur

Phase III: (After 2006)

- Increasing acceptance of PPP models due to favorable policy reforms and innovative PPP structures.
- Growth in PPP from 450 projects costing INR 2,242 billion in November 2009 to 758 PPP projects costing INR 3,833 billion in July 2011. (RBI, n.d.)

Privatisation

After independence, India faced the challenge of how to run the economy? Jawaharlal Nehru, the first Prime Minister of India was of the belief that capital Intensive industry should be operated and

managed by the state whereas economic infrastructure should be handed over to the private sector. With this thought, an enormous private sector existed but side by side while public sector had a major role to play. Later when Rajiv Gandhi became the Prime Minister, the World Bank and IMF was pressuring the government to liberalize the Indian economy. After the assassination of Rajiv Gandhi P.V.Narasimha Rao who succeeded Rajiv Gandhi as Prime Minister took the bold step to reform and revitalize the Indian Economy by executing the Privatisation plan through its liberalization policy during July, 1991

Privatisation indicates a shift of public services from a public agency to private enterprises. It is carried out for any one or more of the following reasons:

1. **Enhance Efficiency** : The private enterprises works towards the achievement of profit motive. Therefore they strive hard to enhance productivity so as to lower costs and increase profits.
2. **Autonomy** : With Privatisation, an enterprise enjoys greater autonomy as it is isolated from bureaucratic and political interferences.
3. **Generate resources** : Public sector in India is often responsible for budgetary deficits. In such situation, Privatisation is the best way to reduce the deficit.

Today water, electricity, gas, healthcare, education, transport, waste management, government administration to an extent has been opened to private players. Privatisation came as a "Reform Package" to curb unethical activities of corrupt officials and politicians. (ijaser, n.d.)

Privatisation and Public Private Partnership- A Case Study of Mangalore City Corporation

Prior to 2008, the Mangalore city public grumbled about non-functional street lights and delay in attending them. The quality of maintenance of street lights by the authorities was being questioned. The entire city's street light comprising of 60 wards was operated and maintained by one contractor. The contractor's performance was unsatisfactory. As a result Mangalore City Corporation (MCC) initiated a bold step of splitting 60 wards into 4 zones and invited tenders from private entities for their operation and maintenance of street lights under the umbrella name "Public Private Partnership". The tender announcement mentioned on the further extension of annual contract by one or two years in case of satisfactory execution of contract. The idea behind this was that in the presence of competition, better service can be expected.

- The zone one comprises of Surathkal west and east, Katipalla east and north, Idya east and west, KatipallaKrishnapura, Hosabettu, Kulai, Baikampady, PanamburBengre, Panjimogaru, Kunjathabail north and south, and Bengre wards.
- BangraKulur, Derebail north, east, south and west wards, south-west Derebail, Bolor, Mannagudda, Kambla, Kodiyabail, Bejai, Kadri north and south wards, Shivabagh and Bendor wards come under the zone two.

- The zone three comprises of Phalnir, Court, Central Market, Dongarakeri, Kudroli, Bunder, Port, Cantonment, Milagris, Kankanady-Valancia, Attavar, Mangaladevi, Hoige Bazar, Bolar and Jeppu wards.
- The rest of the wards, Marakada, Kavoor, Pachchanady, Thiruvail, Padavu west, KadriPadavu, Padavu central and east, Maroli, Kankanady, Alape south and north, Kannur, Bajal and Jeppinamogaru are under zone four.

The city statistics of street lights of Mangalore city is for three years as below

Table 1 : Street Light Statistics

Year	2014-15	2013-2014	2012-2013
Tube Light	51113	48841	45591
Sodium Vapor Lamps	10630	9182	6316
High Mast Lights	370	663	1959
Mercury Vapor Lamps	-	-	2616
CFL	140	-	-
Metal Helaide	2536	-	-
Led (72 Watts)	788	-	-

(Mangalore city Corporation, n.d.)

The decision of Mangalore City Corporation to invite private involvement in maaintaining the street lights has led to the following-

- Nullifying the existence of Mercury vapour lamps and replacing it with sodium vapour lamps that is more efficient, pleasant, uses less power than mercury lights and facilitates better visibility through fog.
- Introduction of CFL lights that involves lower energy consumption
- Installation of MetalHeliade Lamps (MH Lamps) and LED which provides good quality white light and good efficiency.
- Timely on and off of street lights
- Better redress of complaints by the way of providing public helpline system
- Rectification of complaints within 48 hours

At present, the credit for the efficient and effective maintenance of street lights in Mangalore city is given to the concept of "PPP". From the initial stage the term "PPP" was accepted and did not face any resistance from the public.

Subsequently, consider the example of proposal to "Privatize" water supply in Mangalore

Find below the present water supply details of Mangalore city

Table 2 : Water Supply Statistics (2014-15)

Water Connection Details	Number of Connections	Demand for water (per day in million litres)
Residential	72748	73
Other than household	4452	15
Building construction	1275	6
Multi store building	805	10
Commercial	844	18
Public taps, free water supply	5300	13

(Mangalore city Corporation, n.d.)

During the mid-2012 the Mangalore City Corporation proposed to invite private entities to "Operate & Maintain" water supply in the city. The guidelines of the proposal were as follows:

- i. Operator will create a "Special Purpose Vehicle" for "Operation & Maintenance" of water supply in MCC.
- ii. All the revenues earned from water tariff will be deposited in the Escrow Account
- iii. Payment to the operator will be partly fixed and partly linked to performance parameters which will include but not limited to the following
 - a) To demonstrate continuous (24*7) pressured water supply to every customer
 - b) Metering of all property connections and Public Stand Posts
 - c) 100% of customer meters must be read and billed every month
 - d) Maintenance of computerized records of reading
 - e) System connection requests must be fulfilled within 7 days
 - f) Reduction of the losses as per prescribed standards
 - g) Leaks appearing at the surface must be repaired within 24 hours of notification/ observance
 - h) Establishment and operation of customer service centers on a 24 hour basis
 - i) All customer complaints to be responded to within 24 hours and redressed within 7 days of such complaint
 - j) Collection efficiency of 80 is to be achieved subject to disconnection procedure indicated in metering policy.

- iv. A predetermined procedure for replacement of assets as per asset replacement plan will be included. Investment towards such replacement will be provided by MCC and are to be procured as per the Karnataka Transparency in Public Procurement Act (KTPP) by operator
- v. Dispute resolution mechanism to be put in place.

This proposal was opposed by a large number of activists and local community. It was opposed on the ground that if the water services are commercialized, those who can pay higher rates will be first served, depriving the economically and socially marginalized sections of the society. They set up a fight for the right to water by marching from Mangalore to Sarapady dam. Besides, the Citizen's Forum for Mangalore Development (CFMD) decided to initiate a number of awareness programs against the Proposal. However, the activists and citizens were obstinate and declined to understand that the proposal was just for O&M of water supply through the creation of Special Purpose Vehicle (SPV) and not complete Privatisation of water services. Thus, this opposition forced the State Ministry for urban development to declare that there would be no "Privatisation" of water supply in Mangalore City. Subsequently, the central government said there was no proposal for Privatisation of water resources, but would encourage PPP model for effective utilization of scarce natural resources. The then water resources minister, Mr. Pawan Kumar Bansal, said in the Rajya Sabha during the question hour "Privatisation is not being done and it cannot be done. The river cannot be given to private party." Further, he added PPP mode of distribution is being effectively used in several parts of the country, including Salt Lake (Kolkata), Mysore, Hubli, Latur, Haldia and Kolapur. (indiaenvironmentalportal, 2012).

It is important to note that the principle underlying "PPP" and "Privatisation" is similar i.e. delivery of public services by private sector. The only difference lies in the degree of private involvement in the project. The figure below demonstrates the various degree of Private involvement in any project.

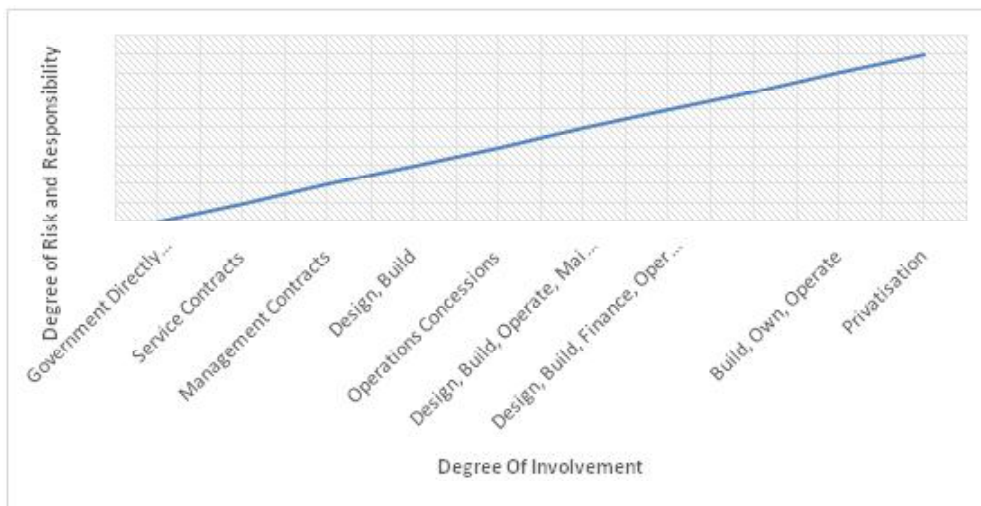


Figure (1): Degree of Private Involvement in the Project

The involvement of private sector in offering public utility services makes the concept of Public Private Partnership indisputably and confusingly similar to Privatisation. But, one must understand "Privatisation" is the last level that involves complete shifting of functions and responsibilities from the government to the private hands. Besides this, there are various others levels under the umbrella name "Public Private Partnership" that involves private involvement at varied degrees in serving the public as displayed in the figure above.

While the terms "Privatisation" and "Public Private Partnership" are often used broadly and interchangeably, there exists three key differences between them.

Table 3 : Public Private Partnership VS. Privatisation

Basis	Public Private Partnership	Privatisation
Ownership	Ownership is retained with the public agency, only its operation and management is moved to the hands of private sector	Ownership and responsibility for the service completely passes on to the private sector
Structure	Structure of agreement is determined by the scale of private participation	Public agency's involvement is almost nil except as a regulator
Risk	Risk is shared	Risk is borne solely by the private sector

Conclusion

In developing country like India, Public service is seen as inadequate. The major reason behind this is "Corruption", due to which the funds set aside for public service do not find its way to the intended use. Thus, Private companies play a major role in providing these public services.

Private assistance is often looked for either by the mode of "Privatisation" or "Public Private Partnership" But, because people have been burned badly by Privatisation deals, the term is often avoided. Instead we will hear the term "Public Private Partnership". In other words, the usage of the two terms can be viewed as a language game. The psychology of the mankind is such that the term "PPP" is encouraged while "Privatisation" attracts opposition and criticism. But the bottom line remains the same. Who controls what asset or service and who profits from it?

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Performance Evaluation of Equity Schemes of HDFC Mutual Fund

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Abstract

In this paper we tried to evaluate the performance of HDFC open-ended equity schemes with growth option. The period of the study spans from 1st April 2006 till 31st March 2015. To evaluate the performance of the selected mutual fund schemes, monthly returns are compared with Benchmark (BSE SENSEX) returns. Further, statistical tools like average, standard deviation, beta, coefficient of determination and the risk adjusted performance measures suggested by Sharpe (1966), Treynor (1965) and Jensen (1968) were employed to evaluate the performance for the selected period.

Keywords: Sensex, Beta, Equity schemes, Sharpe, Treynor, Jensen, Open ended schemes.

Introduction

In any country, development of capital market is an important pre-requisite for industrial development and business growth which would thereby contribute to economic development. Past several decades have noticed a phenomenal growth in savings and channelisation of these savings as capital for business and industry. As we all know that household savings play an important role in domestic capital formation but only a small part of the household savings in India is channelized to the capital market. Attracting more household savings to the capital market requires efficient intermediation. Mutual funds have emerged as one of the important class of financial intermediaries which cater to the needs of retail investors. Mutual funds have become an important vehicle for mobilization of savings particularly from the household sector.

Review of Literature

Despite the existing of a mutual fund industry for over four and half decades in India, there have been only a few studies, which examined the performance of Indian mutual fund using standard methodology a brief review of this studies is now presented below:

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Gupta [1981] had laid the foundation of performance evaluation with his study on performance of Indian equities. Immediately thereafter, Jain (1982) had pioneered the work on financial performance of investment schemes of Unit Trust of India during the period 1964-65 to 1979-80. His work is considered as the first notable work on performance evaluation of mutual funds in India.1

Sarkar [1991] critically examined mutual fund performance evaluation methodology. He opined that both Sharpe [1966] and Treynor [1965] performance measures rank mutual funds performance in similar fashion though they differ in the measurement of risk parameter.2

Obaidullah and Sridhar [1991] evaluated the performance of two major growth oriented mutual fund schemes - Mastershare and Canshare. They concluded that both of these on a total-risk-adjusted basis while Canshare did on a market risk-adjusted basis.3

Shukla and Singh [1994] tested the proposition whether portfolio manager's professional education resulted in superior performance. They reported that equity mutual funds managed by professionally qualified managers were riskier but better diversified than those managed by others. The study also pointed out that these fund managers outperformed others as a group though the difference in performance was not found to be statistically significant.4

Shome [1994] reported that average rate of return of selected Indian mutual funds was marginally lower than that of the benchmark portfolio (BSE Sensex). However, he reported that the risk measure of the majority of funds was higher than that of the benchmark portfolio. This implies that the fund managers were taking larger risk but were generating lower returns.5

Adhikari and Bhosale [1994] evaluated the relative performance of eleven growth schemes in terms of various performance measures during Feb. 1992 to May 1994 utilizing monthly NAV data. They reported that some of the sample schemes outperformed the relevant benchmark portfolio.6

Vaid [1994] looked at the performance in terms of the ability of the mutual fund to attract more investors and higher fund mobilization. It shows the popularity of the mutual fund as it is perceived to pay superior returns to the investors. She concludes that even for equity oriented funds, investment is more in fixed income securities rather than in equities, which is a distortion.7

Kale and Uma [1995] evaluated the performance of 77 mutual fund schemes managed by eight mutual funds. The rates of return were compared with the return on the BSE National Index over the sample period to assess the performance of the scheme vis-a-vis, the market. The study also examined the accounting and disclosure policies followed by the sample funds.8

Sahadevan and Raju [1996] have carried out a study on mutual funds. Their study has focused on data presentation on expenses and other related aspects, which are generally covered in annual reports of the mutual funds without going into the details of financial performance evaluation of the funds.9

Agarwal [1996] has dwelt upon various conceptual aspects related to mutual funds. The study

has covered data on UTI's equity, debt and balanced funds. It traces the historical background of mutual fund industry in the USA and UK. The study covers in details the operational aspects of mutual fund management including the regulatory framework. The related chapters also cover data on NAV, market prices, national index, etc., pertaining to some of the funds in operation in India, without any financial performance evaluation of equity oriented funds.¹⁰

Khurana [1996] reported inverse relationship between probability of managerial replacement and fund performance by taking growth rate in a fund's asset base its portfolio returns as two separate measures of performance.¹¹

Jayadev [1996] evaluated performance of two schemes during the period, June 1992 to March 1994 in terms of returns/benchmark comparison, diversification selectivity and market timing skills. He concluded that the schemes failed to perform better than the market portfolio (ET's ordinary share price index). Diversification was unsatisfactory. The performance did not show any signs of selectivity and timing skills of the fund managers.¹²

Sadhak [1997] traced the historical background of mutual fund industry. It has delineated the investment and marketing strategies followed by mutual fund organization in India. It contains statistical information about growth of mutual fund industry in terms of funds available for investment and investors account holding. However, the study misses out on financial performance of the mutual funds in operations.¹³

Jayadev M [1998] evaluated the performance of 62 mutual funds schemes using monthly NAV data for varying period between 1987 - March, 1995. He reported superior performance for bulk (30 out of 44) of the sample schemes when total risk was considered. However, in terms of systematic risk only 24 out of 44 schemes outperformed the benchmark portfolio. He also found that Indian Mutual funds were not properly diversified. Further, in terms of Fama's measure, he did not find selectivity ability of the fund manager.¹⁴

Gupta and Sehgal [1998] are quite comprehensive. They evaluated investment performance of 80 mutual fund schemes for the Indian market over a four-year period 1992-96. In addition, they tested several related propositions regarding fund diversification, consistency of performance, parameter stationarity over time, performance in relation to fund objectives and risk-return relationship they reported that mutual fund industry had performed reasonably well during the study period. However, they pointed out lack of adequate diversification. They also found evidence to support consistency of performance. They, however, reported that parameters are not stationarity over-time. Finally, a significant and positive risk return relationship was documented by the study when standard deviation was used a risk measure.¹⁵

Rao and Venkateswaralu [1998] examined the market timing abilities of fund managers of UTI using its nine closed ended schemes. The data set comprised daily closing prices of the schemes from their respective listing dates to March 1998. They employed both the Treynor-Mazuy and

Henriksson-Merton models and reported that UTI's fund managers were not able to time the market in general.¹⁶

Mishra [2001] evaluated performance over a period, April 1992 to December 1996. The sample size was 24 public sector sponsored mutual funds. The performance was evaluated in terms of rate of return, Treynor, Sharpe and Jensen's measures of performance. The study also addressed beta's instability issues. The study concluded dismal performance of PSU mutual funds in India, in general, during the period, 1992-1996.¹⁷

G. Sethu [2001] used weekly NAV data for 18 open-ended growth schemes in India for the period April 1995-July 1999. His study used three alternatives indices for equity market viz. NSE Nifty, BSE Sensitive Index and S&P CNX 500. The 91-day treasury auction rate was used as the risk free rate. He concluded that the fund portfolios are not adequately diversified; the excess returns after adjusting for systematic risk is zero and the portfolios do not show any market timing.¹⁸

Singh and Singh have highlighted the fact that mutual funds have not attained equal status as their counterparts in USA, UK and other developed countries. It has emphasized on the gradual but slow growth of mutual funds in India giving an exclusive attention to the UTI as it was through to be the pioneers in this field. The private, money market funds, offshore mutual funds has been critically analyzed.¹⁹

Gupta, study was conducted with the primary objective to evaluate the performance of selected mutual funds schemes and to apply test for analyzing timing abilities of the mutual funds managers during the period April 1, 1994 to March 31, 1999 it also examines the growth and development of the mutual fund industry in India during the period 1987 to September 1999. However, No conclusive evidence was available which could warrant the study to accept its performance as superior.²⁰

Kumar Vikas [2010] Evaluated the performance of 20 mutual funds schemes managed by five mutual funds using monthly NAV for period between 1st Jan 2000 to 31st Dec 2009 for 10 year i.e. 120 months. The rate of return was compared with the BSE National 100 index over the period. The performance was evaluated in the term of rate of return, Total risk (i.e. S.D.), systematic risk (i.e. Beta), coefficient of determination and risk adjusted performance suggested by Sharpe (1966) , Treynor(1965) and Jensen (1968). The outcome shows that out of 20 schemes selected equity schemes shows better return as compared to debt and balanced schemes. ²¹

Research Gap

In the above literature very few studies have made an attempt to make a comparative analysis of Mutual fund return with Sensex and Risk free rate taken as Interest rate of Public Provident Fund (PPF). In India retail investor hardly understands the performance measures tools like Sharpe, Treynor and Jensen models. Still very few studies have made an attempt to calculate the return on mutual funds which can be easily understandable by a retail investor.

Significance of the Study

Evaluating historical performance of mutual funds is important both for investors as well as portfolio managers. It enables an investor to access as to how much return has been generated by the portfolio manager and what risk level has been assumed in generating such returns. The various constituents of the society have been deprived of the detailed knowledge about the mutual fund's operations, management, regulations, growth, performance, relations with capital market and risk and return involved. This study is expected to fill this gap. The present research work is supposed to be useful especially to present and potential investors, managers of mutual funds, agents of mutual funds, academicians, present and future research scholars and also government and regulated bodies. This study will guide the investors in planning and effecting their investments in mutual funds. It will also act as a guide for beginning investors.

Objectives of the Study

- To Evaluate the Performance of sample schemes.
- To compare schemes return and risk with benchmark i.e. BSE Sensex.
- To appraise the performance of mutual funds with regard to risk-return adjustment, the model suggested by Sharpe, Treynor and Jensen.

Limitations of the Study

For the purpose of performance evaluation, those schemes have been selected which are in operation since last 9 years i.e. 1st April 2006 to 31st March 2015. Only open ended equity schemes have been considered for this purpose. The schemes having only growth options are being taken into consideration. The series schemes and the plan schemes were not taken as a part of sample as it lacks uniformity. Performance evaluation of all schemes was not possible due to unavailability of data.

Research Methodology

Benchmark Index

For this study, broad-30 shared base BSE Sensex has been used as a proxy for market index. Hence it would cover the percentage of different scheme portfolios and therefore is expected to provide better performance benchmark.

Risk Free Rate

Risk free rate of return refers to that minimum return on investment that has no risk of losing the investment over which it is earned. For the present study, it has been taken as Public Provident Fund (PPF) on the average rate from 2006 to 2015 marked as 8.0111% per annum or 0.006676 per month.

Period of Study

The growth oriented schemes, which have been floated by the HDFC Mutual Funds during the period 1st April. 2006 to 31st March 2015 have been considered for the purpose of the study. Monthly Net Asset Value (NAV) as declared by the relevant mutual funds from the 1st April. 2006 to 31st March 2015 has been used for the purpose.

Data

Study examines six open-ended equity schemes with growth option being launched by HDFC Mutual Funds. These schemes have been selected on the basis of regular data availability during the period of 1st April. 2006 to 31st March 2015. Monthly Net Asset Value (NAV) data has been used and the period.

Statistical Tools

For the purpose of the performance evaluation various tools were used to measure the performance which are Average Return, Standard Deviation, Co-efficient of Determination, Beta, Sharpe, Treynor and Jensen.

Analysis and Interpretation

Table 1.1

Name of the Equity Scheme Selected
HDFC CAPITAL BUILDER FUND
HDFC CORE AND SATELLITE FUND
HDFC EQUITY FUND
HDFC GROWTH FUND
HDFC PREMIER MULTI CAP FUND
HDFC TOP 200

Different scheme launch in different dates therefore, for the purpose performance evaluation the period covers 1st April, 2006 to 31st March, 2015.

Table 1.2 shows the average return earned by the various schemes. For calculation of average return earned by the schemes Growth in the value for each month over the previous month has been divided by the value of the previous month. Then the average of the full series has been taken. In schemes all the schemes selected for the study, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Growth Fund, HDFC Premier Multi Cap Fund and HDFC Core and Satellite Fund had shown the higher return earners as against BSE SENSEX return (0.010915). It could be seen here that no schemes out of selected equity schemes has underperform the market.

Table 1.2 : Average Monthly Return Earned by the Schemes

Name of the Equity Scheme	Average Return
HDFC EQUITY FUND	0.014698
HDFC TOP 200	0.014103
HDFC CAPITAL BUILDER FUND	0.013433
HDFC GROWTH FUND	0.012891
HDFC PREMIER MULTI CAP FUND	0.011397
HDFC CORE AND SATELITE FUND	0.011019

Table 1.3 : Standard Deviation

Name of the Equity Scheme	Standard Deviation
HDFC GROWTH FUND	0.068014
HDFC CAPITAL BUILDER FUND	0.069287
HDFC TOP 200 FUND	0.070895
HDFC EQUITY FUND	0.075123
HDFC PREMIER MULTI CAP FUND	0.076130
HDFC CORE & SETELITE FUND	0.077813

Table 1.3 shows the standard deviation of selected schemes. it is the most common expression to measure risk of the fund return. Higher the value of standard deviation of the fund returns, greater will be the total risk carried by the fund. It is observed that the maximum deviation of funds return is shown by HDFC Core and Satellite Fund (0.077813) whereas HDFC Growth Fund was least risky scheme with lowest standard deviation (0.068014) on the other hand Standard Deviation of benchmark BSE SENSEX is (0.070924). It could be seen here that 3 Out of 6 schemes selected for study shows less standard deviation than BSE SENSEX. It means 3 schemes are less risky than benchmark index.

Risk - Return Classification of Sample Schemes:

In order to undertake further analysis, sample schemes have been classified into the following four categories on the basis of their return and risk characteristics:

- 1) **Low Return and Low Risk:** This category consists of schemes whose average returns are less than the average market return and their standard deviations are also lower than that of the market.
- 2) **High Return and Low Risk:** This category comprises those schemes whose returns are more than the market but their standard deviations are lower than that of the market.
- 3) **High Return and High Risk:** This category includes all those schemes whose returns as well as standard deviations are higher than that of the market.
- 4) **Low return and High Risk:** The final category includes all those schemes whose returns have

been found to be lower than that of the market but their standards deviations are higher than that of the market.

Categorizations of Schemes Table 1.4 presents the risk return grid of Mutual Funds.

After classification of the sample schemes in to risk return category No schemes fall in category 1st i.e. **Low Return Low Risk**.

Further 3 schemes fall in 2nd category i.e. **High return and low risk**. These 3 schemes fulfils one basic objective of Mutual Fund i.e. Low Risk and High Return as compared to the Capital Market

3 schemes fall in 3rd category i.e. High Return and High Risk and No schemes falls in 4th category i.e. Low Return and High Risk.

Table 1.4 : Risk Return Grid of Mutual Funds Schemes

Category 1 NIL	Category 2 HDFC TOP 200 FUND HDFC CAPITAL BUILDER FUND HDFC GROWTH FUND
Category 3 HDFC EQUITY FUND HDFC CORE AND SATELLITE FUND HDFC PREMIER MULTI CAP FUND	Category 4 NIL

Table1.5 : Co-efficient of Determination (R²)

Name of the Equity Scheme	R ²
HDFC TOP 200 FUND	0.928735
HDFC GROWTH FUND	0.908784
HDFC EQUITY FUND	0.894627
HDFC CAPITAL BUILDER FUND	0.881269
HDFC PREMIER MULTI CAP FUND	0.866951
HDFC CORE AND SATELLITE FUND	0.857073

Table 1.5 shows that Coefficient of determination (R²), the coefficient measure to extent to which market index has been able to explain the variation in mutual fund. Table 1.5. shows that in the equity schemes the maximum and minimum values of (R²) where found in case of HDFC Top 200 Fund(0.928735) and HDFC Core and Satellite Fund(0.857073) respectively. It shows approx 93% of HDFC Top 200 Fund varies due to market fluctuations and nearly 86% of HDFC Core and Satellite Fund varies due to market fluctuations. The low value of (R²) indicates less diversification of the portfolio. High Value of (R²) in case of HDFC Top 200 Fundshows high diversification of the portfolio that can contains the market variability.

Table 1.6 presents the systematic risk of the sample schemes. Considered for the purpose of this study 4 out of the samplescheme have beta less than 1 (i.e. market beta)implying thereby that 4 schemes out of sample selected for the study tends to hold portfolios that were less risky than the

market portfolio. Further 2 schemes HDFC Core and SatelliteFund and HDFC Equity Fund shows Beta more than 1, it shows that these 2 schemes involves High risk (High Beta) compared to the Benchmark (BSE Sensex).

Table1.6 : Beta

Name of the Equity Scheme	Beta
HDFC CORE AND SA TELLITE FUND	1.015705
HDFC EQUITY FUND	1.001834
HDFC PREMIER MULTI CAP FUND	0.999442
HDFC TOP 200 FUND	0.970231
HDFC CAPITAL BUILDER FUND	0.917087
HDFC GROWTH FUND	0.914193

Table 1.7 : Sharpe of the Schemes

Name of the Equity Scheme	Treynor Ratio
HDFC EQUITY FUND	0.008007
HDFC TOP 200 FUND	0.007655
HDFC CAPITAL BUILDER FUND	0.007368
HDFC GROWTH FUND	0.006799
HDFC PREMIER MULTI CAP FUND	0.004724
HFDC CORE AND SATELLITE FUND	0.004275

Table 1.7 depicts value of Sharpe's reward to variability ratio. It is an excess return earned over risk free return per unit of risk involved, i.e. per unit of standard deviation. Positive value of the index shows good performance it could be seen that 5 out of 6 schemes have recorded better Sharpe index than the BSE SENSEX (0.059769). HDFC Equity Fund (0.106787) has shown the best Sharpe ratio among the selected schemes. This indicates nearly 83 percent schemes have outperformed the BSE national index. This implies that the funds decision for diversified portfolio in a falling market has proved successful in earning higher excess returns per unit of risk as compared to the market. The Sharpe index is important from small investor point of view who seek diversification through mutual funds, i.e. mutual funds are supposed to protect small investors against vagaries of stock markets and the fund managers of these schemes has done well to protect them.

Table 1.8 shows Treynor of the scheme it is the excess return over risk free return per unit of systematic risk i.e. beta. Here, too, all the schemes recorded positive value indicating there by that the schemes provided adequate returns as against the level of risk involved in the investment.HDFC Equity Fund (0.008007) has shown the best Treynor ratio among the selected schemes.Analysis of table1.8 reveals that all the mutual funds schemes have positive values. In terms of Treyno ratio following schemes perform better.A higher Treynore Index as compared to market indicates that investor who invested in mutual fund to form well diversified portfolio did receive adequate return per unit of systematic risk undertaken.

Table 1.8 : Treynor of the Schemes

Name of the Equity Scheme	Sharpe Ratio
HDFC EQUITY FUND	0.106787
HDFC TOP 200 FUND	0.104760
HDFC CAPITAL BILDER FUND	0.097521
HDFC GROWTH FUND	0.091386
HDFC PREMIER MULTI CAP FUND	0.062014
HFDC CORE AND SATELLITE FUND	0.055808

Table 1.9 : Jensen of the Schemes

Name of the Equity Scheme	Jenson Ratio
HDFC EQUITY FUND	0.011799
HDFC TOP 200 FUND	0.010719
HDFC CAPITAL BUILDER FUND	0.009620
HDFC GROWTH FUND	0.008595
HDFC PREMIER MULTI CAP FUND	0.005207
HFDC CORE AND SATELLITE FUND	0.004343

Table 1.9 shows the Jensen's measures. It is the regression of excess return of the schemes with excess return of the market, acting as dependent and independent variables respectively. Higher positive value of alpha posted by the schemes indicates its better performance. The analysis of the table reveals that all the schemes have positive Jensen's Measures. Highest value of Jensen's Measure is shown in HDFC Equity Fund (0.011799) Followed by HDFC Top 200 Fund(0.010719). Lowest Jensen's measure found again in the case of HDFC Core and Satellite Fund (0.004343). Higher value of Jensen's measures indicates good market timing ability of fund managers as regard investment in the securities.

Table 2 : Ranking of Selected Mutual Funds Schemes According to Different Measures

SCHEMES	SHARPE	TREYNOR	JENSON
HDFC EQUITY FUND	1	1	1
HDFC TOP 200 FUND	2	2	2
HDFC CAPITAL BUILDER FUND	3	3	3
HDFC GROWTH FUND	4	4	4
HDFC PREMIER MULTI CAP FUND	5	5	5
HFDC COREAND SATELLITE FUND	6	6	6

Table 2 shows the ranking of all the schemes are same, as different measures leads to different results ,but each tools has its own way of measuring which is more important. It can be seen that HDFC Equity Fund has outperformed all the other sample schemes as it is the best among all the measures i.e. Sharpe, Treynor and Jensen.

CONCLUSION

Out of the total schemes studied, all schemes showed an average return higher than in comparison to the market return. Mutual funds are supposed to protect small investors against vagaries of stock market and the fund managers of these schemes have done well to protect them. HDFC Top 200 Fund, HDFC Capital Builder Fund & HDFC Growth Fund has performed better than the other schemes in comparison of risk and return which indicates that investors who invested in these schemes to form well diversified portfolio did receive adequate return per unit of total risk & systematic risk undertaking. It can be seen that HDFC Equity Fund has outperformed all the other sample schemes as it is the best among all the measures i.e. Sharpe, Treynor and Jensen.

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Exploring Relationship between Brand Equity and Customer Loyalty on Pharmaceutical Market

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Abstract

By maintaining continuous satisfaction and high level of the brand's equity the customers express the intention of long-term buying of product and their choice spreads on Mother Products in the organization's portfolio. By developing a brand which represents value to the customers, the customers' satisfaction will grow reinforcing relationship between satisfaction and brand development. Purpose of this paper is to obtain insight about the relationship between elements of brand equity and customer loyalty among self-medication products. The research results show that elements of brand equity do increase customer brand loyalty. But not all elements do contribute in the same manner.

Keywords: customer loyalty, brand equity, brand awareness, perceived quality, trust, pharmaceutical market

1. Introduction

It is recognized that pharmaceutical industry is highly competitive. Due to that fact one of the possibilities is to offer customers more value with their products and services. If an organization is to manage its presence on the market as well as to continuously grow it is needed to carefully manage value they provide to the customers. This value can be provided through organizations' brands. Moreover, creating value for customers is possible through enhancing customer satisfaction. So, for a customer to be satisfied an organization has to offer more value for customers (Day, 1998) and more value than competitors (Brannback, 1997). Consequently, enhanced customer satisfaction will create customer loyalty (Oliver, 1999).

But value an organization provides to the customers can be enhanced through brand equity. As brand equity enhances value both through individual-level outcomes and market-level outcomes (Raggio & Leone, 2007). At individual-level it enhances word of mouth, attitudinal loyalty and commitment. While at market-level it enhances behavioural loyalty, sales volume and lowers cost in different organizational resources. Therefore, brand equity is related to customer satisfaction and consequently it boosts customer loyalty.

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Purpose of this paper is to obtain insight about the relationship between elements of brand equity and customer loyalty among self-medication products. The aim of this paper is to provide more information how customer loyalty in the pharmaceutical market can be managed. Paper consists of theoretical background related to customer loyalty and brand equity, empirical research with data analysis and also it offers implications for managers in the pharmaceutical organizations.

2. Literature Review

2.1 Customer Satisfaction and Customer Loyalty

The success of the organization in highly competitive surroundings is determined by its ability to create value for the customers. In the very beginning of that process of creating value is creating and developing customer's satisfaction and then their maintaining through the customers' lifetime. By creating satisfaction, the value (Wang & Lo, 2003) is developed and given to the customers. Exactly this value represents the reason why customers decide to use a certain product/service of a certain organization.

Satisfaction is considered in two ways. It can be considered as the result of one transaction (Fornell, 1992, Oliver & Linda, 1981, Westbrook & Oliver, 1991, Shiv & Huber, 2000) whereby the customer's expectancy which precedes the interaction is compared with the gained product characteristics, its use or experience. In other considered way gained product characteristics, expectancy, past situations experience (Anderson, Fornell & Lehmann, 1994, Storbacka, Strandvik & Grönroos, 1994, Johnson, Anderson & Fornell, 1995) are compared to the past satisfaction. In other words we can say that the satisfaction reached during all these interactions with the organization is compared. Elements influencing satisfaction are connected to the product, that is, its functional characteristics such as: perceived quality (Zeithaml, 1988), product value (Zeithaml, 1988, Oliver, 1996), price (Anderson, Fornell & Lehmann, 1994), time (Wang & Lo, 2003), perceived product performance (Andeassen, 1994). Emotional connection, that is, experience (Anderson, Fornell & Lehmann, 1994), expectancy (Johnson, Anderson & Fornell, 1995) and experience (Johnson, Anderson & Fornell, 1995) with the product also influence satisfaction.

The organizations have realized that it is necessary to manage customers' satisfaction and make long-term connections to them. This is possible in the way to build the customer loyalty. Satisfied customers do not automatically become loyal. In order to develop customer loyalty organizations should encourage their satisfaction because it is satisfaction (Fornell, 1992, Diller, 2000, Hill & Alexander, 2003), providing higher value (Reichheld, 2001) which encourages the feeling of satisfaction, as well as developing and intensifying the connections with customers' (Fornell, 1992, Meyer & Blümelhuber, 2000) acts like encouragement for developing their loyalty. The organization should focus on keeping loyal customers (Brink, 2004) and introduce the system for managing them.

The customer loyalty is characterized by establishing and maintaining the connections with the customers, the repeated buying of the products and/or services, a higher value of buying, purchasing

the complete product range, tolerance for higher prices, recommendation to others and immunity to attractiveness of the competition (O'Brien & Jones, 1996, Griffin, 1997, Oliver, 1999, Meyer & Blümelhuber, 2000). It is considered that if the customers constantly buy a certain brand regardless of the superior characteristics of the competition, price and benefits the brand, value really exists (Rickardsson, Stark & Stierna, 2005). A strong loyalty which can turn into loyalty to the brand enables an easier bearing of changes and possible negativities connected to the brand (Keller & Lehmann, 2003).

2.2 Brand Equity

The concept of brand equity is not unambiguously defined, but it can be defined as:

- assets or liabilities connected to the brand name and brand symbol which are added to the product or service (Aaker & Joachimshaler, 2000)
- perceived quality of the palpable and impalpable brand components (Kamakura & Russel, 1991 in Lassar, Mitall & Sharma, 1995)
- the customers' perception of the overall superiority of the product marked by a certain brand in comparison to other brands (Lassar, Mitall & Sharma, 1995)
- the difference between the overall tendency to the brand of a certain producer and its tendency based on objective measurement (Park & Srinivasan, 1994)
- added value for the organization, dealers or customers to whom the brand enriches the product (Farquhar, 1990)
- financial result as a reflection of the management capability to support the brand's strength through tactical and strategic actions for ensuring higher current and future profit and for lowering the risk (Schocker & Srivastava, 1991 in Lassar, Mitall & Sharma).

The brand equity consists of the brand's strength and of the brand value. The brand's strength is a group of associations and behaviour of the brand's customers, members of the channel and the organization that owns the brand and that enables the brand to have sustainable and differentiated competitive advantages (Lassar, Mitall & Sharma, 1995). The brand value is derived from the brand assets which consists of the brand reputation, its image, perceived quality, idea, closeness and liking to the customers (Kapferer, 1998), the brand's loyalty, the associations made by the brand and other corresponding assets connected to the brand (patents, trade mark, relations in the distribution channel) (Pappu, Quester & Cooksey, 2005), and it is based on reputation and goodwill (Czinkota, 2000).

The brand equity is, according to Aaker (in Keller, 1993), whose approach uses also Chen (2001), connected to the level of recognizing the brand, the quality noticed, the associations connected to the brand and elements of the brand's asset. The customer loyalty to the brand is seen as the core of its value.

Developing the awareness of a brand is one of the elements of developing its equity and the basic presumption of developing customer loyalty. The importance of the brand's awareness is seen in its influence onto making a decision on purchase because a higher awareness means a higher probability that the brand will be included in the group of brands taken into consideration at the purchase, and the awareness of the brand can influence the creating of associations to the brand which create the image of the brand (Keller, 1998).

The habit of most customers is to buy or use well-known brands because they trust them, and thereby their loyalty is also increased. Well-known brands enable the customer to feel safer in using the product and increase the possibility of the brand to be accepted and chosen (Rickardsson, Stark & Stierna, 2005). In highly competitive surroundings offering the exclusive value of a product is one of the possibilities to feel an organization different from competition (Virvilaite & Jucaityte, 2008). This can be achieved by creating the brand equity which as a consequence creates product value for the customer.

Perceived quality is the next element in the range of influences on the development of the brand equity and is defined as the customer's judgment on the general quality or superiority of the product (Kirmani & Zeithaml, 1993). The brand equity is positively connected to the loyalty to the brand and customers do not trust to brands whose quality is changeable (Lassar, Mittal & Sharma, 1995). Yet, it happens very often that the perceived quality is not the real product quality but the customer's subjective evaluation of the product (Zeithaml, 1998). So, the quality often represents the image created in the customer's mind. When customers do not have enough knowledge or information to estimate them by quality then the price is imposed as its important indicator which is in the positive relation to the perceived quality (Lilien, Kotler & Moorthy, 1992).

Developed brand equity brings many benefits to the organization. These benefits include increase of probability of choosing the brand which leads to customer loyalty to the certain brand (Pitta & Katsanis, 1995) as well as the possibility of spreading the brand on other product categories (Rajh, 1995). Furthermore, the market value increases the readiness of the customers to pay premium prices (Barwise, 1993), efficiency of the marketing communication (Keller, 1993), inflexibility of the customers to the price increase (Simon & Sullivan, 1993), and decreases the organization's vulnerability considering the marketing activities made by the competition (Smith & Park, 1992). Generally speaking one can say that the brand equity represents a source of sustainable competitive advantage (Bharadwaj, Varadarajan & Fahy, 1993).

Furthermore, different elements of brand equity such as brand awareness, perceived quality and trust (Washburn, Till & Priluck, 2004) together can enhance value customer can perceive the brand is giving and consequently influence customer loyalty formation. So, it is proposed that: H1: Elements of brand equity influence customer loyalty creation.

3. Empirical Research

3.1 Methodology and research instrument

In order to test proposed hypothesis a research was conducted where elements of brand equity, that is brand awareness, perceived quality and trust were explored in relationship with customer loyalty. On pharmaceutical market research concentrated just on sort of available products, self-medication products.

The research instrument consisted of two parts. First part consisted of 5 degrees Likert scales by which the opinions of the respondents were questioned related to the products for self-medication in the category of pain killers. Second part consisted of questions related to the mostly used and bought brands as well as brands they remember. These questions tested the brand recognition in category of pain killers.

For the operationalization of variables, several scales from the literature were used. In exploring brand awareness and perceived quality insights from Washburn, Till and Pri-luck (2004) were used. For trust insights from Lassar, Mittal and Sharma (1995) and from customer loyalty insights form Chitty, Ward and Chua (2007) as well as Homburg and Giering (2001) were applied. They were all modified and adapted to the research context of pharmaceutical market.

Self-medication products are a wide category consisting of several groups like, pain-killers, cold and temperature relievers, products for sore throat and products for solving cough and vitamins and minerals. Hence, this research focused just on one category that is the category of pain-killers.

A total of 384 questionnaires were collected. Analysis was done by SPSS ver. 21 and MS Excel using several univariate and multivariate statistical methods.

3.2 Results and hypotheses testing

By questioning the remembering and purchasing certain brands the following results were achieved as shown in the Table 1.

Table 1. Most recognized and most often bought brands

Brands that you remember		Brands that you often buy	
Brand	Percentage of Answers	Brand	Percentage of Answers
Brufen	17.02%	Brufen	26.63%
Tramadol	14.88%	Tramadol	17.16%
Voveran	13.74%	Voveran	9.47%
Panadol	10.87%		
Ketanov	9.17%		

The given data point at the fact that the highest percentage of respondents (17.02%) remember Bufen and that the highest percentage of respondents (26.63%) also most often buy it. As one of the characteristics of strong brands by Aaker is connected to the level of recognizing the brand (Chen, 2001), the further analysis was based only on the answers of the respondents who mentioned the before mentioned brands. This is done in order to focus and explore just the consumers that buy and have noted these brands (Bufen, Tramadol and Voveren) as their first brand.

To determine the underlying structure among variables in the research, exploratory factor analysis was conducted. Hence, common factor analysis with oblimin rotation and Kaiser Normalization was used. After analysis was performed, the KMO measure of sampling adequacy was at an acceptable level (0.779), and the Bartlett test of sphericity was significant. Analysis exposed three underlying factors. Results of the exploratory factor analysis, as well as the results of construct reliability testing, are presented in Table 2.

Table 2 : Factor and reliability analysis with construct descriptives

Items	Factor Loadings		
	Awareness	Brand Loyalty	Customer Quality Perceived
I can't remember others expect my favourite brand	0.502		
Favourite brand appearance	0.848		
Favourite brand logo		0.822	
Favourite brand can be easily recognized	0.848		
Quickly remember packaging of favourite brand		0.820	
Quickly remember commercial for favourite brand	0.661		
Use other products from the same Producer			0.625
Continue to use the same brand			0.565
Recommend brand to others			0.884
With using product I get quality I expect			0.610
Product is reliable			0.810
% Explained Variance	37.193		13.925
Eigenvalues	4.476		1.923
Mean	3.89	3.621	3.671
Cronbach	0.875	0.705	0.702

Note: Rotation converged in 5 iterations.

Analysis shows that brand awareness, perceived quality and customer loyalty can be used for further analysis. Cronbach alphas are above accepted level of 0.7 (Hair et al, 2006) that is used as

adequate value of reliability of research instrument for exploratory research. Also, percentage of variance explained is 57.42% indicated that more than half of variance in explored phenomenon is explained by these factors. Furthermore, analysis included also element of trust that is researched with just one item "I buy brands of certain producer because I trust them".

To explore relationship between brand equity elements and customer loyalty a multiple regression method is applied. In this analysis customer loyalty is used as a dependent variable, whereas brand awareness, perceived quality and trust are used as independent variables. Enter method was used for entering independent variables into regression model. Results are presented in Table 3.

Table 3 : Results of multiple regression analysis

Independent variables	Coefficients		
	B	beta	t-value
Constant	1.627 (0.500)		3.252**
Brand awareness	0.218 (0.105)	0.267	2.088*
Perceived quality	0.347 (0.131)	0.323	2.650**
Trust	0.006 (0.101)	0.008	0.056
R ²		0.216**	
R ² (adj)		0.178	
F		5.775**	

Note: N=67, **p<0.01, *p<0.05, Standard errors are given in parenthesis.

Conducted analysis show that brand awareness ($\beta=0.267$) as well as perceived quality ($\beta=0.323$) can serve as brand equity elements that can positively influence customer loyalty. Furthermore, perceived quality has greater influence than brand awareness. The analysis also shows that trust is not an important predictor in this proposed model as its influence is minor. F-value is statistically significant at 0.1% level. But, relatively small R² can be noticed.

According to the conducted analysis this we can conclude that the research results point at the connection of brand equity elements, such as brand awareness and perceived quality, as predictors of customer loyalty. Trust is found not to be an important element of brand equity that influences customer loyalty in Kollam pharmaceutical market. Therefore, as two of three explored brand equity elements influence customer loyalty formation the hypothesis can be confirmed.

4. Conclusion

The organizations keep on focusing their activities on creating value for the customers. This value creating is realized through giving satisfaction and finally through developing customer loyalty to the brand. Satisfied customers show signs of loyalty through the process of value exchange with the organization and they are shown in future purchase intentions. As loyalty expressed through future intentions of purchasing contributes to the business result of the organization it can be concluded that

developing brands with strong brand equity is important for the sustainability and progress of doing business of each organization.

Research also has several practical implications that can be used by marketing and brand managers. Therefore, for enhancing customer loyalty an organization can work on brand awareness among its customers. It is important to enhance brand awareness as its perception and recognition among present and potential customers is contributing to the customer loyalty and consequently better business results. Also, brand awareness adds to the respect of brand in high competitive pharmaceutical market. This can be done through several marketing communication methods that will make certain brand more visible on the market such as advertisements in point of sales or in magazines. Perceived quality of a brand has to be maintained and nurtured as its quality and effectiveness in category of pain killers is important for customers. Moreover, trust seems not important element in enhancing customer loyalty but this has to be taken with constraints as if a customer doesn't trust the brand in a way it is efficient in solving problems he won't be prepared to buy it again. Therefore, as customer loyalty creates positive business results it can be seen that enhancing brand equity elements will consequently also contribute to these positive business results.

There are some elements of brand equity were not adequately explored, such as trust, and therefore having limited implications. Furthermore, limitation is seen in conducting research only in Kollam District. It is also considered that it would be meaningful to make a research on other self-medication product groups and confirm if there are differences among the self-medication product categories in order to get a complete view about the brand development in the self-medication products market. Also, it is possible to extend research to other neighbouring Districts, like Trivandrum and Allepy or Ernakulam and to explore if pharmaceutical market is different in those Districts.

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Ethicalities of E-Banking on E-Commerce

– Dr. Nadia Sha*

Abstract

E-commerce is a widely accepted mode of trading now-a-days. The trend shows that a majority of buyers and sellers of products and various services opt for electronic media to fulfill their needs. To an extent also it satisfies the purchasers in providing with variety of products along with variety in quality. In the case of sellers of products also, they get buyers from unexpected places. This all had been made possible with the help of emergence of electronic media into the trading field.

The present study focuses on the reason behind the preference of electronic shopping among people of Trivandrum with special reference to the presence of e-banking services. Thereby evaluating the ethical roles played by banks in such tie-ups.

Keywords: e-banking, e-commerce, e-shopping.

Introduction

E-commerce is a widely accepted mode of trading now-a-days. The trend shows that a majority of buyers and sellers of products and various services opt for electronic media to fulfill their needs. To an extent also it satisfies the purchasers in providing with variety of products along with variety in quality. In the case of sellers of products also, they get buyers from unexpected places. This all had been made possible with the help of emergence of electronic media into the trading field.

The use of e-route is becoming all the more imperative today. E-cash, E-tailing, E-payment, E-waste, E-trade, E-commerce are all buzz words in common use. Borderless access and any time transactions is the base to all such channels. The globe is your market and customers have a choice from wherever they are to whatever they want. Shelf-showcasing and physical take home is giving way to electronic selection from a global display. Customers' choice gets extended to what is offered at the best quality and the most competitive price by any seller or service provider in the world. They make themselves available on the E- platform and ensure access through an efficient Supply Chain. Settlements of transactions, specifically settlement of payments issues need a sound E Banking system. Technology is fast changing and innovation is the lead to this sector. 'Any- Time Any -Where money' is fast catching up and banking products that support the same are reaching out as demanded.

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The fast advancing global information infrastructure (including information technology and computer networks such as the internet and telecommunications systems) enable the development of electronic commerce at a global level. The nearly universal connectivity, which the internet offers, has made it an invaluable business tool. These developments have created a new type of economy, which we may call the 'digital economy'. This fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all area of business, and creating virtual supply chains new forms of business and service delivery channels such as E-Banking.

Customers are increasingly demanding more value, with goods customized to their exact needs, at less cost, and as quickly as possible. To meet these demands, businesses need to develop innovative ways of creating value which often require different enterprise architectures, different IT infrastructures and different way of thinking about doing business. This transformation of business from an old company to a new agile electronic corporation is not easy and requires a lot of innovative thinking, planning and investment.

E-Commerce

According to Vladimir Zwass (editor-in-chief of International Journal of Electronic Commerce) 'Electronic commerce is sharing business information, maintaining business relationships and conducting business transactions by means of telecommunications networks'. Electronic commerce has existed for over 40 years, originating from the electronic transmission of messages during the Berlin airlift in 1948. By 2012, the revenue from e-commerce is \$14 billion for India. There is a possibility of even higher earnings in 2013. Increasing Internet penetration and availability of more payment options boosted the e-commerce industry in 2012.

With the advent of the Internet, the term e-commerce began to include:

- i. Electronic trading of physical goods and of intangibles such as information.
- ii. All the steps involved in trade, such as on-line marketing, ordering payment and support for delivery.
- iii. The electronic provision of services such as after sales support or on-line legal advice.
- iv. Electronic support for collaboration between companies such as collaborative on-line design and engineering or

E-Banking

Electronic banking (e-banking) is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. Various authors define E-Banking differently but the most definition depicting the meaning and features of E-Banking are as follows:

- a. Banking is a combination of two, Electronic technology and Banking.
- b. Electronic Banking is a process by which a customer performs banking transactions electronically without visiting a brick-and-mortar institution.
- c. E-Banking denotes the provision of banking and related service through extensive use of information technology without direct recourse to the bank by the customer.

Objectives of the Study

1. To find the reasons behind the preference of electronic shopping among the online buyers.
2. To evaluate the ethical roles played by banks during the tie-ups with online sellers.

Hypothesis of the Study

1. There is no relation in the perception of urban area and rural area bank customers regarding the reasons in preference of e-shopping.

Scope of the Study

The study is confined to the e-shopping reasons among Trivandrum district public sector bank customers. The bank customers include both of urban area and rural area.

Methodology of the Study

The primary data is used for this study. The samples selected were the urban area and rural area bank customers of public sector banks in Trivandrum district.

Two public sector banks were selected in Trivandrum which was having the highest branches there. They are SBT and Canara Bank.

The number of urban customers using e-banking services selected from SBT: 25

The number of rural customers using e-banking services selected from Canara Bank: 25

The total numbers of samples collected were 100

Purposive sampling was the sampling technique for selecting banks and bank customers as the population of the study was unknown. The data was collected using a structured questionnaire.

Analysis of the Study

The customers of public sector banks are having a special trust over their banks rather than other sectors of banks as public sector banks are having a direct control by the government. Here attempt has been made to study the reasons behind the preference of e-shopping by the public sector bank customers.

Reasons for Preference on E-Shopping

To study the reasons for preference on e-shopping, opinions of customers were collected by ranking the identified reasons for preference on e-shopping. The identified reasons were:

1. You have Internet Banking or Mobile Banking or Credit/Debit card facility to do the online shopping
2. You opt 24 hour E-shopping rather than real shopping
3. You will only get certain products/variety of certain products via internet
4. You can only spare time for e-shopping not for real shopping

Table: 1 Area-wise Reasons for Preference on E-Shopping

Statements	Urban		Rural		Total	
	Score	Rank	Score	Rank	Score	Rank
You have Internet Banking or Mobile Banking or Credit/Debit card facility to do the online shopping	3.16	1	3.32	1	3.24	1
You opt 24 hour E-shopping rather than real shopping	2.24	3	2.42	3	2.33	3
You will only get certain products/variety of certain products via internet	2.64	2	2.47	2	2.56	2
You can only spare time for e-shopping not for real shopping	1.96	4	1.79	4	1.88	4
Spearman's Rho.	0.000					

Source : Primary Data

The opinion of both urban area and rural area customers of the bank in the table depicted that the reason to prefer e-shopping was the same. Unanimously, customers of both urban area and rural area had given similar ranking for the reason behind the preference of e-shopping as the presence of e-banking services like internet banking, mobile banking or credit cards. This shows the trust over such services provided by their banks.

Hypothesis Testing

The following hypothesis being tested:

H₀: There is no relation in the perception of urban area and rural area bank customers regarding the reasons in preference of e-shopping.

Spearman's Rho is less than 0.05; which means the null hypothesis is rejected;

Hence the alternative hypothesis is accepted

There is relation in the perception of urban area and rural area bank customers regarding the reasons in preference of e-shopping.

Ethical Roles of Banks

The major reason to prefer e-shopping by the bank customers in this study was the accessibility of e-banking services from their banks. This showed the trust that is entrusted by the customers on their respective banks. When consent is shown by a person to buy a product from a website and they don't have an option of 'Cash on Delivery', then the buyer only with the trust with their banks enter into the transaction to order that particular product. First they have trust on the banks in which they have account then only comes the trust with the particular product site.

This particular situation demands the ethical roles that should be followed by the banks to their own customers. Even though they take precautions by mentioning that they are not responsible for any type of fraud happened by that particular online transactions, they have a hidden responsibility to happen everything as expected by their customers.

Findings of the Study

The study reveals the following findings:

1. The main reason to prefer e-shopping by both the urban area customers and rural area customers was due to the e-banking services provided by their banks.
2. The second most reason to prefer e-shopping was the availability of the variety in products in online shopping than in real shopping.
3. The third reason to prefer e-shopping was the absence of timing constraints on the same.
4. The non availability of time among the people is ranked the least reason for the preference of e-shopping
5. There was relation in opinion about the reasons on the preference of e-shopping between urban area bank customers and rural area bank customers.

Conclusion

In the present and coming periods the part played by the digital media in trading is inevitable. Though there are chances of misconduct and frauds in these transactions are enormous, the system to prevent from those should also be well-built. Bank can play a strong role in avoiding such malpractices.

Suggestions

Following are some suggestions given to the banks regarding the ethical issues that should be maintained during the online transactions.

1. Customer care must be provided exclusively for those who have any queries regarding the online transaction as the gateways lead them to the banks login page.
2. Banks should help the customers in detecting the receiver of the cash and make the transaction more transparent.
3. Banks cannot get away from the responsibilities of the online transaction done through its medium, so it should give moral support to the customers and encourage them in using internet to do such transactions without coming to bank branches, thereby managing the crowd in the banks.

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Performance Evaluation of Banking Sector in India

– Dr. S.K.S. Yadav*

Abstract

The reforms of 1991 and 1998 have helped improve the performance, profitability and efficiency of the Indian banking system. Prior studies have shown the effectiveness of the reforms on Indian banks in helping improve total factor productivity, efficiency and profitability among other things. Much less has been done to examine how the banking industry of India has fared compared to other countries in recent years. In addition, there is insufficient published research on the performance of the public and private banks in the wake of the financial crisis, which is a true litmus test. The purpose of this paper is to analyze the growth of the banking sector of India, from 2011-2015. The analysis is conducted in two parts: (a) examination of the performance of consolidated operations of private and public banks in India in the last ten years and (b) comparison of the performance of the Indian banking sector share price performance to the banking sectors and overall market indices of other developed and developing countries over the last 2011-2015.

Key words: public sector banks (PSBs), private sector banks (PVBs) and foreign banks (FBs), external commercial borrowings (ECBs)

1. Introduction

The Indian banking System has undergone a change after the nationalization of the Banks in 1969/1980. Both the NarasimhamCommitteess (1991 and 1998) had emphatically stressed to enhance the efficiency and viability of the Indian Banking System. The Banking Sector reforms had transformed the Banking System through operational flexibility, functional autonomy and leveraging technology thereby improving efficiency, productivity and profitability of the system.

With the introduction of Financial Sector Reforms, Indian Banks have emancipated from regulated regime to a deregulate competitive environment. Banks were earlier subjected to strict regulations with respect to deposit and lending rates, disbursement of credit, expansion of branches etc. profitability was not considered as an important parameter for performance of the Banks on account of imposition of social responsibility.

The Banking Sector Reforms have brought in a metamorphosis in functioning of the Banks. Increased competition reduced barrier to entry, total deregulation of interest rates, increased functional

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autonomy etc. were the key components of reforms which has enhanced efficiency, innovation, growth in productivity and incentive for improvement. The outcome of reform measures predominantly where decline in market share of Nationalized Banks and improvement of Private Sector Banks, entry of new Private Sector Banks have lead to increased competition in the Banking Sector.

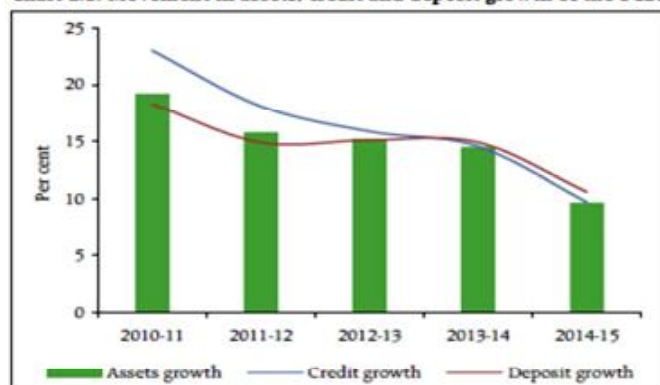
The Banks in India have shifted their focus to 'Cost' determined by revenue-Profit. In other words, all the resources should be used efficiently to improve the productivity. For sustained growth, it is essential to focus on cost saving. Earlier, Banks used to focus on the revenue model which is equal to Cost + Profit. After the introduction of reforms in the Banking Sector, Banks shifted their approach to profit model, which aimed at profit maximization. Therefore, there arises the need to discuss thesis issue in detail. This seventh chapter analyses the comparative performance of Public and Private Sector Banks undertaken for the study.

2. Analysis of Consolidated Operations of Scheduled Commercial Banks

2.1 Assets, Credits and Deposit Growth of SCBs

The slowdown in growth in the balance sheets of banks witnessed since 2011-12 continued during 2014-15. The moderation in assets growth of scheduled commercial banks (SCBs) was mainly attributed to tepid growth in loans and advances to below 10 per cent (Chart 2.1). Growth in investments also slowed down marginally. The decline in credit growth reflected the slowdown in industrial growth, poor earnings growth reported by the Corporates, risk aversion on the part of banks in the background of rising bad loans and governance related issues. Further, with the availability of alternative sources, Corporates also switched part of their financing needs to other sources such as external commercial borrowings (ECBs), corporate bonds and commercial papers. On the liabilities side, growth in deposits and borrowings also declined significantly. Bank-group wise, public sector banks (PSBs) witnessed deceleration in credit growth in 2014-15; private sector banks (PVBs) and foreign banks (FBs), however, indicated higher credit growth.

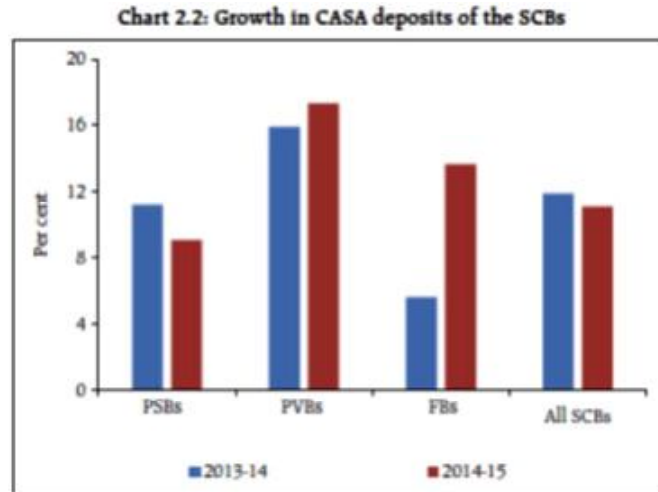
Chart 2.1: Movement in assets, credit and deposit growth of the SCBs



Source: Annual accounts of banks and RBI staff calculations.

2.2 Growth in current account and saving account (CASA) deposits.

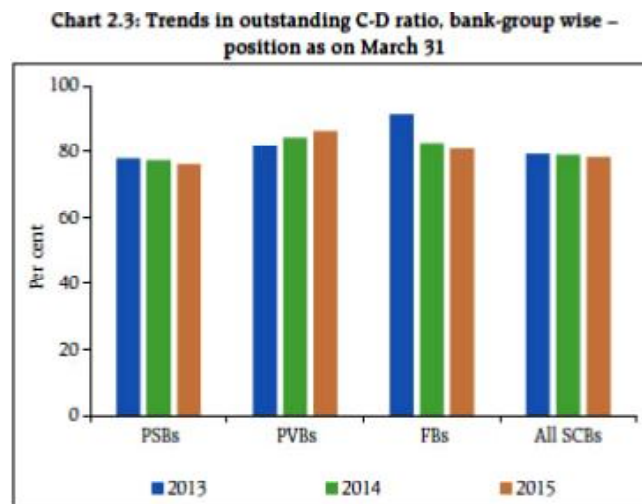
These are moderated due to decline in saving deposits which in turn got reflected in deceleration in overall deposit growth (Chart 2.2). Bank-group wise, PSBs recorded decline in CASA deposits while PVBs and FBs recorded higher growth during 2014-15.



Source: Annual accounts of banks and RBI staff calculations.

2.3 Credit-Deposit (C-D) ratio of the SCBs

It stood at around 78 per cent, same as that of previous year. Among the bank-groups, the C-D ratio of the private sector banks improved marginally with the other constituents recording a decline (Chart 2.3).

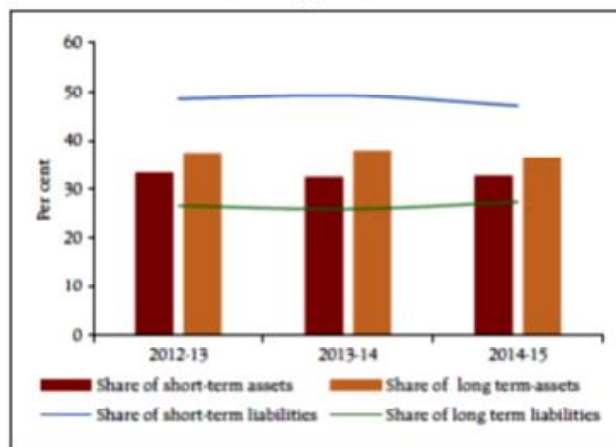


Source: Annual accounts of banks and RBI staff calculations.

2.4 The maturity profile of liabilities and assets of the SCBs.

It witnessed an improvement during 2014-15 as the proportion of short-term liabilities declined and that of long-term liabilities increased. On the assets side, share of long-term assets declined and the share of short-term assets increased marginally (Chart 2.4). This can be seen in the light of risk aversion on the part of banks in the backdrop of rising share of nonperforming loans. The proportion of long-term loans and advances declined to 27.3 per cent in 2014-15 from 28.9 per cent in the previous year (Chart 2.5).

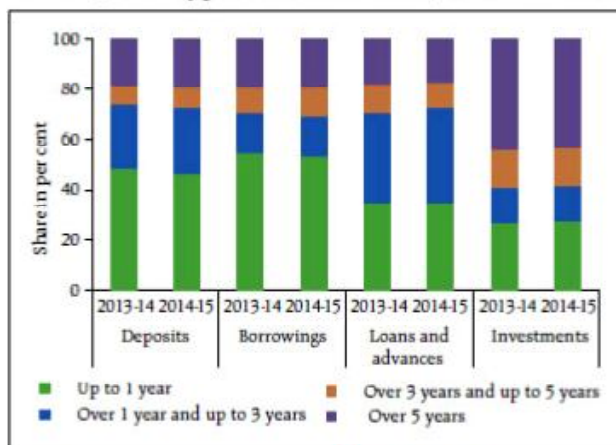
Chart 2.4: Trend in maturity profile of assets and liabilities



Note: Short-term is maturity upto 1 year while long-term is maturity of more than 3 years.

Source: Annual accounts of banks and RBI staff calculations.

Chart 2.5: Maturity profile of select liabilities / assets of the SCBs



Source: Annual accounts of banks and RBI staff calculations.

2.5 Maturity Profile of select liabilities/assets of the SCBs.

The PSBs, however, had 52 per cent of their investments in more than 5 year maturity bracket during 2014-15 while investments of the PVBs and FBs in that tenor, aggregated 30.4 per cent and 5.6 per cent, respectively.

2.6 Off-balance sheet Operations.

Liabilities (notional) of banks showed some resilience on the back of a lukewarm growth in the previous year and the deceleration in the growth of balance sheet operations of the banks. This was mainly driven by contingent liabilities on account of outstanding forward exchange contracts, which has the largest share in off-balance sheet operations of banks (Chart 2.6). Bank group-wise analysis revealed that, off-balance sheet exposure (notional) as percentage of on-balance sheet liabilities remained significantly higher for foreign banks as compared with other bank groups, due to their higher exposure to forward contracts, guarantees and acceptance/endorsements.

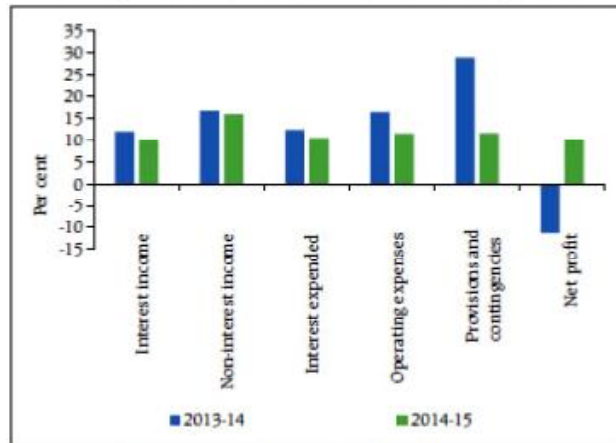


Source: Annual accounts of banks and RBI staff calculations.

2.7 Financial performance of the SCBs.

Both interest earnings and interest expended recorded a lower growth during 2014-15 as compared to the previous year. Interest earnings reflected the impact of slower credit growth. However, decline in interest income was marginally higher than interest expended. As a result, net interest income grew less than the previous year despite an improvement in the operating expenses (through reduction in the growth of wage bill). Also, the pace of increase in provisions and contingencies due to delinquent loans declined sharply. This led to an increase in net profits at the aggregate level by 10.1 per cent during 2014-15 as against a decline in net profits during the previous year (Chart 2.7).

Chart 2.7: Growth of select items of income and expenditure

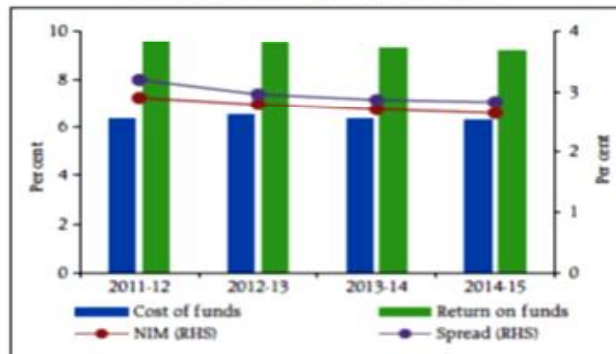


Source: Annual accounts of banks and staff calculations.

2.8 Financial Performance of SCBs.

Following the trend in the recent past, both net interest margin (NIM) and spread (difference between return and cost of funds) witnessed marginal decline (Chart 2.8).

Chart 2.8: Financial performance of SCBs



Notes: Cost of Funds = (Interest paid on deposits + Interest paid on borrowings) / (Average of current and previous year's deposits + borrowings).

Return on Funds = (Interest earned on advances + Interest earned on investments) / (Average of current and previous year's advances + investments).

Net Interest Margin = Net Interest Income / Average total Assets.

Spread = Difference between return and cost of funds.

Source: Annual accounts of banks and RBI staff calculations.

2.9. ROI and RoA of SCBs.

During 2014-15, return on assets (RoA) remained at the same level as previous year, however, return on equity (RoE) dipped marginally (Table 2.1). At the bank-group level, the RoA of PSBs declined though that of PVBs and FBs showed an improvement.

Table 2.1: ROA and ROE of SCBs - Bank-group wise

Sr. no	Bank group	Return on assets		Return on equity	
		2013-14	2014-15	2013-14	2014-15
1	Public sector banks	0.50	0.46	8.47	7.76
	1.1 Nationalised banks*	0.45	0.37	7.76	6.44
	1.2 State Bank group	0.63	0.66	10.03	10.56
2	Private sector banks	1.65	1.68	16.22	15.74
3	Foreign banks	1.54	1.87	9.03	10.24
4	All SCBs	0.81	0.81	10.68	10.42

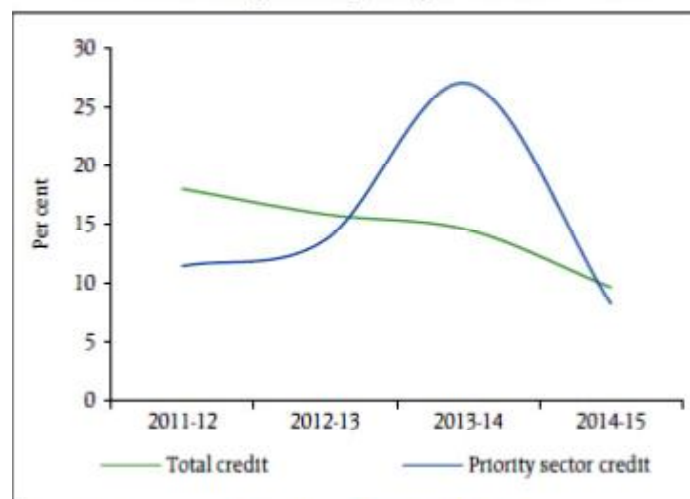
Notes: Return on Assets = Net profit/Average total assets.
Return on Equity = Net profit/Average total equity.
* : Nationalised banks include IDBI Bank Ltd.

Source: Annual accounts of banks and RBI staff calculations.

2.10. Priority sector credit

Following the overall trend, credit growth to priority sector also declined during 2014-15 (Chart 2.9) and this decline was spread over all the subsectors with growth in credit to agriculture declining to 12.6 per cent from 30.2 per cent in the previous year. Credit to priority sectors by PSBs, PVBs and FBs was 38.2 per cent, 43.2 per cent and 32.2 per cent (of adjusted net bank credit (ANBC)/credit equivalent of off-balance sheet exposure, whichever is higher) respectively, during the year. Thus, PSBs indicated a shortfall from the overall target of 40 per cent.² Within priority sector credit, both PSBs (16.5 per cent) and PVBs (14.8 per cent) had a shortfall in advances to agricultural sector against the target of 18 per cent.

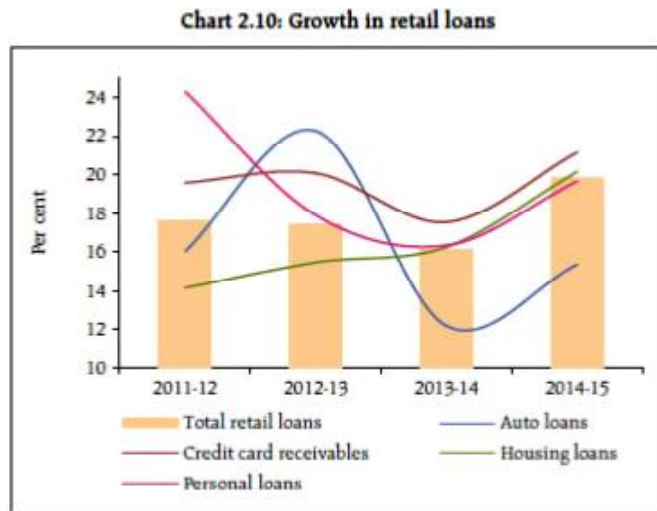
Chart 2.9: Trend in growth in priority sector and total credit



Source: RBI Supervisory Returns and RBI staff calculations.

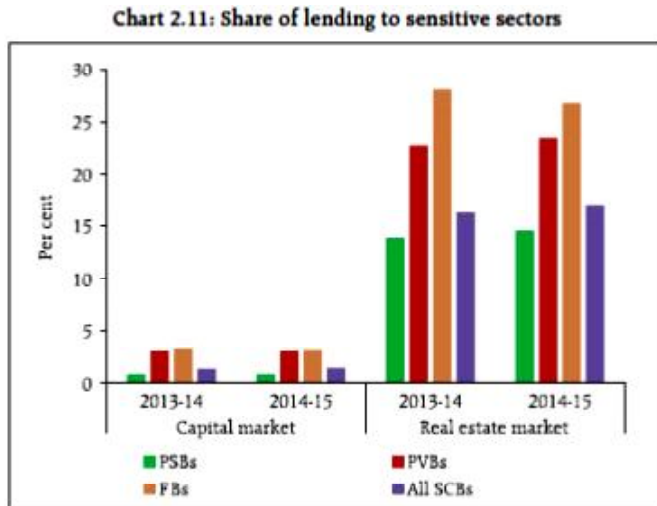
2.11 Retail loan portfolio of the banks

It continued to grow at around 20 per cent during 2014-15 even though there was deceleration in the total credit growth of banks. Housing loans (constituted around half of the total outstanding retail loans) and credit card receivables grew by more than 20 per cent. Auto-loans also recorded a recovery (Chart 2.10).



Source: RBI Supervisory Returns.

2.12. Credit to sensitive sectors



Source: Annual accounts of banks and RBI staff calculations.

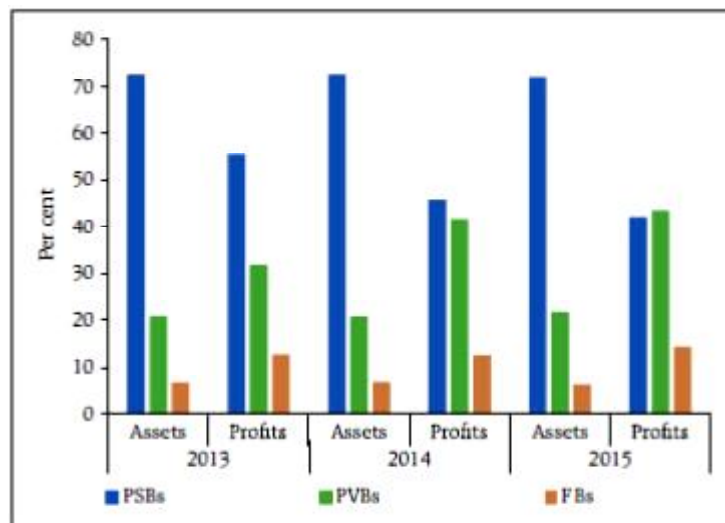
Capital market, real estate market and commodities market have been classified as sensitive

sectors as fluctuations in prices of underlying assets in these sectors could adversely affect the asset quality of banks. In 2014-15, sensitive sectors accounted for 18.5 per cent of the total loans and advances of banks. Within these sensitive sectors, more than 90 per cent comprised lending to real estate market. However, in line with overall trend, credit growth to sensitive sectors also witnessed a decline on account of lower growth in lending to real estate market. Nevertheless, lending to capital market recorded higher growth during 2014-15. At the bank group level, in both the sectors, FBs' exposure was highest followed by PVBs (Chart 2.11).

2.13 Ownership pattern of SCBs.

The banking sector in the country remained predominantly in the public sector with the PSBs accounting for 72.1 per cent of total banking sector assets, notwithstanding a gradual decline in their share in recent years. However, despite substantive share in total assets, the PSBs accounted for only 42.1 per cent in total profits during 2014-15, with the PVBs surpassing the PSBs in the share of total banking sector profits (Chart 2.12).

Chart 2.12: Bank-group wise share in total assets and profits of banking sector – position as on March 31



Source: Annual accounts of banks.

The Government of India continued to have more than the stipulated 51 per cent shareholding in all the public sector banks, despite decline in the stake in some of them in recent years. The maximum foreign shareholding in the case of PSBs was around 17 per cent as at end-march 2015 (20 per cent is regulatory maximum prescribed by the Reserve Bank). In case of the PVBs, the maximum non-resident shareholding was 73.4 per cent (74 per cent is regulatory maximum prescribed by the Reserve Bank).

3. Regional Rural Banks (RRBS)

The number of RRBs declined to 56 from 57 during the year 2014-15 due to amalgamation. Following the trend in line with SCBs, the loans and advances of RRBs also recorded a deceleration in growth to 11.7 per cent during 2014-15 as against 15.2 per cent in the previous year. Investments also recorded a slower growth. On the liabilities side, deposit growth remained flat at around 14 per cent.

During 2014-15, both interest income and interest expended of RRBs recorded a lower growth as compared to previous year with the former registering a larger decline in growth. This led to marginal decline in net interest margin (NIM). Further, RRBs witnessed sharp deceleration in profits growth to 1.9 per cent in 2014-15 as against 18.5 per cent in the previous year. This resulted in decline in RoA of RRBs during the year (Chart 2.13).

4. Local Area Banks

Local Area Banks (LABs) were established in 1996 as local banks in the private sector with jurisdiction over two or three contiguous districts to enable the mobilisation of rural savings by local institutions and make them available for investments in the local areas. Presently, four LABs are in operation. Out of these, Capital Local Area Bank Ltd. accounted for 72.9 per cent of the total assets of LABs as at end-March 2015.

Assets of the LABs grew by 22.2 per cent during 2014-15 while net interest income grew by 16.4 per cent. However, RoA witnessed a marginal decline as compared to previous year (Chart 2.14).

With the Capital Local Area Bank Ltd. getting the Reserve Bank's 'in-principle' approval for the license for Small Finance Bank (SFB), share of the LABs in the total banking assets will get further reduced.

5. Customer Services

PSBs accounted for more than 70 per cent of the complaints received during 2014-15 and in all major categories, the share of PSBs was more than 60 per cent. However, the PVBs accounted for more than 25 per cent of complaints relating to ATMs, credit/ debit cards and non-observance of fair practices code (Chart 2.15).

6. Technological Developments in Scheduled Commercial Banks

6.1. Growth in automated teller machines (ATMs).

The banks increased their penetration further with the total number of ATMs reaching 0.18 million in 2015. However, there was a decline in growth of ATMs of both PSBs as well as PVBs. PSBs recorded a growth of 16.7 per cent during 2014-15 maintaining a share of around 70 per cent in total number of ATMs. FBs continued to record a negative growth in number of ATMs (Chart 2.16).

6.2. Population group-wise distribution of ATMs.

In recent years, the shares of ATMs in rural and semi-urban area have been rising, though urban and metropolitan centres still dominate. In 2015, about 44 per cent of the ATMs were located in rural and semi-urban centres (Chart 2.17).

6.3. Off-site ATMs.

The share of off-site ATMs in total ATMs increased to 50.9 per cent as at end-March 2015 from 47.9 per cent in the previous year. The increase in share of off-site ATMs of public sector banks played a major role, which increased to 45.7 per cent in 2015 from 40.3 per cent in 2014. The share of private sector and foreign banks was already more than 60 per cent (Chart 2.18).

6.4. White label ATMs.

Looking at the efficiency and cost-effectiveness of off-site ATMs, non-bank entities were allowed to own and operate ATMs called 'White Label ATMs (WLA)' by the Reserve Bank in 2012. As on October 31, 2015, 10,983 WLAs were installed.

6.5. Debit cards and credit cards

Issuance of debit cards is much higher as compared to credit cards and they remain a preferred mode of transactions. In 2012, there were 6.3 credit cards for every 100 debit cards, which declined to 3.8 in 2015 (Chart 2.19). PSBs maintained a lead over PVBs and FBs in issuing debit cards. As on March 31, 2015 approximately 83 per cent of the debit cards were issued by PSBs, while around 80 per cent of the credit cards were issued by the PVBs (57.2 per cent) and FBs (22.4 per cent).

6.6. Prepaid payment instruments.

Pre-paid payment instruments (PPIs) are payment instruments that facilitate purchase of goods and services, including funds transfer, against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card. In the past few years, PPIs have emerged as an easy alternative to cash for performing day to day small value payment transactions. Value of PPIs has increased from ₹79.2 billion in 2012-13 to ₹213.4 billion in 2014-15. Among the PPI instruments, PPI card has been the most popular one (Chart 2.20), with non-bank PPIs having fuelled most of this growth.

7. Financial inclusion initiatives

The Reserve Bank continued its efforts towards universal financial inclusion. Given the boost provided by the Pradhan Mantri Jan Dhan Yojana (PMJDY) during the period, considerable banking penetration has occurred, particularly in rural areas. However, significant numbers of banking outlets operate in branchless mode through business correspondents (BCs)/facilitators (Chart 2.21). Dominance

of BCs in the rural areas can be gauged from the fact that almost 91 per cent of the banking outlets were operating in branchless mode as on March 31, 2015.

As on December 9, 2015, 195.2 million accounts have been opened and 166.7 million RuPay debit cards have been issued under PMJDY. The scheme was launched on 28th August, 2014 with the objectives of providing universal access to banking facilities, providing basic banking accounts with overdraft facility and RuPay Debit card to all households, conducting financial literacy programmes, creation of credit guarantee fund, micro-insurance and unorganised sector pension schemes. The objectives are expected to be achieved in two phases over a period of four years up to August 2018. Banks are also permitted to avail of Reserve Bank's scheme for subsidy on rural ATMs. The objectives of the financial inclusion plan (FIP), spearheaded by the Reserve Bank and PMJDY are congruent to each other.

To further strengthen the financial inclusion efforts and increase the penetration of insurance and pension coverage in the country, the Government of India has launched some social security and insurance schemes, i.e., Pradhan Mantri Jeevan JyotiBimaYojana, Pradhan Mantri Suraksha BimaYojana and Atal Pension Yojana in May 2015. As on December 16, 2015, 92.6 million beneficiaries have been enrolled under the Pradhan Mantri Suraksha BimaYojana and 29.2 million have been enrolled under Pradhan Mantri Jeevan JyotiBimaYojana. Further, 1.3 million account holders have been enrolled under Atal Pension Yojana.

8. Conclusion

Due to increasing competition, the policy changes and the operational environment in which the Indian banking system is currently operating, there has been an increased focus on operational Efficiency and Profitability. Most of the PSBs have registered a significant improvement in their profitability, but the Private sector Banks continue to have still better Profitability.

Banking in India has fairly matured in terms of reach, product range with an exception of reach in rural India still remaining a challenge for Private sector and Foreign Banks. The demand for Banking Services particularly Retail Banking, mortgages and investment services are expected to grow at a faster pace. We may see some mergers and acquisitions in the near future towards consolidation of the sector. Competition has been infused into the Banking system through several measures including deregulation of interest rates, granting functional autonomy to PSBs etc. The future of PSBs would be based on their capacity to have good quality Assets and maintaining required Capital Adequacy backed with stringent prudential norms.

The recent IBA-BCG survey of Banks revealed that the level of confidence in finding profitable solutions for financial inclusion is not very high. The conventional Banking models are reportedly unviable for low ticket size, zero collateral banking Business in this segment. the paradigm shift has been from 'CSR' to 'Economic' Viability'. Banks need to create a Business model for financial inclusion

considering the economic imperatives and Government should support Banks with incentives for shared inoperable infrastructure and reimburse for the Government pay outs. The Financial Inclusion is meaningless unless the rural economy is stimulated and rural infrastructure is accordingly developed. NABARD could be repositioned for this role.

PSBs have in their folds most experienced staff. However, in 2010, the average cost per Employee in the Public sector was higher than the new private sector banks. The solution for this does not lie in blind adoption of HR practices from the Private Sector. It certainly requires careful orchestration of the initiatives like steady talent induction, systemic succession planning and career management, structural adjustment in cost, empowering senior and middle management executives, Massive re-skilling, stimulation of non-officers and structured change management.

It is believed that findings of this study and the suggestions thereof given here above will immensely help the PSBs and Private Sector Banks to be more competitive and compatible in the new era of globalization.

The current study and discussions thereon, certainly reveals that the Indian Banking System is moving towards a more cohesive and strong system, capable and responding to the dynamic economy. Indian banking system needs a fresher outlook and keeping in view the various distortions on the system, it is time for the Government to introduce 3rd banking sector reforms expeditiously. For long term sustainable growth of Indian banks, following could be the crucial factors:

- i. The banks to have commitment to develop strong long lasting relationship with their customers and to provide them high quality services for their retention.
- ii. The management of the Banks should ensure that the policies and environment are so evolved that the staff is well motivated to be more innovative and creative in the professional discharge of their duties.
- iii. The Banks to have commitment for sustained growth with profits and consistent management of risks.

The study brings to the light few of the issues, mentioned here below, which needs to be addressed by the Bank management-

- a- Banks should fix rigid norms for accountability for performance with desired flexibility to accommodate genuine/uncontrollable reasons of non-performance.
- b- Political interference should be totally eliminated for better administration and also improving the loan repayments. This will enable better credit management and asset quality of banks especially PSBs.
- c- Private Sector Banks to be encouraged for social banking and to expand in semi-urban and rural areas. They must work for winning public trust.

- d- Behaviour of staff of PSBs to be improved along with appropriate marketing strategies.

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A Study on Customer Perception towards the Online Insurance Products in Chennai City

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Abstract

The emergence of new financial technology and growth of outsourcing services in insurance creates highly competitive market conditions which have a critical impact on consumer behavior. Hence, it is the need of the hour for the insurance sector, to better understand their customer's attitudes towards technology in general, to enhance increased satisfaction of their customers using online insurance. If they succeed, insurance companies will be able to influence and even determine customer behavior, which will become a major issue in framing appropriate strategies in the future. This study explores the perception of customers on the online insurance. The study also tries to identify the whether the factors are influencing the customers to purchase the online insurance products and satisfaction level of online insurance products. The found that factors are influencing the customers to purchase the online insurance products and customers are absolutely satisfied the online insurance products which is offered by the insurers.

Keywords: Internet banking, Customer Satisfaction, On-line Insurance, Service Quality, liberalization.

Introduction

The Financial Sector of India is intrinsically strong, operationally sundry and exhibits competence and flexibility besides being sensitive to India's economic aims of developing a market oriented, industrious and viable economy. The emergence of new financial technology and growth of outsourcing services in insurance creates highly competitive market conditions which have a critical impact on consumer behavior. Hence, it is the need of the hour for the insurance sector, to better understand their customer's attitudes towards technology in general, to enhance increased satisfaction of their customers using online insurance. If they succeed, insurance companies will be able to influence and even determine customer behavior, which will become a major issue in framing appropriate strategies in the future. The insurance industry of India consists of 52 insurance companies of which 24 are in life insurance business and 28 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector

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insurers. In addition to these, there is sole national reinsurer, namely, General Insurance Corporation of India. Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims.

Insurance Market Size

India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020. The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US\$ 60 billion. During this period, the life insurance market is slated to cross US\$ 160 billion. The general insurance business in India is currently at Rs 78,000 crore (US\$ 11.7 billion) premium per annum industry and is growing at a healthy rate of 17 per cent. The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 per cent of the world's total insurance premiums and about 2 per cent of the world's life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

Online Insurance

In one sentence, purchasing insurance online is convenient, fast and usually cost lesser. The insurers know the potential of this distribution channel and therefore have the entire product range- from life to health, motor and travel- available on the net for you. With click of a mouse customer can buy any policy from any corner of the world at any point of time.

Buying Benefits Online Insurance Products

The distribution efficiency also leads to cost efficiency. Since the customer buys directly from the insurer, the distributor's margin (or commissions) is saved. Also, the entire process is carried in the virtual world and is paperless, reducing the costs further. These savings are usually shared with the customer in the form of lower premiums.

The biggest benefit of online platform is that it offers the customer to make an informed choice. Various aggregator sites, such as Policybazaar.com, MyInsuranceClub.com and Easypolicy.com let you do an overall comparison of features and prices of a particular type of policy across various companies. Moreover, when buying online, customers can check the reviews and comments section.

Automated Servicing

The online platform is not limited to sale. It is a prompt and efficient servicing channel as well, which can be used by existing policyholders', regardless of whether you buy online or not. You can download product literature like brochures and policy wordings, get quick premium quotes, renew

your old policies, pay premiums online, track your insurance investments and make online claims. The difference from offline mode is that here you do not have to depend on anyone and are self-sufficient. Moreover, the processes are hassle-free and you can complete a transaction at a much lesser time.

Online Assistance

Since not all of us are equally net-savvy and may have reservations making financial transactions online, the insurance company websites usually also have live chat facility on their websites where customers can seek clarification in case of any doubt. Also, there is a toll-free number where you can call to take the offline route. You can either ask the representative you make the purchase for you telephonically by giving your details or can also for a face-to-face meeting. The insurer then sends an executive to help you make the purchase.

Review of Literature

A study conducted by Keerthi, P. and Vijayalakshmi, R.(2009) "A Study on the Expectations and Perceptions of the Services in Private Life Insurance Companies" reveals that the policyholders' expectations are well met in the case of certain factors reacting to service quality. But in the case of other variables, there exists a significant gap which means that policyholders have experienced low levels of service as against their expectations. According to Kunz (1997) ease in using the Internet as a means of shopping positively impacted the consumer's online shopping behavior. Product promotions attempt to influence the consumers' purchasing behavior. Blattberg & Wisniewski, (1989). Like other retail methods, online channels have various promotional tools such as corporate logos, banners, pop-up messages, e-mail messages, and text-based hyperlinks to web sites. These types of promotions have positively affected Internet buying. Zhang, Jansen, and Chowdhury (2011) specified that businesses should have a brand presence on many different social media sites to increase their consumer audience. "Research has shown that exposure to electronic word of mouth (EWOM) messages can generate more interest in a product category than can exposure to information produced by marketers" Yasser Mahfooz, et al. (2013), in their research article titled "A Study of the Services Quality issues of internet banking in Non-metro Cities in India", confirms that nonusers can be converted into users by proper education on the services available and assuring them of the secure environment.

Statement of the Problem

In the modern world, internet has become a vital part of marketing, in some international markets as high as 30% of motor insurance is transacted online. All retail insurance products such as cars, bikes, health, and travel, home, personal, accident and critical illness insurance are available online with instant real-time policy issuance. Even though online insurance benefits customers in many ways still many people do not trust the insurance through internet. There are some frauds or proxy websites which can hack information. Due to the above problems the customers highly hesitate to make use of the online insurance service offered by the insurance companies. At this backdrop, following

questions stand as challenges for the entire insurance industry operating in online.

1. Whether the factors influence a customer to adopt online insurance services?
2. Whether the customers are satisfied the online insurance products?
3. What problems are faced by the customers in online insurance?

Objectives Of The Study

Based on these questions the following objectives were framed for the study.

- To find out whether the factors are influencing the customers to purchase the online insurance products in Chennai city; and
- To examine whether the customers are satisfied about the online insurance products in Chennai city.

Research Methodology

The present paper's core objectives are to find out the customers perception towards the online insurance products in Chennai city. The study was conducted in Chennai city. The data obtained from both primary and secondary sources. The Primary data were collected through questionnaire and field work. Secondary data were collected from government records, newspapers, business magazines. The sample size of 233 is calculated by using the formula (Exhibit 1)

Calculation of total sample size

$$n = \frac{(ZS)^2}{E^2}$$

Z= Confidence Level (5% = 1.96)
S= Standard Deviation (0.39)
E= Accepted Level of Errors (0.05)
= $(1.96 * 0.39 / 0.05)^2$

Source: Determination of Sample size-Source: Kothari, C.R. (2004). *Research Methodology Methods & Techniques*, 2e, pg.179-180

The respondents were selected on the basis of non-probability convenience sampling. The data was collected during the period from August 2015 to January 2016. The data collected was classified, tabulated, processed and analyzed in a systematic manner. The data was run using SPSS 21.0 version by one-sample t test and Independent t test used to find out the customer perception towards the online insurance products in Chennai city.

Data Analysis And Interpretation

Table 1

	Frequency	Percent
Gender		
Male	162	69.5
Female	71	30.5
Total	233	100.0
Age		
Up to 25 years	42	18.0
26-35 years	77	33.0
36-45 years	64	27.5
Above 45 years	50	21.5
Total	233	100.0
Educational qualification		
Up to HSC	52	22.3
UG	88	37.8
PG	65	27.9
Professional	28	12.0
Total	233	100.0
Monthly Income		
Up to Rs.20,000	39	16.7
Rs.20,001- 25,000	72	30.9
Rs.25,001-30,000	97	41.6
Above Rs.30,000	25	10.7
Total	233	100.0
Employment		
Private	80	34.3
Government	70	30.0
Business	51	21.9
Professional	32	13.7
Total	233	100.0
Annual Insurance premium paid		
Up to Rs.15,000	45	19.3
Rs.15,001-20,000	122	52.4
Rs.20,001-25,000	47	20.2
Above Rs.25,000	19	8.2
Total	233	100.0

Source: Primary data

Table 1 shows that demographic profile of respondents. Out of 233 respondents, 69.5% of respondents were male and 30.5% of respondents were female. In connection with age wise distribution

of respondents, majority 33% of respondents were in the age group of 26-35 years, followed by 27.5% of respondents were in the age group of 36-45 years, 21.5% of respondents were in the age group of above 45 years and 18% of respondents were in the age group of up to 25 years. Regarding educational qualification majority 37.8% of respondents are under graduates, followed by 27.9% of respondents are post graduates, 22.3% of respondents are up to HSC qualified and 12% of respondents are professionals. Monthly income wise majority 41.16% of respondents monthly income was between Rs.25,001-30,000, followed by 30.9% of respondents monthly income was between Rs. 20,001-25,000, 16.7% of respondents monthly income was up to Rs.20,000 and 10.7% of respondents monthly income was above Rs.30,000. Employment wise, Majority 34.3% of respondents were private employees, followed by 30% of respondents were government employees, 21.9% of respondents were Businessman and 13.7% of respondents were professionals. Regarding annual insurance premium, majority 52.4% of respondents were paid annual insurance premium between Rs.15,001-20,000, followed by 20.2% of respondents were paid annual insurance premium between Rs.20,001-25,000, 19.3% of respondents were paid annual insurance premium up to Rs.15,000 and 8.2% of respondents were paid annual insurance premium above Rs.25,000.

Null Hypothesis 1

The factors are not influencing the customers to purchase of online insurance products in Chennai city.

Table 2 : One -sample t test for whether the factors are influencing the customer's purchase of online insurance products in Chennai city

Factors	N	Mean	Std. Deviation	t value	P value
Easy accessibility of information through websites	233	3.57	1.209	7.152	0.000**
Branding/Visual appeal of the product and services	233	3.60	1.232	7.392	0.000**
Premium and fees for services and riders	233	3.66	1.156	8.725	0.000**
Reliability & Security of services rendered	233	3.46	1.310	5.353	0.000**
Clarity of service procedure/policies	233	3.61	1.224	7.546	0.000**
Availability of products to different consumer segments	233	3.34	1.396	3.707	0.000**
Ability to complete quick delivery of the process	233	3.27	1.417	2.912	0.004**
Employees skill and ability to solve customer grievances	233	3.39	1.299	4.540	0.000**
Ability to finalize claim settlement online	233	3.54	1.259	6.503	0.000**
Ability to comply with IRDA guidelines	233	3.29	1.423	3.085	0.002**

Source: Primary data

Note: **represents 1% level of significant

The above table highlights that One -sample t test for whether the factors are influencing the customers to avail the online insurance products in Chennai city. Since the p values of all the variables are less than 0.01, therefore the null hypothesis is rejected at 1% level of significant. Hence it is

concluded that the factors are influencing the customers to avail the online insurance products in Chennai city.

Null Hypothesis 2

There is no significant difference between the male and female policy holders with respect to influencing factors of online insurance products in Chennai city.

Table 3 : Independent t test for whether there is any significant difference between the male and female policy holders with respect to Influencing factors of online insurance products in Chennai city

Factors of Online Insurance products	Gender	N	Mean	Std. Deviation	t value	P value
Easy accessibility of information through websites	Male	162	3.55	1.211	-.326	.745
	Female	71	3.61	1.213	-.326	.745
Branding/Visual appeal of the product and services	Male	162	3.59	1.239	-.190	.850
	Female	71	3.62	1.223	-.190	.849
Premium and fees for services and riders	Male	162	3.67	1.148	.114	.909
	Female	71	3.65	1.184	.112	.911
Reliability & Security of services rendered	Male	162	3.44	1.300	-.368	.713
	Female	71	3.51	1.340	-.364	.717
Clarity of service procedure/policies	Male	162	3.54	1.267	-1.285	.200
	Female	71	3.76	1.114	-1.351	.179
Availability of products to different consumer segments	Male	162	3.34	1.397	.007	.994
	Female	71	3.34	1.404	.007	.994
Ability to complete quick delivery of the process	Male	162	3.23	1.407	-.682	.496
	Female	71	3.37	1.447	-.675	.501
Employees skill and ability to solve customer grievances	Male	162	3.35	1.306	-.720	.472
	Female	71	3.48	1.286	-.724	.470
Ability to finalize claim settlement online	Male	162	3.50	1.277	-.667	.505
	Female	71	3.62	1.223	-.678	.499
Ability to comply with IRDA guidelines	Male	162	3.32	1.404	.541	.589
	Female	71	3.21	1.473	.531	.596

Source: Primary data

The above table shows that Independent t test for whether there is any significant difference between the male and female policy holders with respect to Influencing factors of online insurance products in Chennai city. Since the p value of all the variables are greater than 0.05. Therefore the null hypothesis is accepted at 5% level of significant. Hence it is concluded that there is no significant difference between the male and female policy holders with respect to influencing factors of online insurance products in Chennai city.

Null Hypothesis 3

The customers are not satisfied about the online insurance products in Chennai city.

Table : One-sample t test for whether the customers are satisfied about the online insurance products in Chennai city

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean	t value	P value
Customer satisfaction about the online insurance products	233	3.41	1.274	.083	4.887	0.000**

Source: primary data

Note: **represents 1% level of significant.

One-sample t test for whether the customers are satisfied about the online insurance products in Chennai city highlighted the above Table 4. Since the t value is 4.887 and corresponding p value is 0.000, which is less than 0.01. Therefore, the null hypothesis is rejected at 1% level of significant. Hence it is concluded that the customers are satisfied about the online insurance products which is offered by the insurers in Chennai city.

Summary of Findings

- It is noted from the study majority 69.5% of respondents were male and 30.5% of respondents were female. In connection with age wise distribution of respondents, Majority 33% of respondents were in the age group of 26-35 years. Majority 37.8% of respondents were under graduates.
- The study found that majority 41.16% of respondents monthly income was between Rs.25,001-30,000
- The study reveals that majority 34.3% of respondents were private employees and 52.4% of respondents were paid annual insurance premium between Rs.15,001-20,000
- It is identified from the study that the factors are influencing the customers to avail the online insurance products in Chennai city at 1% level of significant.
- The study reveals that there is no significant difference between the male and female policy holders with respect to influencing factors of online insurance products in Chennai city.
- The study found that the customers are satisfied about the online insurance products which are offered by the insurers in Chennai city.

Suggestions

- The insurers should educate the customers about the reliability of the online insurance products.
- The insurers clearly mentioned the terms and conditions of the online insurance products in websites.

- The insurers provide the frequent updates regarding the online insurance products to the customers.
- The insurers should create trustworthiness about the online insurance products among the customers.

Conclusion

It is observed from the study; unquestionably on-line insurance is a strong channel for the economic development and in order to enhance the tendency to use online insurance as a primary channel. The study found that factors are influencing the customers to purchase the online insurance products. The customers felt that purchase of online insurance products absolutely save the time, quickly issuance of policy, safety and security. The customers are absolutely satisfied the online insurance products which is offered by the insurers in India.

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Navigating the Insight of SARAs (Sale of Articles of Rural Artisans Society) Fairs : Holistic Marketing Gateway for Rural Artisans

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Abstract

SARAs Fair focuses to create revolutionary marketing strategy for promoting rural manufacturers, inaugurating the income opportunities for the rural artisans actively involved in the Swarnjayanti Gram SwarozgarYojana (SGSY) scheme. SARAs fairs has created a convergent marketing platform for the rural artisans to meet the customers and to capture their requirements. This paper highlights the insights of organizing SARAs (Sale of Articles of Rural Artisans) Fairs which provides the Holistic Marketing Gateway for Rural artisans. SARAs Fair plays an active role in bring transformation in the Indian Rural artisans livelihood by generating income and enhancing the purchasing power of the rural communities. SARAs exhibition fairs facilitate in preserving the unique cultural assets of the country, as the crafts produced by rural artisans are the prominent tool to generate revolutionary impact on the livelihood of rural artisans who are occupy iconic position in the agrarian economy.

Keywords: SARAs Fair, Rural Artisans, Ministry of Rural Development (MORD), Swarnjayanti Gram SwarozgarYojana (SGSY), Council for the Advancement of People's Action and Rural Technology (CAPART)

1.1 Preamble

Honourable Prime Minister Narendra Modi conceptualized "Make in India Campaign" on 25th September 2014. The campaign has been launched for the purpose of job creation in secondary and tertiary sector thus boosting the national economy and thereby converting India to a self-reliant country. Besides, this initiative would give the Indian economy a global recognition. Gandhiji believed that "real India lives in villages". Rural artisans in India can be considered as the torch bearers of Modi's "Make in India Campaign" strategy. Make in India Campaign" acts as the inoculation for the rural artisans to refurbish their skills by enhancing country's productivity. This novel venture can faucet the skills of

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rural artisans which augments the income generation capability of rural artisans in India. The initiative of the SARAs Fair was pioneered by the Ministry of Rural development (MoRD) during the year 1999-2000 for encouraging rural products and enhancing the potential of rural artisans' products. SARAs (Sale of Articles of Rural Artisans) Fair is a milestone verdict of the Ministry of Rural Development, Government of India, for marketing of their rural products produced by the rural artisans and Self Help Groups under the Swarnjayanti Gram SwarozgarYojana scheme. SARAs Fair is the gateway to explore the opportunities for the rural artisans who are actively involved in Swarnjayanti Gram SwarozgarYojana (SGSY) scheme of the Ministry of Rural Development. SARAs Fair has been a customary conducting the yearly exhibition -cum sale fair display event effectively happening since 1999. The MORD in association with the Council for Advancement of People's Action and Rural Technology (CAPART) organized the SARAs Fair during the India International Trade Fair (IITF) initially in India in the year 1999 at PragatiMaidan, New Delhi. In fact SARAs was promoted as an umbrella brand for promoting all the rural products. This event displays a extensive collection of products manufactured by the rural artisans, craftsmen. SARAs Fair focuses to create revolutionary marketing strategy for promoting rural manufacturers, inaugurating the income opportunities for the rural artisans actively involved in the Swarnjayanti Gram SwarozgarYojana (SGSY) scheme. SARAs Fairs has created a convergent marketing platform for the rural artisans to meet the customers and to capture their requirements. SARAs Fair are considered as the channel to promote rural products made by the rural artisans. The SARAs fairs create an awareness and responsiveness for their products among the various consumers. This initiative will in turn helps the rural artisans to recognize their livelihood opportunities and institute links with the markets in urban and semi?urban areas.

1.2 Objective of the study

To study the insights of organizing SARAs (Sale of Articles of Rural Artisans Society) Fairs which provides the Holistic Marketing Gateway for Rural artisans.

1.3 Source of Data

The study is based on secondary data acquired from the website of Ministry of Rural development pertaining to SARA mela.

1.4 Research Design

This study is a descriptive research. The sample period extends from 2004-05 to 2008-09 for a period of 5 years. The data taken for the research study deals with details such as name of the State, venue of the SARAs Fair, duration, number of participants and total Sales. The researcher employs Percentage analysis was employed by the researcher to navigate the insights of success of the SARAs mela for the rural artisans.

2.1 Progress of SARAs Fair

SARAs Fair provides an avenue for promoting and developing the rural handicrafts produced by the rural artisans. This exhibition cum fair portrays the skills the Indian rural artisans across the country. This Fair generates greater confidence in the minds of the stakeholders in the rural product development and the rural artisans. SARAs play an effective role in connecting the artisans with various markets. The State Government is supported by Ministry of Rural Development for organizing one regional SARAs Fair in metros and major cities of the state. Financial supported is granted by Ministry of Rural development to the extent uptoRs. 25 lakhs for Metro cities and Rs. 20 lakhs in other cities. The eligibility norms for participation in the SARAS Fair are as follows (Ref: Grameen Bharat, different Issues): 1. The participant should basically be a BPL card holder artisan. 2. The artisans should be beneficiaries of SGSY Programme of the MoRD. Currently after reformatting of SGSY, SARAS Fair is an initiative under National Rural Livelihood Mission of the Ministry of Rural Development, Govt. of India.

In the year 2010-11, Ministry of Rural development organized 24 regional SARAs Fair throughout the country more than 4000 rural artisans benefited and increased their sales turnover worth more than Rs. 19 crores by selling their products. In the year 2014-2015, 18 states namely Bihar, Gujarat, Himachal Pradesh, Odisha, Haryana, Jharkhand, Jammu and Kashmir, Uttar Pradesh, Rajasthan, Madhya Pradesh, Kerala, Maharashtra, Andhra Pradesh, Tripura, Tamil Nadu, Telangana, West Bengal, Nagaland, Uttrakhand, Assam, Manipur and Punjab has sparkled in SARAs Fair.

Table 1 (Appendix) exhibits the details of the SARA Exhibition held during 2004-05. In the year 2004-05, 5438 participants across the country were actively involved in SARA Exhibition cum fair for promoting the enriched heritage oriented craft work undertaken by rural artisans. The total sales turnover was more than 18 crores. The SARA Fair conducted in New Delhi at IITF was more successful among the 13 States, 11.40% of the rural artisans participated bring 19.57% of sales in the total yearly turnover. The SARA Fair conducted in lucknow during 05/02/05 to 16/02/05 was booming with good rate of turnover to the extent of 13.57% of the total yearly turnover.

Table 2 (Appendix) displays the facts of SARA Fair held in the year 2005-06, The participants number increased to 9064, with the total sales yearly turnover of more than 22 crores. Among the 22 states, New Delhi was leading in the sales turnover made and participation rates followed by Rajasthan, Gujarat, Goa.

Table 3 (Appendix) shows the details of the SARA Fair for the year 2006-07. The number of rural artisan participants was 7496 who are enthusiastically involved in the SARA Fair organized by MORD. Around 23 crores yearly sales turnover happened, Mumbai was leading in the sales turnover amounting to 2.5 crores which constitutes 11.22% of the total yearly sales turnover made in the exhibition. The number of participants in the Mumbai SARA Fair held on 23/12/06 to 03/01/07 was 584 which constitute 7.74% of the total participation rate.

Table 4 (Appendix) highlights about the details of the SARA Fair for the year 2007-08. In this year, SARA Fair conducted in Trivandrum was outperforming other states. Although the number of participants in Kerala SARA Fair was just 175, the sales turnover was high to the extent of Rs. 2.8 crores. The participant rate was high in Mumbai which constitutes 10.59% of the total number of participants.

Table 5 (Appendix) exhibits the facts of SARA Fair happened during the year 2008-09. SARA Fair in Mumbai was exhibiting with high sales turnover to the extent of Rs. 2.5 crores which is 10.31% of the total yearly sales turnover. The number of participants was high in SARA Fair held in New Delhi at IITF to the extent of 9.88% of the total yearly participant rate. More than 2 crores worth articles produced by rural artisans were sold amounting to 8.25% of the total yearly turnover

Table 6 (Appendix) highlights the inclusive performance of SARAs Fair. There was a tremendous increase in the sales turnover from 2004-05 to 2008-09. In the year 2007-08, there was incredible increase in the percentage of sales turnover with huge sales of the articles produced by the rural artisans worth more than Rs. 29 crores. The number of participants in the SARA fair remarkably increased from 5438 in the year 2004-05 to 9064 in next year itself. This highlights that there is great awareness among the rural artisans about the SARA fairs organized by MORD.

2.2 SARAs Fair Spotlight to Rural Artisans

SARAs Fair provides the plinth for the rural artisans to promote their crafts and it enables the rural artisans to venture for their livelihood prospective in the long run. SARAsFair enables the rural artisans to display, demonstrate and sell their products to the customer. This fairs provides exposure to the artisans to identify the needs and preferences of the customers and further produce crafts in accordance to the customer choice. Effective interaction with the prospective buyer enables the rural artisans in seeking bulk orders for their produce. Innovative ideas can also be developed by the rural artisans as per the customer demand for the product. SARAs Fair acts as the podium for the effective sharing of knowledge and exchange of ideas about the art, craft and culture, customs and traditions, demand requirements which in turn paves a great way for future product planning. This Fair brings under one roof wide variety of good quality products for the customers at their convenience at the best prices. SARAsFair enables the rural artisans to upgrade and develop their products, enhance the customer handling skills, inculcates the knowledge of good salesmanship in practice, enhances the customer base. SARAsFair offers regular marketing support for income generation with immense exposure to the urban customers.

2.3 Institutional Support for conducting SARAs Fairs

During the 11th five year plan the Government of India extended financial support to the extent of Rs. 752 crores to the crafts sector. Several institutions such as Khadi and Village Industries Commission (KVIC), SIDBI, NABARD, Council for the Advancement of People's Action and Rural

Technology (CAPART) have been actively involved in funding the rural artisans through several schemes. The 12th five year plan focus on the inclusive and sustainable growth strategy making the rural artisans to cope with the globally competitive environment, providing sustainable livelihood prospective to the rural artisans and thus resulting in the balanced socio-economic development and inclusive growth. The 12th five year plan allocated Rs. 4519 crores for this purpose. The Publicity for the Fair was undertaken by the Media Division of CAPART through advertisements in regional newspapers and through outdoor mode of advertising such as placing the hoarding and display boards at various strategic locations in Fair. In order to encourage the best work of the rural artisans and coordinators of the event, and thus to create collective eagerness to actively involved in SARAs Fair, special committee was constituted by MORD to select the best participants in various categories such as Best artisan, Best product, Best stall decoration, Best Coordinator of State. This committee will visit all the stalls in the SARAs Fair and decided and distribute the prizes to the best participant.

3. Conclusion

Rural artisans are the backbone of the non-farm rural economy. Rural artisans depend on home-grown modes of production, customary skills and techniques to make a income based on handmade products. One of the major bottlenecks in India is that our markets do not recognize the true value of its own craft. When this value is recognized, and if people are enthusiastic to pay a privileged price for craft-based products, this should translate into high wages for weavers and craftspeople and act as a income booster for millions of rural based livelihood opportunities Thus there is an imperative need for benevolence to realize the economic potential of the rural artisans community by investing in high impact scalable models that have the prospective to reinforce their livelihoods in a sustainable manner. SARAs Fair plays an active role in bring transformation in the Indian Rural artisans livelihood by generating income and enhancing the purchasing power of the rural communities. SARAs exhibition fairs facilitate in preserving the unique cultural assets of the country, as the crafts produced by rural artisans are the prominent tool to generate revolutionary impact on the livelihood of rural artisans who are occupy iconic position in the agrarian economy. "Make in India Campaign" outshine as the prospective for structural transformation in the economy through optimum utilization of India's predominant labour force. Rural development authorities must develop effective policy framework that would proactively govern the rural development oriented institutions to reengineer rural artisans. The Centre and State government are accountable in steering rural development through adequate disbursement of bank credit, implementing effective marketing strategies in marketing their products, and to provide adequate tools and equipment's to manufacture sophisticated goods to capture the global market for the rural artisans. "Make in India Campaign" brings a radical revolution in tapping the skills of rural artisans increasing employability, rising labour productivity by enhancing India's Gross Domestic Product. The aspirations of the rural artisans have to be fulfilled, improving their socio economic status by ushering empowerment in India through the victorious implementation of proactive initiative of Government of India "Make In India Campaign".

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Appendix

Table 1 : Facts of SARAs Fair Held during 2004-05

Name of the State	Venue	Duration	Participants Nos	Total Sales (Rs.)	% of Participants	% of sales turnover
Madhya Pradesh	Bhopal	3/3/05 to 14/3/05	408	13789160	7.5	7.35
Uttar Pradesh	Lucknow	5/2/05 to 16/2/05	500	25452671	9.19	13.57
Karnataka	Bangalore	17/2/05 to 28/2/05	460	8000000	8.45	4.26
Rajasthan	Jaipur	12/8/04 to 23/08/04	230	17355154	4.22	9.25
New Delhi	DilliHaat	01/09/04 to 15/09/04	321	10836548	5.90	5.77
Andhra	Hyderabad	21/12/04 to 01/01/05	366	22426015	6.73	11.95
Bihar	Patna	30/03/05 to 10/04/05	482	2600000	8.86	1.38
Gujarat	Ahmedabad	14/10/04 to 29/10/04	300	6782856	5.516	3.616
New Delhi (IITF)	IITF	14/11/04 to 27/11/04	620	36717915	11.40	19.57
Maharashtra	Mumbai	23/12/04 to 03/01/05	477	13192000	8.77	7.03
Orissa	Bhubaneswar	16/01/05 to 27/01/05	612	9022696	11.25	4.81
New Delhi (DilliHaat)	DilliHaat	01/04/04 to 15/04/04	300	10000000	5.51	5.33
Assam	Guwahati	18/2/05 to 05/03/05	362	11398681	6.65	6.07
Total			5438	187573696		

Source: MORD

Table 2 : Facts of SARAs Fair Held during 2005-06

Name of the State	Venue	Duration	No of participants	Total Sales	% of Participants	% of sales turnover
Harayana	Gurgaon	16/9/05 to 25/09/05	324	3034851	7.5	7.35
Goa	Panaji	24/11/05 to 04/12/05	294	3054551	9.19	13.57
Chattisgarh	Raipur	01/12/05 to 11/12/05	1500	4034269	8.45	4.26
Madhya Pradesh	Bhopal	16/12/05 to 25/12/05	336	8269354	4.22	9.25
Maharashtra	Mumbai	23/12/05 to 03/01/06	697	22100000	5.90	5.77
Gujarat	Ahmedabad	22/10/05 to 31/10/05	195	7140694	6.73	11.95
TamilNadu	Coimbatore	09/10/05 to 23/10/05	174	5067000	8.86	1.386
Orissa	Puri	07/07/05 to 16/07/05	822	7297262	5.516	3.616
New Delhi	DilliHaat	01/09/05 to 15/09/05	362	7660615	11.40	19.57
Assam	Guwahati	27/01/06 to 06/02/06	480	7609472	8.77	7.03
Uttarakhand	Dehradun	19/08/05 to 28/08/05	300	2545000	11.25	4.81
Andhra	Hyderabad	14/12/05 to 25/12/05	382	16400000	5.51	5.33
West bengal	Kolkatta	01/02/06 to 10/02/06	381	5188842	6.65	6.07
Rajasthan	Jaipur	02/10/05 to 13/10/05	242	31741730	2.66	13.85
Uttar Pradesh	Lucknow	14/10/05 to 30/10/05	240	26320784	2.64	11.49
New Delhi	DilliHaat	01/04/05 to 15/04/05	421	11701737	4.64	5.10
New Delhi	DilliHaat	16/01/06 to 31/01/06	250	7630495	2.75	3.33
Karnataka	Bangalore	17/03/06 to 28/03/06	430	10200000	4.74	4.45
Tripura	Agartala	17/03/06 to 26/03/06	318	4915432	3.50	2.14
Bihar	Muzaffarpur	01/03/06 to 10/03/06	66	945000	0.72	0.41
Jammu and Kashmir	Srinagar	28/07/05 to 09/08/05	249	5700000	2.74	2.48
New Delhi	IITF	14/11/05 to 27/11/05	601	30468083	6.63	13.30
Total			9064	229025171		

Source: MORD

Table 3 : Facts of SARAs Fair Held during 2006-07

Name of the State	Venue	Duration	No of participants	Total Sales	% of Participants	% of sales turnover
West Bengal	Kolkatta	04/12/06 to 13/12/06	309	10184449	4.12	4.57
Gujarat	Ahmedabad	02/10/06 to 13/10/06	167	8044213	2.22	3.61
Madhya Pradesh	Bhopal	11/05/06 to 24/05/06	350	7311000	4.66	3.28
Tripura	Agartala	10/02/07 to 19/02/07	476	5398392	6.35	2.42
Uttar Pradesh	Lucknow	17/02/07 to 26/02/07	258	21008390	3.44	9.43
Orissa	Bhubaneswar	05/03/07 to 15/03/07	549	9639379	7.32	4.32
Assam	Guwahati	26/03/07 to 05/04/07	283	4670190	3.77	2.09
Bihar	Patna	10/03/07 to 22/03/07	562	4503732	7.49	2.02
Jammu and Kashmir	Srinagar	10/07/06 to 25/07/06	157	2600000	2.09	1.16
TamilNadu	Salem	18/02/07 to 03/03/07	128	5995000	1.70	2.69
Maharashtra	Mumbai	23/12/06 to 03/01/07	584	25000000	7.79	11.22
Chattisgarh	Raipur	01/12/06 to 15/12/06	130	2713371	1.73	1.21
Karnataka	Bangalore	30/03/07 to 15/04/07	244	16100000	3.25	7.23
Jharkhand	Ranchi	16/01/07 to 31/01/07	355	3638932	4.73	1.63
Goa	Panaji	22/12/06 to 02/01/07	353	4746303	4.70	2.13
Andhra	Hyderabad	31/10/06 to 11/11/06	550	21622602	7.33	9.71
Manipur	Imphal	14/10/06 to 23/10/06	286	2203000	3.81	0.98
Uttarkhand	Dehradun	01/11/06 to 12/11/06	160	5402822	2.13	2.42
Kerala	Alappuzha	19/12/06 to 31/12/06	251	5405320	3.34	2.42
Harayana	Gurgaon	17/09/06 to 30/09/06	205	7794132	2.73	3.50
Rajasthan	Jaipur	02/10/06 to 14/10/06	237	14313706	3.16	6.42
New Delhi	DilliH aat	11/04/06 to 24/04/06	203	9548123	2.70	4.28
New Delhi	DilliH aat	12/09/06 to 25/09/06	299	11676976	3.98	5.24
New Delhi	IITF	14/11/06 to 27/11/06	400	13163104	5.33	5.91
Total			7496	222683136		

Source: MORD

Table 4 : Facts of SARAs Fair Held during 2007-08

Name of the State	Venue	Duration	No of participants	Total Sales	% of Participants	% of sales turnover
New Delhi	DilliH aat	10/04/07 to 23/04/07	410	8398746	4.80	2.87
Kerala	Trivandrum	14/08/07 to 26/08/07	175	28188076	2.05	9.63
Jammu and Kashmir	Srinagar	27/08/07 to 07/09/07	145	3192000	1.69	1.09
New Delhi	DilliH aat	11/09/07 to 24/09/07	196	9600000	2.29	3.28
Harayana	Gurgaon	27/09/07 to 08/10/07	450	16555472	5.22	5.65
Madhaya Pradesh	<i>Bhopal</i>	<i>28/09/07 to 14/10/07</i>	209	8539025	2.44	2.91
Rajasthan	jaipur	29/09/07 to 14/10/07	175	19019365	2.05	6.50
West ZBengal	Kolkatta	29/09/07 to 14/10/07	312	17497161	3.65	5.98
Uttar Pradesh	Lucknow	28/03/08 to 08/04/08	600	19541214	7.03	6.67
Manipur	Imphal	31/10/07 to 11/11/07	316	3130150	3.70	1.06
Meghalaya	Shillong	05/11/07 to 11/11/07	76	4500000	0.89	1.53
IIT F SARAS 2007	PragatiMaid an	14/11/07 to 27/11/07	345	19000000	4.04	6.49
Punjab	Patiala	06/12/07 to 17/12/07	356	3670819	4.17	1.25
Chattisgarh	Bhilai	06/12/07 to 18/12/07	138	7343000	1.61	2.50
Tripura	Agartala	06/12/07 to 17/12/07	219	7116000	2.56	2.43
Bihar	Patna	06/12/07 to 17/12/07	281	6972226	3.29	2.38
Maharastra	Mumbai	22/12/07 to 02/01/08	904	16611388	10.59	5.67
Goa	Panaji	27/12/07 to 07/01/08	333	3115934	3.90	1.06
Orissa	Bhubaneswar	10/01/08 to 20/01/08	347	13283279	4.06	4.54
Gujarat	Aurat	15/01/08 to 27/01/08	610	9724000	7.14	3.32
New Delhi	DilliH aat	29/01/08 to 11/02/08	200	10500000	2.34	3.58
Tamil Nadu	Madurai	01/02/08 to 12/02/08	181	5918884	2.12	2.02
Assam	Guwahati	02/02/08 to 13/02/08	172	7029275	2.01	2.40
Jharkhand	Ranchi	14/02/08 to 25/02/08	345	4441340	4.04	1.51
Andhra	Hyderabad	14/02/08 to 25/02/08	645	16800000	7.55	5.74
Uttarakhand	Dehradun	16/02/08 to 27/02/08	139	4673470	1.62	1.59
Karnataka	Bangalore	20/03/08 to 31/03/08	253	18200000	2.96	6.22
	Total		8532	292560824		

Source: MORD

Table 5 : Facts of SARAs Fair Held during 2008-09

Name of the State	Venue	Duration	No of participants	Total Sales	% of Participants	% of sales turnover
Madhya Pradesh	Bhopal	12/06/08 to 24/06/08	375	7219042	4.94	2.95
Orissa	Puri	03/07/08 to 13/07/08	242	11817525	3.19	4.83
New Delhi	DilliHaat	26/08/08 to 08/09/08	353	9028246	4.65	3.69
Kerala	Kozhikode	29/08/08 to 10/09/08	514	10570108	6.77	4.32
Harayana	Gurgaon	18/09/08 to 29/09/08	483	13638376	6.36	5.57
Andhra	Hyderabad	01/10/08 to 15/10/08	550	19030097	7.25	7.77
Gujarat	Rajokot	09/10/08 to 20/10/08	411	16064519	5.41	6.56
Uttarakhand	Dehradun	15/10/08 to 27/10/08	200	6751312	2.63	2.75
New Delhi	IITF	14/11/08 to 27/11/08	750	20200000	9.88	8.25
Goa	Margaon	18/10/08 to 29/10/08	205	4600000	2.70	1.88
Punjab	Patiala	30/11/08 to 11/12/08	467	8695045	6.15	3.55
West Bengal	Kolkatta	04/12/08 to 15/12/08	321	21213825	4.23	8.67
Maharastra	Mumbai	22/01/09 to 02/02/09	437	25238155	5.76	10.31
Jharkhand	Ranchi	17/12/08 to 27/12/08	343	6725000	4.52	2.74
Karanataka	Bengalru	20/12/08 to 04/01/09	284	24300000	3.74	9.93
Rajasthan	Jaipur	21/12/08 to 06/01/09	145	13200000	1.91	5.39
Assam	Guwahati	02/01/09 to 13/01/09	222	5962022	2.92	2.43
Tripura	Agartala	08/01/09 to 19/01/09	690	8645860	9.07	3.53
New Delhi	DilliHaat	13/01/09 to 26/01/09	472	10150000	6.22	4.14
Sikkim	Joretang	14/01/09 to 28/01/09	120	1600000	1.58	0.65
	Total		7584	244649132		

Source: MORD

Table 6 : Inclusive Performance of SARAs Fairs

Year	No of Participants	Total sales	% increase in sales	%increase in participants
2004-05	5438	187573696		
2005-06	9064	229025171	122.09	166.67
2006-07	7496	222683136	97.230	82.70
2007-08	8532	292560824	131.37	113.82
2008-09	7584	244649132	83.62	88.88

Source: MORD

Organizational Citizenship Behavior (OCB): A Comprehensive Literature Review

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– Dr. Kavitha Desai**
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Abstract

Organizational citizenship behavior (OCB) is a phrase that encompasses anything buoyant and productive that employees do, of their own preference, which ropes co-workers and benefits the company. Typically, employees who regularly connect with OCB may not always be the top performers, but they are the ones who are known to 'go the second mile' or 'go more than and beyond' the minimum efforts required to do a merely acceptable job. The main objective of this paper is to acclimatize to an existing methodological structure for conducting a comprehensive literature review on empirical phenomenon of Organizational citizenship behavior. For this purpose abstracts of various peer-reviewed journal publications have been analyzed on research topic and methodologies used.

1. Introduction

"Organizations want and need employees who will do those things that aren't in any job description. Evidence indicates that those organizations that have such employees outperform those that don't" (Podsakoff, N. P., Blume, B. D., Whiting, S. W., & Podsakoff, P. M. (2009). As a result, some human subject studies are concerned with organizational citizenship behavior as a dependent variable. Organizational citizenship behavior (OCB) means individual behaviors that are beneficial to the organization but not directly recognized by the formal reward system. Though there are research studies that provide the domain of OCB and its effects on the organizational performance but they have varied viewpoints and are inadequate.

More than four decades ago Katz (1964) proposed that employees should have three kinds of behavior for effective functioning in an organization. First, people must be induced to enter and remain in the organization. Second, people must perform their specific job requirements. Finally, there must be innovative and spontaneous activity in achieving organizational goals which go beyond their job descriptions. The last category of behaviors is defined as organizational OCB Organ (1988).

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Katz (1964) identified two dimensions of individual performance: in-role and extra-role. According to Katz, in-role performance behaviors are a set of limited number of assigned roles defined by organizational protocols. Such kind of behaviors is role specific and written in an individual's job description. Extra-role behaviors, on the other hand, are behaviors that are not prescribed by job descriptions and may be similar across jobs, and serve the accomplishment of organizational goals. Although defining specific roles for each job reduces human variability and increases predictability of the quality and quantity of the performance, individuals should be encouraged to engage in spontaneous and innovative behaviors that may help the organization to survive.

Katz and Kahn (1966) stated that organizational well-functioning heavily depends on extra-role behaviors, therefore managers need employees who do more than what is described in the work contract. Specifically, managers look for OCB which were described in 1988 by Organ as "discretionary behaviors, not directly or explicitly recognized by the formal reward system and that in aggregate promote the effective functioning of the organization". Such discretionary behaviors which are not specified by role prescriptions are vital for achieving organizational goals.

As Katz (1964) pointed out it is not possible for an organization to foresee all contingencies within its operations, or to anticipate environmental changes accurately, or to control human variability perfectly. Therefore, "an organization which depends solely upon its blueprints of prescribed behavior is a very fragile social system"

What is necessary for organizational survival and effectiveness is employees who contribute to organizational functioning by engaging in extra role behaviors such as helping a co-worker or one that has heavy workload, voluntarily attending and actively participating in unit meetings, paying attention to self- development to become versatile and being flexible in terms of tasks that can be performed, and not complaining about petty problems. Aggregated over time and persons, organizational citizenship behaviors become important since they facilitate the accomplishment of organizational goals and enhance organizational performance (Allen & Rush, 1998).

Empirical research has shown that OCBs benefit the organizations in many ways such as customer satisfaction, quality and quantity of the service or product, sales performance, customer complaints, and revenue (Karambayya, 1990; Podsakoff & Mackenzie, 1994; Mackenzie, Podsakoff, & Ahearne, 1998; Walz & Niehoff, 1996; Koys, 2001; Podsakoff, Whiting, Podsakoff, & Blume, 2009).

Podsakoff and associates (2006) defined certain ways by which OCBs may affect organizational performance. OCBs might enhance both co-worker and managerial productivity. OCBs may also free up resources for more productive purposes and reduce the need to devote scarce resources to purely maintenance functions. Moreover, OCBs may serve as effective means of coordination activities between team members and across work groups. OCBs may also enhance the organization's ability to attract and retain the best people by making it a more attractive place to work. Additionally, OCBs may enhance the stability of organizational performance by reducing variability. Furthermore, OCBs may

improve an organization's ability to adapt to environmental changes. Lastly, OCBs may enhance organizational effectiveness by creating social capital.

2. Definition and Origin of Organizational Citizenship Behavior

Organizational citizenship behavior (OCB) has undergone subtle definitional revisions since the term was coined in the late 1980s, but the construct remains the same at its core. OCB refers to anything that employees choose to do, spontaneously and of their own accord, which often lies outside of their specified contractual obligations. In other words, it is discretionary. OCB may not always be directly and formally recognised or rewarded by the company, through salary increments or promotions for example, though of course OCB may be reflected in favourable supervisor and co-worker ratings, or better performance appraisals. In this way it can facilitate future reward gain indirectly. Finally, and critically, OCB must 'promote the effective functioning of the organisation' (Organ, 1988).

Currently, OCB is conceptualized as synonymous with the concept of contextual performance, defined as 'performance that supports the social and psychological environment in which task performance takes place' (Organ, 1997). While this reflects the flexible nature of workers' roles in the modern workplace, and acknowledges the fact that employees do get recognised and rewarded for engaging in OCB (Van Scotter, Motowidlo & Cross, 2000; Werner, 1994), the colloquial understanding of OCB as going 'the extra mile' or 'above and beyond' to help others at work is an idea that many are familiar with, and these ideas continue to be a popular way of conceptualizing OCB. Typical examples of OCB include offering to help a newcomer become familiar with his/her role and the office, a colleague who may be struggling with deadlines, or volunteering to change shifts. Importantly, OCB also encompasses organizational-related acts such as working overtime without (expectation of) remuneration, or volunteering to organize office-wide functions.

Organ (1988) defines OCB as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization". Organ's definition of OCB includes three critical aspects that are central to this construct. First, OCBs are thought of as discretionary behaviors, which are not part of the job description, and are performed by the employee as a result of personal choice. Second, OCBs go above and beyond that which is an enforceable requirement of the job description. Finally, OCBs contribute positively to overall organizational effectiveness.

3. Multidimensionality

The multidimensionality of OCB is shown in the following Figure 1.1 as given Swanson and Niehoff, 2001; Podsakoff et al., 2000.

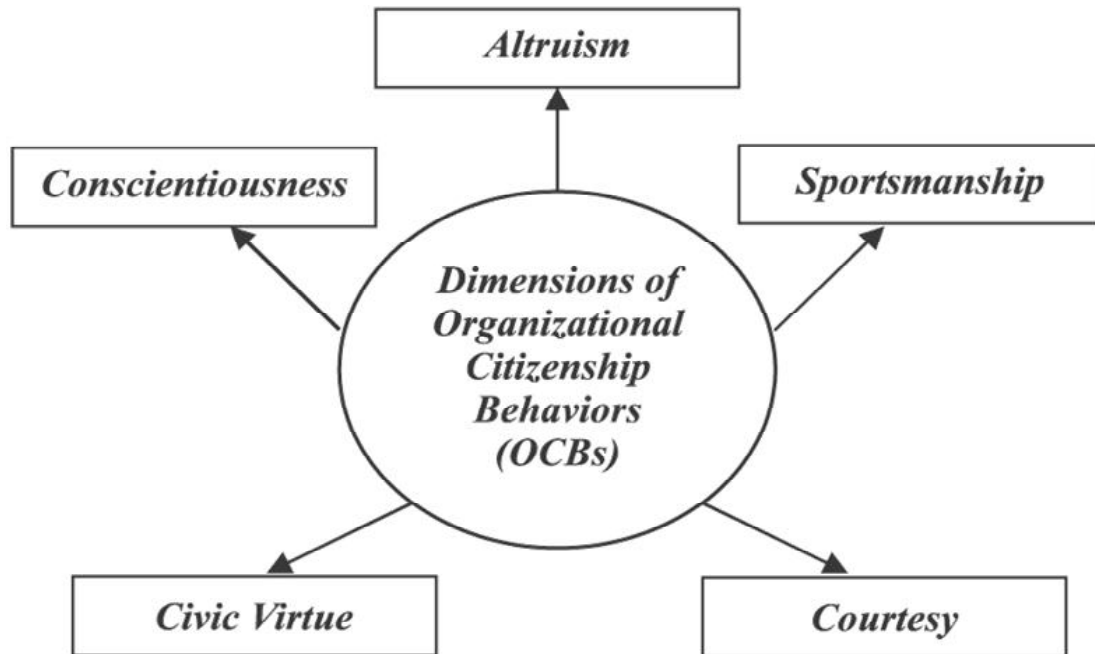


Figure 1.1 Multidimensionality of OCB

(Adapted from Swanson and Niehoff, 2001; Podsakoff et al., 2000).

The construct of OCB, from its conception, has been considered multidimensional. Smith, Organ, and Near (1983) first proposed two dimensions: altruism and general compliance. These two dimensions serve to improve organizational effectiveness in different ways. Altruism in the workplace consists essentially of helping behaviors. These behaviors can both be directed within or outside of the organization. There is no direct link, or one-to-one relationship, between every instance of helping behavior and a specific gain for the organization. The idea is that over time, the compilation of employees helping behavior will eventually be advantageous for the organization (Organ et al., 2006).

General compliance behavior serves to benefit the organization in several ways. Low rates of absenteeism and rule following help to keep the organization running efficiently. A compliant employee does not engage in behaviors such as taking excessive breaks or using work time for personal matters. When these types of behaviors are minimized the workforce is naturally more productive.

Later, Organ (1988) deconstructed the dimension of general compliance and added additional dimensions of OCB. This deconstruction resulted in a five-factor model consisting of altruism, courtesy, conscientiousness, civic virtue, and sportsmanship.

The definition of altruism remained much as it was, defined by discretionary behaviors that have the effect of helping a specific work colleague with an organizationally relevant task or problem.

Conscientiousness consists of behaviors that go well beyond the minimum role requirements of the organization (Law, Wong, & Chen, 2005). These behaviors indicate that employees accept and adhere to the rules, regulations, and procedures of the organization.

Civic virtue is characterized by behaviors that indicate the employee's deep concerns and active interest in the life of the organization (Law et al., 2005). This dimension also encompasses positive involvement in the concerns of the organization (Organ et al., 2006). Examples of civic virtue can be seen in daily affairs such as attending meetings and keeping up with what is going on with the organization in general. Civic virtue can also be demonstrated on a larger scale by defending the organization's policies and practices when they are challenged by an outside source.

Courtesy has been defined as discretionary behaviors that aim at preventing work-related conflicts with others (Law et al., 2005). This dimension is a form of helping behavior, but one that works to prevent problems from arising. It also includes the word's literal definition of being polite and considerate of others (Organ et al., 2006). Examples of courteous behaviors are asking fellow employees if they would like a cup of coffee while you are getting one for yourself, making extra copies of the meeting agenda for your teammates, and giving a colleague ample notice when you alter something that will affect them.

Finally, sportsmanship has been defined as willingness on the part of the employee that signifies the employee's tolerance of less-than-ideal organizational circumstances without complaining and blowing problems out of proportion. Organ et al. (2006) further define sportsmanship as an employee's "ability to roll with the punches" even if they do not like or agree with the changes that are occurring within the organization. By reducing the amount of complaints from employees that administrators have to deal with, sportsmanship conserves time and energy.

It has been proven empirically that the factors listed above are the most robust and distinct factors in assessing OCB. However, in a meta-analysis of the OCB literature, LePine, Erez, and Johnson (2002) found that these five dimensions are very highly correlated and do not have much differentiation among antecedents, indicating some overlap in the dimensions.

Altruism and courtesy have been grouped into individual-directed behavior (OCB-I), while the last three are organization-directed behavior (OCB-O) (Williams & Anderson, 1991).

4. Organizational Citizenship: Antecedents and Outcomes

Figure 1.2 outlines the main antecedents and consequences of OCB as pinpointed in past research. Antecedents of OCB can be categorized in four major groups (Podsakoff et al., 2000): (1) individual characteristics (e.g., employee attitudes, role perceptions); (2) task characteristics (e.g., feedback, routinization, intrinsically satisfying task); (3) organizational characteristics (e.g., group cohesiveness, perceived organizational support, rewards outside the leader's control), and (4) leadership behaviors (e.g., articulating a vision, providing an appropriate model, fostering acceptance of group goals).

Employees' cognitive responses to their work environment characteristics make up one of the antecedents of OCB the most commonly investigated in past research. In particular, variables such as organizational commitment, job satisfaction, and perceptions of fairness have been demonstrated as being positively associated with OCB (e.g., Bateman and Organ, 1983; MacKenzie, Podsakoff and Ahearne, 1998; Organ, 1988; Smith, Organ and Near, 1983). One key underlying idea is that employees are inclined to respond positively, for instance by displaying OCB, to leadership that facilitates trust and a sense of justice (Swanson and Niehoff, 2001).

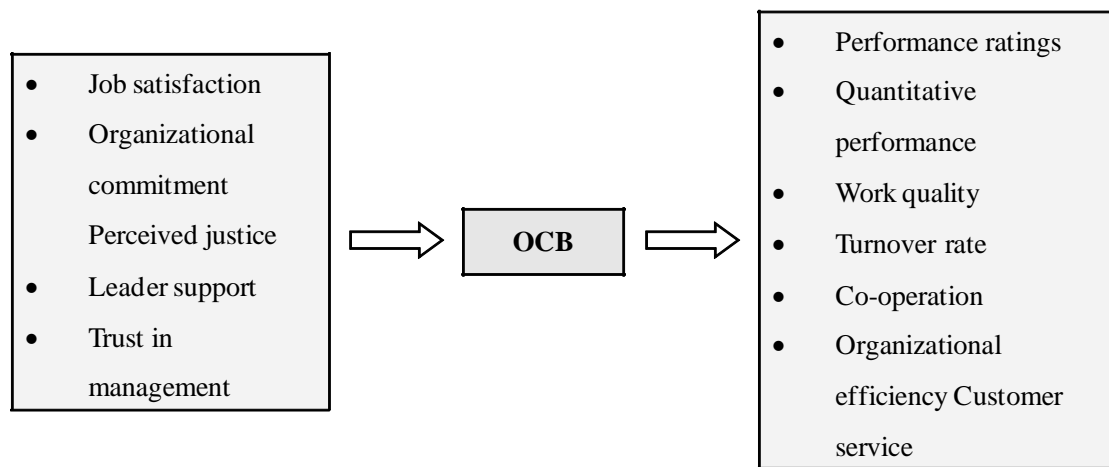


Figure 1.2 Important antecedents and consequences of OCB (adapted from Swanson and Niehoff, 2001; Podsakoff et al., 2000).

5. Literature Review

The current OCB concept originated from the conceptualization of management theorist Chester Barnard (1968, first publication was in 1938).

Barnard, feels that the vitality of the organizations depends on the willingness of individuals to contribute forces to the cooperative system (1968). Willingness means de-personalization of personal action, and its impact is sticking together, meaning the union of efforts (Barnard, 1968). Barnard suggests that without sticking together, a personal effort cannot contribute to the organization. These ideas of Barnard were extended by subsequent studies, which helped the conceptualization of the current OCB concept (Wofle, D'intino and Shepard, 2002).

Katz, in 1964, made important contributions to Barnard's observations. He identified three basic types of behavior that are essential for a functioning organization: a) people must be induced to enter and remain within the system, b) they must carry out their specific role assignments in a dependable fashion, and c) there must be innovative and spontaneous activity that goes beyond role prescriptions (Katz, 1964). Thus, he distinguished between dependable role performance (i.e., in-role behavior) and

spontaneous behavior (Organ and Konovsky, 1989). While in-role behavior is an expected behavior that forms the basis of a regular job, spontaneous behavior is the behavior which is not specified by the role prescriptions and contributes to organizational functioning (Katz, 1964). He pointed out the importance of cooperation and individuals' behaviors that are not included in the role prescriptions. Katz noted that an organization which depends solely upon its blueprints for prescribed behavior is a fragile social system (1964). He explained as follows: Within every work group in a factory, within any division in a government bureau, or within any department of a university are countless acts of cooperation without which the system would break down. We take these everyday acts for granted, and few of them are included in the formal role prescriptions for any job. In order to describe the behaviors that are different from in-role behaviors and go beyond the role prescriptions (extra-role behaviors) to contribute to organizational functioning.

Organ and his colleagues (cf. Bateman and Organ, 1983; Smith, Organ and Near, 1983) used the term Organizational Citizenship Behavior (OCB). Organ (1988) defined OCB as follows: Individual behavior that is discretionary, not explicitly recognized by the formal system and that in the aggregate promotes the effective functioning of the organization. By discretionary, we mean that the behavior is not an enforceable requirement of the role or job description, that is, the clearly specifiable terms of the person's employment contract with the organization; the behavior is rather a matter of personal choice, such that its omission is not generally understood as punishable. He also states that OCB requires that it should not be directly or formally compensated by the organization's reward system. However, this does not mean that OCB must be limited to the behaviors which do not have any tangible return to the individual. OCB could determine the influence that an individual makes on a supervisor or on co-workers. That influence could affect the boss for a salary increase or promotion. The important point is that such returns are not contractually guaranteed.

Thus, there are three important points to be highlighted about OCB. First, an OCB is not included in the formally defined role prescriptions. Therefore, it is difficult for managers to reward the employee performing an OCB, as well as to punish when he/she does not perform such behavior (Moorman and Blakely, 1995). Second, there is no guarantee of rewards for OCB. Finally, it contributes to the effective organizational functioning in aggregate.

Podsakoff and his associates (2000) explained several reasons why OCB might influence organizational effectiveness. First, OCB may enhance co-workers and managerial productivity. Second, OCB allows the resources to be used for more productive purposes in the organization. It helps to coordinate activities both within and across work groups. OCB may also make an organization more attractive if employees speak favourably about the organization to outsiders. Because of the impact of OCB on organizational effectiveness, "What makes employees perform OCB?" It has been an important question in the management literature.

The most examined predictors of OCB are job satisfaction and organizational commitment (Williams and Anderson, 1991). The first predictor that will be presented here is job satisfaction.

Bateman and Organ (1983) argue that there are two bases for thinking that job satisfaction affects OCB. First, social exchange theory implies that people want to respond to conditions that benefit them. If the person does not have the ability or opportunity to respond with greater work output, he responds via OCB. It is the result of the fact that OCB is less likely than in-role performance to be limited by ability or work process (Organ and Ryan, 1995), and it is more likely to be under person's control (Bateman and Organ, 1983). The meta-analytic review of Organ and Ryan (1995) provided empirical evidence that the relationship between OCB and job satisfaction is stronger than the relationship between in-role performance and job satisfaction, at least among non-managerial and non-professional groups. The second basis for the relationship between OCB and job satisfaction is a result of social psychological experiments. According to this argument, job satisfaction reflects a positive mood state and satisfied people display citizenship behaviors (Bateman and Organ, 1983; Organ and Konovsky, 1989). According to Barnard's conceptualization (1964), the satisfaction of the individual also affects the continuance of willingness which forms the basis of the current OCB concept. Another important predictor that has been investigated in the OCB literature is organizational commitment

(Williams and Anderson, 1991; O'Reilly and Chatman, 1986). Scholl (1981) and Wiener (1982) provided support for the possible link between organizational commitment and OCB. According to Scholl's (1981) model, commitment may be a determinant of OCB if there is little expectation of formal organizational rewards for the performance. Wiener (1982) similarly argues that commitment is the determinant of the behaviors that a) reflect personal sacrifice made for the sake of the organization; b) do not depend primarily on environmental controls such as reinforcements or punishments; and c) indicate a personal preoccupation with the organization, such as devoting a great deal of personal time to organization-related actions and thoughts which are the characteristics that can be used to describe OCB.

Organ and Ryan (1995) -The meta-analytic review - also indicated that there is a relationship between organizational commitment and OCB at roughly the same level as satisfaction. Because of the importance of OCB in organizational effectiveness, it is meaningful to identify the possible relationships between OCB and its most robust determinants, job satisfaction, and organizational commitment.

OCB has attracted special attention in the management literature since it has been found to affect organizational effectiveness (Organ and Paine, 2000). OCB may contribute to organizational effectiveness through enhancing co-worker and managerial productivity, enabling the organization to adapt to environmental changes, and strengthening the coordination within and across work groups (Podsakoff, MacKenzie, Paine and Bachrach, 2000). Because of its influence on organizational effectiveness, it makes sense to investigate the variables that increase OCB in organizations (Podsakoff et al., 2009).

Identifying predictors of OCB has been an important area of investigation in the management literature. According to the literature, the correlates of OCB are dispositional variables such as agreeableness and conscientiousness (e.g., Organ and Konovsky, 1996), attitudinal variables such as job satisfaction and organizational commitment (e.g., Smith, Organ, and Near, 1983), and organizational

variables such as type of leadership (e.g., Schnake, Dumler, and Cochran, 1993). There are researchers claiming that job satisfaction and organizational commitment are strong predictors of citizenship behaviors (Bateman and Organ, 1983; Smith et al., 1983). Moreover, there are many research investigating the relationship between leadership style and OCB (e.g., Judge and Piccolo, 2004; Podsakoff, MacKenzie, Bommer, 1996; Wang, Law, Hackett, Wang, Chen, 2006).

The OCB literature is deficient when previous research on the effects of job satisfaction and OCB are considered. There have been discussions in the literature during the past decade about the importance of job satisfaction in the determination of OCB (Alotaibi, 2001; Parnell and Crandall, 2003).¹⁰ Organizational researchers claim that work attitudes are strong predictors of citizenship behaviors (Bateman and Organ, 1983; Smith et al., 1983).

Organ (1988) suggests that job satisfaction might be a determinant of citizenship behavior. However, such a relationship may be more complex than originally expected. Although the relationship between transformational leadership and OCB seems to be well-established, the underlying mechanisms in this relationship have not been fully explored. Podsakoff and his colleagues (1990) investigated the relationship between transformational leadership and OCB through job satisfaction

Chi-Wei Liu, Pei-Wen Huang and Chien-Li Chen who researched on Organizational Citizenship Behavior in a Non-U.S. Context: its dimensions, antecedents and consequences with the purpose aiming at the inception of increasing the understanding about OCB research in a non-U.S. context. Specifically, it: (a) explores the conceptual comparison between the various dimensions of organizational citizenship behavior in U.S.-based dimensions and non-U.S. dimensions; (b) generalizes the variables that have been identified as antecedents of OCB in a non-U.S. context; (c) summarizes the consequences of organizational citizenship behavior in a non-U.S. context found that culture conditions our recognition about what spontaneous behaviors will enhance the organization functioning. In order to have a more comprehensive understanding about OCB across over diverse culture, there is a need of local version of the organizational citizenship behavior questionnaire. Second, to their knowledge, there is consensus about the antecedents of OCB across variant cultures

Zirgham ullah Bukhari did his study on Behavior (OCB) in the Banking Sector of Pakistan. The study is focused on the effects of Altruism, Conscientiousness, and Civic Virtue (three of the antecedents of Organizational Citizenship Behavior - OCB) and their relationship with Organizational Citizenship Behavior (OCB) in the Banking Sector of Pakistan. As per previous studies it has been hypothesized that there exists a direct and significant relationship between the antecedents chosen and Organizational Citizenship Behavior (OCB). Results prove that all the above mentioned antecedents have significant positive relationship with OCB. The purpose of this study is to invoke Organizational Citizenship Behavior (OCB) in Pakistani organizations.

Jos Mesu, Maarten van Riemsdijk, Karin Sanders opines that Leadership does appear to have an impact on Organizational Citizenship Behavior, nevertheless in a curious way. In contrast with other

studies transformational leadership does not correlate more strongly with OCB than transactional leadership. Unexpectedly, transformational leadership correlated negatively with OCB. This was according to their study on OCB's in Small Businesses: A Matter of Leadership? Paper presented at the 6th International Conference of the Dutch HRM Network, November 14th 2009

Yutaka Ueda of Seikei University did research on Organizational citizenship behavior in a Japanese organization: The effects of job involvement, organizational commitment, and collectivism. This article investigates the effects of job involvement, affective organizational commitment, and collectivism on organizational citizenship behavior (OCB) using data collected from 131 professors and clerical workers in a private Japanese university. Results show that job involvement had a significantly positive relationship on civic virtue and helping behavior, and affective organizational commitment had a significantly positive effect on helping behavior and sportsmanship. Collectivism also positively influenced civic virtue and helping behavior. In addition, the effect of affective organizational commitment on civic virtue was moderated by collectivism so that affective organizational commitment had a stronger effect when collectivism was weak than when collectivism was strong.

Valérie Swaen researched On Organizational Citizenship and Corporate Citizenship: Two Constructs, One Research Theme? The paper's objectives were firstly to propose a clearer image of the corporate and organizational citizenship concepts, since these constructs have been studied by different authors using different perspectives. In a second step, a comparison between OCB and CC was conducted and areas of similarities and dissimilarities were outlined. This paper shows that the initiators, beneficiaries and objectives of OCB and CC are different, which is sufficient to conclude that these behaviors are really distinct. In the last part, potential links between CC and OCB have been proposed on the basis of the existing literature about the antecedents and outcomes of each kind of behaviors.

Cem Gucel and Ismail Tokmak Hakan Turgut carried out an extensive study on The Effect of the Locus of Control on Organizational Citizenship Behavior the Mediating Effect Perceived Organizational Support. The main aim of their study was to examine the effects of locus of control on organizational citizenship behaviors and the mediating effect of the perceived organizational support. Among employees of one of the leading private universities in Turkey and it was found that there is a positive relationship among locus of control, organizational citizenship behaviors and the mediating effect of the perceived organizational support

Zahra Ahmadizadeh, Sedighe Heydarinejad Farzan Farzam and Nahid Shetab boshehri researched on the Investigation the Relation between Organizational Climate and Organizational Citizenship Behavior. The aim of present study was to investigate the relation between organizational climate and organizational citizenship behavior of Mazandaran province physical education offices staff. Results showed a significant positive relation between organizational climate and its factors with staff organizational citizenship behavior. Also step-by-step multi-variable regression analyze showed that goal and communication factors were good predictors of organizational citizenship behavior of physical education headquarters staff. It was also recommended that sport organizations managers through creating

positive organizational atmosphere, goal clarity and more staff interactions, can increase the outbreak of organizational citizenship behavior in staff, and finally improve organizational efficiency and effectiveness.

Saravanakumar. M, Mamta. S conducted a study on Organizational Citizenship Behavior of Members of Self Help Groups and its Impact on Group Performance. Their paper attempted to evaluate impacts of group performance by examining the Group Organizational Citizenship Behavior (GOCB) of selected SHG's engaged in Group based (GB) and Individual based (IB) in Coimbatore city. Out of total 120 SHG members, 60 each from Group Business (SHG-GB) and Individual Business (SHG-IB) were personally interviewed. It was found that there is significant difference between the performance of SHG (GB) and SHG (IB). The influence of attributes such as Altruism, Individual initiative, and Courtesy were high for SHG (GB) whereas in case of SHG (IB), it was of civic virtue and conscientiousness.

Liz Dickinson's study on An Examination of the Factors Affecting Organizational Citizenship Behavior examines how various employee attitudinal variables influence organizational citizenship behavior. These attitudinal variables include job satisfaction, relationship with supervisor, fairness perceptions, organizational commitment, job stress, and stress outside the workplace. The data was drawn from 269 employees from a small bank located in the Midwestern United States. The results found support for three hypotheses stating that there is a positive relationship between relationship with supervisor, organizational commitment, job stress, and organizational citizenship behavior. The results did not find support for three hypotheses stating that there is a relationship between job satisfaction, fairness perceptions, stress outside the workplace, and organizational citizenship behavior.

Michael Joseph Cilla researched on exploring the relationship between organizational citizenship behavior and organizational climates for creativity

This study was conducted to explore the relationship between organizational citizenship behaviors (OCB) and organizational climates that promote creativity. By collecting data from working undergraduate and MBA students, multiple significant positive relationships were found between several of the dimensions making up both of these constructs. The results of this study show that employee perceptions of creative climates are moderately related to pro-social behaviors. For employees, working in organizations that promote a creative climate relates to having supportive social-exchange relationships and intrinsic motivation to do their jobs. Moreover, practical implications from this study suggest that organizations benefit as well. Employee perceptions of organizations with Climates fostering and supporting creativity were strongly related to reports of creative output and productivity. Additionally, these perceptions were related to participants 'self-reported discretionary efforts targeted toward both the organization and their fellow co-workers.

Funda Ozturk Conducted a Research on Determinants of Organizational Citizenship Behavior Among knowledge Workers: The Role of Job Characteristics, Job Satisfaction, And Organizational Commitment. His Study was to analyze the influences of job characteristics, job satisfaction, and

organizational commitment on OCB. Therefore, a comprehensive model that includes job characteristics, job satisfaction, affective commitment, normative commitment, proposes that job characteristics affects OCB through the mediations of job satisfaction, affective commitment, and normative commitment. In order to test the hypotheses regarding the relationship between the variables depicted, data was collected from knowledge workers, who do not work manually and perform well guarded skills that others outside the work do not have. The sample used in this study was composed of 225 knowledge workers from four different industries, such as Defence, IT, Telecommunication, Software, and Banking. Data was collected through paper-pen based questionnaires and web based questionnaires. The results of the study indicated that while job satisfaction and affective commitment fully mediate the relationship between job characteristics and OCB, normative commitment partially mediates this relationship. This study is concluded with discussion of the results, implications for managers and human resource professionals, and directions for future research.

Aamir Ali Chughtai in his study on the Impact of Job Involvement on In-Role Job Performance and Organizational Citizenship Behavior examined the impact of job involvement on the self-report measures of in role job performance and organizational citizenship behavior. The results of this study revealed that job involvement was positively correlated with both in-role job performances. In addition to this it was found that organizational commitment partially mediated the job involvement performance relationship. Furthermore the findings of this research uncovered that job involvement exerted a stronger impact on OCB than on in-role performance. Finally the practical implications of this research for organizations were discussed.

Niaz Ahmed Bhutto, Minhoon Khan Laghari, Falah-ud-Din Butt researched on A Comparative Study of Organizational Climate and Job Satisfaction in Public, Private and Foreign Banks. The purpose of this study was to investigate the relationship between measures of organizational climate and measures of job satisfaction as applied to executives of public, private, and foreign banks. Another purpose of this study was to determine whether perceptions of different employees are different about organizational climate and job satisfaction or not. Based on the previous relevant research studies 14 factors were identified for each of both organizational climate and job satisfaction. Data was collected through personally administered questionnaires based on 42 questions from the 12 branches of banks under consideration. Fourteen questions were related to organizational climate, other fourteen for job satisfaction and the same numbers of questions were used to investigate the impact of organizational climate on job satisfaction. Two hypotheses were formulated and tested through Kruskal Wallis test, where as multiple regression analysis were used to investigate the impact of 14 sub factors of organizational climate on job satisfaction

Monia L. Castro, Nico Martin researched on the relationship between Organizational climate and employee satisfaction in South African information and technology organisation. The objective of this study was to explore the relationship between organizational climate and job satisfaction to determine whether employees' perceptions of the work environment influence their level of job satisfaction. An

Organizational climate questionnaire was administered to a convenience sample of 696 employees from a population of 1453 employees working in three regions in which the organisation was operational. Confirmatory and exploratory factor analyses were used to investigate the structure of the climate model. The results indicated a strong positive correlation between Organizational climate and the dependent variable of job satisfaction. This study provided support for the view that line managers and human resource practitioners should be aware that different biographical groups have different needs that can influence their job satisfaction levels and different perceptions of the climate within the organisation and that this impacts on their behaviour. The findings of this study indicated a positive relationship between Organizational climate scores and job satisfaction scores and thus, regardless of how the dimensions are perceived Organizational climate has an influence on job satisfaction

James Louis Solder -conducted a study on- Relationships among Leader-Member Exchange, Organizational Citizenship Behaviour, Organizational Commitment, Gender, and Dyadic Duration in a Rehabilitation Organization. This study was an investigation of the relationship between subordinates' perceptions of the quality of the leader-member exchange (LMX) relationship and their willingness to engage in organizational citizenship behaviour (OCB) and organizational commitment (OC). Differences in subordinates' perceptions of the quality of the LMX with their supervisor according to the gender of the supervisor compared to the employee (same sex vs. different sex) and dyadic duration of the LMX were also investigated. The possible moderation of dyadic duration on the relationship between subordinates' perception of the quality of the LMX and their willingness to engage in OCB and OC were also investigated. Lastly, the possible moderation of gender on the relationship between subordinates' perception of the quality of the LMX and their willingness to engage in OCB and OC were also investigated. This study surveyed direct service subordinate staff currently employed at a large rehabilitation organization in the Midwest.

Lee Kim Lian Leadership Styles and Organizational Citizenship Behaviour: The Mediating Affect of Subordinates' Competence and Downward Influence Tactics. The objective of this study was to test a theory-based model predicting the relationships between leadership styles, subordinates' competence, downward influence tactics and outcome of organizational citizenship behaviour in Malaysian-based organizations. Data was collected from 347 respondents that represent major industries like services, manufacturing, and mining and construction companies. Path analysis technique was used to test the model developed. The results show that the transformational leadership style has significant positive relationship with subordinates' organizational citizenship behaviour, whereas the transactional leader style is negatively related to organizational citizenship behaviour. In addition, inspirational appeals and consultation tactics, as downward influence tactics, were found to mediate the relationship between transformational leadership and organizational citizenship behaviour. Likewise, subordinates' competence mediates the relationship between transformational leadership and consultation tactics. These results only partially support the efficacy of the influence theory, and therefore lend support to contingency theories of leadership. Implications for research and direction for future research were also discussed

Yutaka Ueda Organizational citizenship behaviour in a Japanese organization: The effects of job involvement, organizational commitment, and collectivism. This article investigates the effects of job involvement, affective organizational commitment, and collectivism on organizational citizenship behaviour (OCB) using data collected from 131 professors and clerical workers in a private Japanese university. Results show that job involvement had a significantly positive relationship on civic virtue and helping behaviour, and affective organizational commitment had a significantly positive effect on helping behaviour and sportsmanship. Collectivism also positively influenced civic virtue and helping behaviour. In addition, the effect of affective organizational commitment on civic virtue was moderated by collectivism so that affective organizational commitment had stronger effect when collectivism was weak than when collectivism was strong.

6. Criticisms about the OCB Definition

Organ's definition of OCB has caused many criticisms in the literature (Organ, 1997). According to Organ's definition, OCB should be limited to extra-role behaviour. The important issue is that there is not a clear boundary between extra-role behaviour and in-role behaviour (Morrison, 1994; Kosher and Sanders, 2006). Morrison (1994) suggests that an employee who defines his job very narrowly might see behaviour, such as helping co-workers, as an OCB, while another employee who defines his job very broadly might see the same behaviour as part of his job. She concluded that OCB is not a clear-cut construct because the boundary between in-role and extra-role behaviour is ill-defined and varies from one employee to the next and between employees and supervisors (1994). Other criticism about OCB is that it is not contractually guaranteed by the organization's formal reward system. Contrary to this argument, some studies suggest that OCB may lead to monetary compensation. Mackenzie, Podsakoff, and Fetter (1991) argue OCB has strong impacts on managerial evaluations in different sales contexts. Podsakoff and Mackenzie (1994) also investigated the effects of OCB and found that sales managers give importance to OCB when evaluating the performance of their sales personnel. These findings are inconsistent with the argument that extra-role behaviour is not rewarded. Considering these criticisms, Organ (1997) explained that it no longer seems fruitful to regard OCB as 'extra-role', 'beyond the job', or unrewarded 'by the formal system. He accepts that of the three requirements of OCB only one is left - that it contributes to organizational effectiveness. He internalized the on textual performance definition of Motowidlo and Van Scotter (1994) (Organ, 1997). The difference between OCB and contextual performance is that contextual performance does not require that the behaviour be extra-role or that it be non-rewarded (Organ, 1997). Although he accepted the definition of contextual performance, he still used the term OCB, since the term contextual performance strikes him as cold, gray, and bloodless (Organ, 1997). Thus he redefined OCB as contributions to the maintenance and enhancement of the social and psychological context that supports task performance (Organ, 1997) avoiding any reference to job prescriptions and organizational rewards.

7. Conclusion

Organizational citizenship is a thought that all companies desire to have but very few can actually attain. It is entrenched in individual employees' view of the company and how they associate themselves with it.

Lot of researchers has been studying organizational citizenship behavior (OCB) for over the years now, with insights into its antecedents and motives.

This present paper is an attempt made to consolidate the researches done on the above topic and provide a clear framework. It begins with an introduction to the topic- OCB. The original definition of OCB is discussed, followed by the various studies and researches on OCB, criticisms about the OCB definition, and concepts related to OCB such as prosocial organizational behaviour, organizational spontaneity, and contextual performance.

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A Study on Institutional Factors Leading to Well-Being among Faculty Members of Self Financing Business Schools in Kerala

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Abstract

Management education in India has witnessed remarkable growth in the past few decades. Kerala, the most literate state in India, has been flourishing in Business Management education with more than hundred Business schools in the state. The realization of global competitiveness has become an inevitable factor for the survival and growth of business schools. In the context of global competitiveness, it is essential to ensure that the B-schools in Kerala do not lose its importance in the international arena and needs future global managers with qualities and competencies in an international perspective. Business Schools are the educational institution that moulds and cultivate management professionals to face the challenges of the competitive corporate world. Faculty members ground this progression. Faculty members who are credible and capable to transform students from one level to the next level of excellence are an indispensable element in the education sector. Academicians who lack motivation and commitment can have a negative impact on the student's learning. In this context, this study is focused on more than 600 academicians from different business schools to understand what factors leading to a state of well-being among faculty members of self financing business schools in Kerala. The study included the micro and macro aspects of faculty well-being.

Keywords : Management Education, Faculty Member, Motivation, Well-being.

Introduction

The faculty members are the central cohesive source of support and stability of every educational institution. The work of an academician is deemed as a very sacred profession. The profession of a teacher and the various activities of educating or teaching that impart knowledge and skill is reckoned as worthy of reverence. Teachers have a great role in shaping the student's innate qualities as well as intellectual, professional and social development. Apart from this the success of an education institute by and large depends on the effectiveness of performance of its academicians who contributes the knowledge capital. A faculty member, who lacks motivation and commitment, can have a negative impact on the student's learning and most importantly it put the future of children on the stake, Kayuni & Tambulasi

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(2007). Teacher's contribution in the human capital development and technological advancement greatly depends on their motivation and willingness for taking initiatives, Shaheen et al.(2013).

Statement of the Problem

There are currently 4265 business schools in India, accredited by the All India Council of Technical Education (AICTE), a statutory body regulating technical education in the country. A business school is a university level institution that impart management education and build up talented workforce likely to be efficient future leaders and successful managers who are capable to tackle various multifaceted situations and relationships with in any organization. Management education has gained popularity in India since independence. The scope has further extended with the establishment of Indian Institute of Management and gained a reputation, witnessing an exponential growth in terms of number of institutes offering different programs of management education. However, due to mushrooming of business schools especially in self-financing segment, the institutes started facing various changes, challenges and issues in terms of quality education.(Rao, T. V. et al. 2014).

Positive forms of motivation such as intrinsic motivation, and a high commitment to one's personal goals are connected to positive outcomes such as well-being and performance, and therefore their prediction is aimed at in past theories (Brunstein,Schultheiss, &Grässmann, 1998; Csikszentmihalyi, Abuhamdeh,& Nakamura, 2005). Studies have proved that only satisfied employees can deliver good results and exhibit high levels of loyalty to the organization (Reichheld, 2006)) .An employee would feel satisfied if he perceives multiple benefits from the job he performs. The benefit feel would originate from any of the developments related to value addition that the employee perceives he would receive from the job. However in B-Schools in Kerala based on expert opinion gathered and survey of a few B-school faculty members, it was observed that many of them do not perceive an adequate benefit feel from their career. Many of the work they pursue in their role do not seem to add value to their careers as teachers. Ideally the teaching faculty should be receiving benefits from their profession which should keep them motivated, which in turn should create a feeling of well-being.Earlier studies have confirmed the relationship between the motivation and well-being across different domains of human life (e.g.,Deci& Ryan, 2000; Kasser& Ryan, 1999; Sheldon & Krieger, 2007). The literature emphasis that Institute Policies, Work Life Balance & Work Quality are the critical variables that form antecedents of faculty motivation. Work Role Conflict seemed to considerably moderate motivated faculty members from having a sense of well-being. The scenario in which the antecedents fail to induce motivation andthe motivation being considerably moderated by work role conflict would result in a deprivation of benefit feel among the faculty members of B-schools, which may create adverse consequences like lack of commitment &high attrition rate, which would affect student performance. Poor student performance would directlyaffect their employability and may result in MBA degree losing its sheen among recruiters and also among aspirants impacting the growth of the academic sector. The study by analyzing the antecedents to faculty motivation and its mediating role in creating a perceived feel of well-being would help in formulating strategies to negate the problem. (Gupta, (2003)

Literature Review

"The ultimate goal of life is to enjoy a state of well-being. At the most basic level, Well-being means an absence of any physical, social or psychological malfunctioning. That is, well-being means a healthy body and a mind and a social outlook that enable a person to function effectively and hold a positive world view... Rising on the higher levels of motivation leads to the higher levels of well-being." (Sinha Jai B.P., Culture and OB, 2008).

In sum, Well-being is the coveted terminal life goal that everyone naturally strives to achieve through their work life, as work is an essential component among the life goals, and every one exerts much efforts and energy to realize higher and superior levels of well being by putting in motivated efforts to rise on the growth trajectory to the highest state of well-being. Maslow's conceptualization of self-actualization has some resemblance to the Indian concept of well-being. The former is more amenable to operationalization, while the latter is the holistic transformation of a human being having pervasive influence on all domains of his life. (Luthans, 2008)

Well-being is a contented state of being happy, healthy and prosperous. "There are different levels of well-being ranging from the basic to the ideal, that is from healthy body, mind and social efficacy, through the motivation to meet the challenges of life, proving ones worth, helping others, and serving larger causes, to actualizing one's potential rising above material concerns, realizing one's spiritual self, and enjoying a blissful life."(Sinha Jai B.P., Culture and OB, 2008).

In the present era, virtually all people - academic practitioners and researchers - have their own descriptions and explanation for the term "motivation" including any of the words such as "desires, wants, wishes, aims, goals, needs, drives, motives and incentives. Motivation, 'the psychological force that enables action' has long been the object of scientific inquiry (Carver & Scheier, 1998; Festinger, 1957; Fishbein & Ajzen, 1974; Lewin, 1935). Motivation as a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive (Fred Luthans, 2002). Motivation as the result of processes, internal or external to the individual that arouse enthusiasm and persistence to pursue a certain course of action Gray and Strake, (2000). Thus motivation is realizing the employee drives and needs since it instigates with in an individual. Motivation takes place with in a culture that reflects an organizational behavioral model and requires communication skills (Newstorm and Davis, 2002). Numerous studies have been conducted in order to find the factors which motivate academicians. Brumback (1986) claimed that there is a significant variation in the academic achievement of students who were taught by teachers with high job satisfaction levels from those who were taught by those who had low job satisfaction levels. Several studies found that heads of the institution could control certain factors such as recognition of good work, opportunities for professional development, leadership styles and other organizational variables in order to ensure teacher motivation. (Miskel (1974, 1979), Holdaway (1978) and Johnston (1985)). Approach of the management in motivating teachers actually affected the teacher motivation. (Karsli and Hale 2009). A number of conceptual studies proposed that motivation of teachers included

two major factors - "within - person consequences" and " person-environment consequences " (Mansfield, Wosnitza and Beltman (2012). An academician who lacks motivation and commitment can have a negative impact on the student's learning and most importantly it put the future of children on the stake (Kayuni & Tambulasi, 2007). Teacher's contribution in the human capital development and technological advancement greatly depends on their motivation and willingness for taking initiatives.(Shaheen et al., 2013). Based on the above discussions, the present paper aims to develop a framework to understand the perceived institutional factors that leads to well-being among the faculty members of the self financing business schools in Kerala.

Methodology of the Study

The faculty members working in the Business Schools in Kerala were treated as the population of this study to assess the institutional factors influencing motivation that leads to well-being. Therefore these are considered as main sources of primary data.

The preliminary study was conducted by way of interviews with experienced academicians to identify specifically the relevant factors to be considered for measuring the variables in the study. Based on the insights of the expert opinion and literature review, a structured questionnaire was developed. Data from 235 respondents were collected using the questionnaire from faculty members working in various Business Schools in the state of Kerala. A simple random sampling strategy was adopted to select the sample.

A total of 260 persons were met in person and 235 usable responses were obtained. The questions were designed as closed ended questions, where the respondents were expected to make their response on a 5 point scales ranging from strongly disagree to strongly agree.

Objectives

Following specific objectives are set for the study:

1. To identify the institutional factors that creates well-being among the faculty members of business schools in Kerala.
2. To examine the interrelationship between the factors leading to well-being of faculty members of business schools in Kerala.

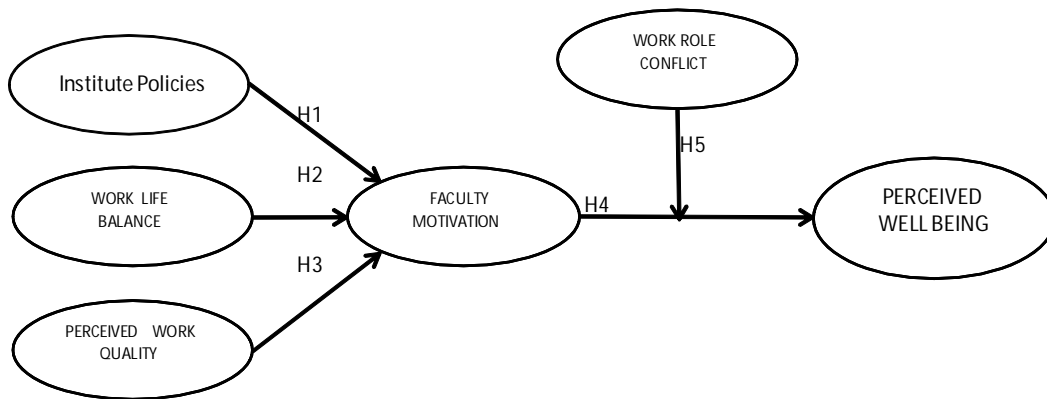
Theoretical Frame Work

Theoretical frame work of the study has been framed by describing the perception of different determinants that leads to Perceived Motivation of Faculty members which ultimately contributes to Perceived Well-being.

Perceived Institute Policies (PIP) - This construct represents the typical strategies, policies and actions used by the organization in motivating the faculty members. This construct measures the

extent to which the faculty members perceive that management involves them in the decision making process. The construct also measures the emphasis the institute places on the quality and diversity of methods used in judging performance of faculty members, communication flow patterns, complexity of administration hierarchy, the extent which the institute encourages research works, participation in seminars, conferences and workshops. This also measures the provision for proper career development opportunities, grievance redressal mechanisms and overall comfortableness that a faculty member experiences in terms of management policies.

MODEL OF PERCEIVED WELL BEING



Perceived Work Life Balance (WLB) - This construct seeks the perceptions of how much the organization exerts pressure on individuals yet is sensitive to the effect of stress. This inquire about whether the work load is reasonable based on AICTE /UGC norms, or is there any external interference in the work and how work life balance and work load is maintained in a best echelon. This also measures the principles and ideologies that the institute holds in protecting the employees in the workplace so that the workforce gets a feel of high job security in their professional life.

Perceived Work Quality (PWQ) - This construct measures the perception of faculty members about the clear idea of their work responsibilities. This also reflects the intrinsic factors that each faculty member gets pleasure from their work, the respect and status from the society as a faculty member, due recognition from the superiors, with regards to employers confidence and faith in them, and the extent of receiving challenging tasks and responsibilities in the organization.

Perceived Faculty Motivation (PFM) -This construct describes the perception of faculty members concerning the understanding of their individual aspects that motivates them in the work. This latent variable is measured by the degree of pleasure and satisfaction that faculty members experience when they are engaged with work, when involved in discussions on interesting subjects, by learning about many things that interest them, by realizing them as an important person in the

organization and when they are identifying themselves with the organization. This also includes the extent of drive and energy to come to the institute, the extent of the creative work they adopt, the extent of the development of meaningful ideas, the degree of energy and enthusiasm they perceive in their work, the level of attraction towards recognition or praise given for good work in the organization and the extent of setting high goals for accomplishing an academic career.

Perceived Well-Being (PWB) - This construct is measured with the help of the structured questionnaire adopted from Jai B P Sinha's book, Culture and Organizational Behavior. This is based on dimensions expounded by Ryff (1989) along with the ideas drawn from Maslow's conceptualization in the Indian perspectives. This construct tried to delve into the minds of the respondents by seeking their supreme delight factor in relation to their profession as a faculty member, concerning their involvement in inter-personal relationship, their empowerment to adopt innovative teaching methodologies, the degree of the privileged feel to be a part of the organization, the extent of enjoyment of the work life, the degree of level of satisfaction they perceive in knowledge sharing, supporting and helping others, the extent of trust, the sense of direction and purpose in life. In particular, this construct measures the overall feel of sense of well being among the faculty members in the business schools in Kerala.

Work Role Conflict- is defined as the conflict with regard to appropriateness of nature of work performed on a routine basis by B-School teaching faculty members in Kerala. Greenhaus et al. (1989), Voydanoff (2004), Butler et al. (2005) found task autonomy to be associated with work role stressors, i.e., role conflict and role ambiguity. The studies by Adams et al. (1996), Duxbury and Higgins (2001), Martins et al. (2002), Fisher-McAuley et al. (2003), Schieman et al. (2003), Ezzedeen and Swiercz (2002), Grzywacz and Bass (2003), Sandhu and Mehta (2006), Pal and Saksvik (2008), and Haar and Bardoel (2008) found that work life balance and work family conflict affects job satisfaction, involvement the worker in work, family satisfaction, life satisfaction, career satisfaction and create job stress. Duxbury and Higgins (2001) found that work-role conflict had a negative impact on organizational performance and on employees. Employees who are overloaded or whose work interfered were highly stressed, experienced burnout, expressed dissatisfaction with life, and were in poor mental or physical health.

Hypothesis

H1a Perceived Institute Policies (PIP) significantly develops Faculty Motivation (PFM).

H2a Work Life Balances significantly develops Perceived Faculty Motivation (PFM).

H3a Work Quality (PWQ) significantly develops Perceived Faculty Motivation (PFM).

H4a There is significant link between Perceived Faculty Motivation (PFM) and Perceived Well-being (PWB).

H5a Work conflict significantly moderates the Perceived Well-being

Data Analysis

The data collected was screened for missing values and normality. To analyse causal relationships between the constructs, the structural equation modeling approach was adopted.

A reliability analysis was done, the high values of reliability coefficient emphasized on the appropriateness of the reflective indicators.

Exhibit-3 Reliability Statistics of Scale

Sl. No.	Dimension	No. of Items	Cornbach's alpha
1	Institute Policies	5	0.807
2	Work life Balance	5	0.779
3	Work Quality	5	0.807
4	Motivation	5	0.817
5	Well being	5	0.925

The model was analysed using Partial Least Square (PLS) based software, Warp PLS 4.0, since PLS accommodates both reflective and formative scales easily. The preprocessing of the data include in Warp PLS 4.0 confirmed the quality of data for further analysis with regard to missing values, zero variance and so on. The validity of the model was evaluated with the various fit indices. As recommended that the 'p' values for both the average path coefficient (APC) and the average R-squared (ARS) was lower as 0.05 and also the average variance factor (AVIF) was lower than 5. Since these 3 criteria were met the model had an acceptable predictive and explanatory quality as the data was well represented by the model.

Two separate estimations were done, the first one with the presence of the moderating variable work role conflict and the second without considering the moderating variable of work role conflict. The estimated models with all the path coefficients and corresponding p values are illustrated in Exhibit-4 and Exhibit-5.

Exhibit 4 - Estimated model with Work Role Conflict

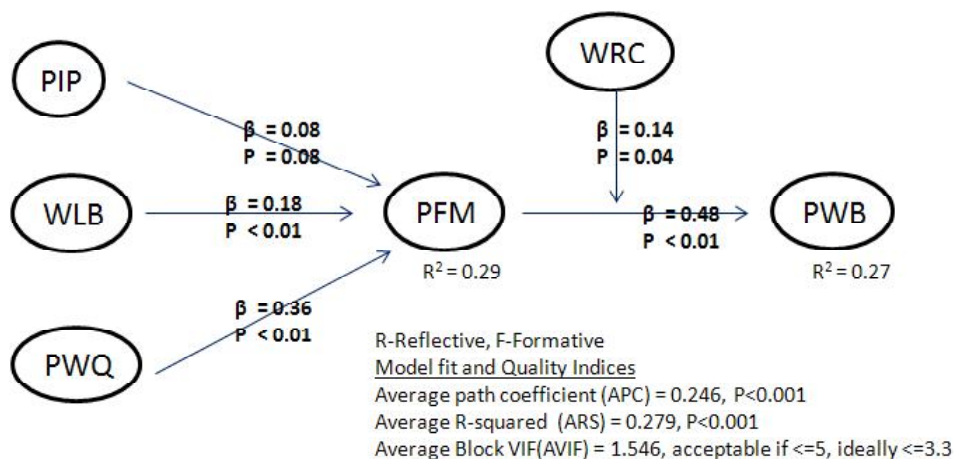


Exhibit 5 : Estimated model without Work Role Conflict

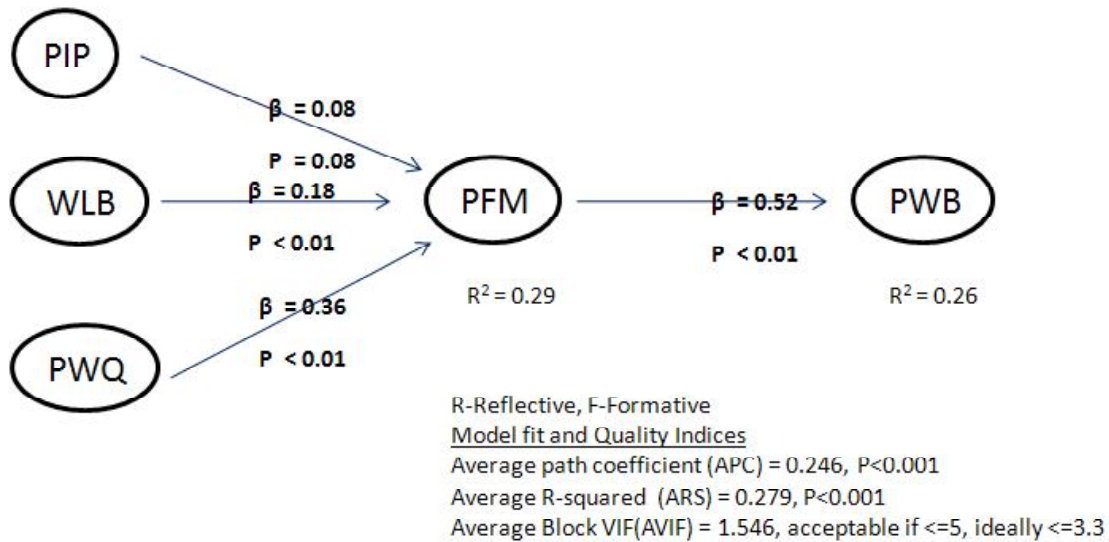


Exhibit 6 : Results of Hypothesis Testing

Sl. No.	Hypothesis	'β' Value	'p' Value	Result
1	Perceived Institute Policies (PIP) significantly develops Perceived Faculty Motivation (PFM)	0.08	0.08	Accepted at 0.1 level
2	Work Life Balance significantly develops Perceived Faculty Motivation (PFM)	0.18	< 0.01	Accepted at 0.1 Level
3	Work Quality (PWQ) significantly develops Perceived Faculty Motivation (PFM).	0.36	< 0.01	Accepted at 0.1 Level
4	There is significant link between Perceived Faculty Motivation (PFM) and Perceived Well-being.	0.48	< 0.01	Accepted at 0.1 Level
5	Work conflict significantly moderates the Perceived Well-being	0.14	0.04	Accepted at 0.5 Level

Discussions and Conclusions

The study could empirically conclude about dimensions contributing to perceived motivation in business school context. All the hypotheses tested were found significant and the causality assumptions were found statistically valid. The results of the model estimates revealed the relative importance of each of the dimensions that contribute to perceived motivation in the business school context.

The study indicated that among the various motivation dimensions, PWQ (β value=0.36) as the best predictor, followed by WLB (β value=0.18), however perceived PIP (β value=0.08) had minimal effect. This might be due to the fact that in the Indian business school context top management involvement per se has minimal effect compared to other factors.

Work Quality indicated highest β value, explains that each faculty member gets pleasure from their work, the respect and status from the society as a faculty member, due recognition from the superiors, with regards to employers confidence and faith in them, and the extent of receiving challenging tasks and responsibilities in the organization. Thus, improved performance on the most important dimension may be helpful in providing more motivation which would resist adverse impact on well being due to removal of work role conflict.

The work life balance dimension was measured using indicators such as effect of stress in the organization, management's ability in fulfilling expectations, and job security. The best sought indicator of work life balance was stress in the intermediary ($\beta=0.847$).

The study statistically established that work role conflict is a significant factor that moderates Well being in business school context. The increased value of β co-efficient on removal of the construct of work role conflict (increase in value from 0.49 to 0.51) underlines the moderating ability of the variable.

The path coefficient of the moderating effect of work role conflict, between perceived motivation and well being has a value of -0.14 at $p=0.04$. Hence, causal power of perceived motivation in predicting well being will go down in value as influence of work role conflict increases. Exhibit 6 illustrates the relationship among these three latent variables. In this case, a higher level of well being from perceived motivation are noticed when influence of modifiers are perceived from low to high. In general, it can be interpreted that moderating effect on relationship between perceived motivation and perceived well being remain constantly higher when modifiers are perceived at a higher level. The perceived motivation could help in development of well being at a higher rate due to increase in modifying factors. Reciprocally, in a situation when work role conflict is removed well being would tend to increase.

Conclusion

Organizational success greatly depends on the motivated work force. The performance of an educational institution is mainly depends on the motivated faculty members. Educational institutions gain better position, ranking and good reputation through competent academicians. Therefore a flawless performance of academicians is a prerequisite for a successful and sound educational system. The conversant, motivated, knowledgeable academicians can raise the educational institutions status to a glorious level. Based on the study, we can say that educational institutions generate intrinsic motivation and commitment among the faculty members and if wants to raise the perceptions of well-being among its faculty members, the institute must conduct several open discussions, workshops, seminars within the organization, so that employees can discuss their problems relating to organized efforts that in turn create a high commitment and loyalty towards the work and work-place. Therefore, in every educational institute, instead of making the system a vehicle for work intensification, there is a need to make a balance between organizational productivity and employee well-being for sustainability of the high performance work systems.

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eCRM- Service Quality

– Dr. Kavita*

Abstract

In the fast changing economic environment the success of banking depends upon technology, people and customer. eCRM which is the latest buzz word in the corporate sector, is perceived as one of the effective tool in the direction by the banks. eCRM emerges from the internet and web technology to facilitate the implementation of CRM. This study compares the level of eCRM service quality offered by different banks in Haryana state. Data were collected from the bank customers using survey method. Four banks, two from public sector namely State bank of India and Punjab national bank and two from private sector namely HDFC and ICICI were taken. Using gap analysis the results clearly indicated that account holders expectations regarding eCRM services in the selected banks were met by the selected banks of Haryana.

Keywords: Customer relationship management (CRM), e-Customer relationship management, eCRM services.

1. Introduction

Electronic customer relationship management (eCRM) plays a key role in banking sector. Earlier in banking sector it was untypical to find website interactions in one database, agreements in an administration system, call center history in another and payment history in accounting system. Though difficult to do but integrating such a huge information system could provide valuable insight into financial customer's behavioural pattern, preferences and signals for intended behaviors. One solution of this was Electronic Customer Relationship Management (eCRM).

Electronic customer relationship management (eCRM) plays a key role in banking sector. eCRM is being adopted by the banks because it increases customer loyalty and customer retention by improving customer satisfaction. This results into long term profits because organisations using eCRM incur less cost of recruiting new customer while experience increases customer retention [1] ,[2].

2. Review of Literature

As the new millennium progresses, the business world is focusing more attention on issues concerning customer satisfaction, customer retention, and customer loyalty. The last several years

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witnessed the rise in the uses of information and communication technologies in dealing issues mention above. The term 'IT-enabled services' encompasses many activities carried out through computer networks and the Internet, including inter-organizational commerce, intra-organizational transactions, and transactions involving the individual consumer. The impact of IT made a substantial difference in business-to-customers (B2C) transactions. The IT seemed to offer almost unlimited possibilities. Indeed, numerous firms had already experienced its considerable benefits [3]. One of the consequences of the development of the IT was the emergence of the World Wide Web, an Internet service that organized information according to hypermedia and hyperlink paradigms [4]. Some organisations had invested in the Web, often with the objective of using it as a way to maximize resources.

The study by Berry (1983) was the pioneer work in customer relationship management. In this study Berry formally introduced the term customer relationship management into the literature, but several ideas of relationship marketing had emerged much before. Berry (1983) defined customer relationship management as attracting, maintaining and enhancing customer relationships in multi-service organizations [5]. Berry and Persuraman (1991) proposed that customer relationship management concerned attracting, developing and retaining customer relationships [6]. Berry stressed that the attraction of new customers should be viewed only as intermediate step in the marketing process. Customers were more likely to form relationships with individuals and with the organisations they represented than with goods (Berry, 1995) [7].

Ahmed Tanveer (2009) in his thesis entitled "Electronic Customer Relationship Management in Online Banking" investigated how banks maintain their customer relations using eCRM technologies by comprising two banks one from Sweden and second from Denmark. The findings indicated that banks use eCRM for mass customization, customer profiling, self service, one to one interaction and automatic locks in flow of financial data like security prices which ultimately results in relationship between perception and satisfaction, commitment and loyalty which underlines the significance of CRM in service industry and employing CRM may only strengthen the relationship between perceptions and up-buying and cross buying which is all in support of introducing CRM in service sector[8].

LehalManbeena (2012) work on Customer Relationships and Information Systems as a competitive strategy in Banking sector: A theoretical framework described that a bank can enjoy competitive advantage of its customers for a long time by building mutually beneficial relationships that increase switching costs and thus cannot be easily replicated [9].

Melodi et al. (2012) study titled "Appraisal of Customer Relationship Management in the Banking Sector: A study of four selected Banks in Lagos State" examined the CRM effect on customer loyalty and retention with the consequent impact on banks' revenue generation capacity and profitability. It was discovered that customer relationship management impact significantly and positively on income generation capacity on the four banks viz. Wema Bank, Intercontinental Bank, United Bank for Africa (UBA) and Equatorial Trust Bank (ETB) and also on their profitability level[10].

3. Objective of the Study

The main objective of this paper is to compare the level of eCRM service quality offered by different banks in Haryana State.

4. Research Methodology

In the present paper exploratory research cum descriptive research design had been adopted. As the main purpose of this study was to gain familiarity with various aspects of eCRM services provided by selected banks of India in Haryana and to achieve new insights into it. Four banks two from public namely State bank of India and Punjab national bank and two from private sector namely HDFC and ICICI were taken. Data were collected from 1,000 customers using survey method through questionnaires out of these 848 were useable responses. In order to select the bank customers Non probability sampling technique was used. For analyzing the data the techniques, mean, median, standard deviation, multiple correlation and gap analysis were used.

5. Results and Analysis

The advent of ICT had transformed the traditional commercial model and system of providing customer related banking services into electronic Customer Relationship Management (eCRM). Banking organizations all over the world were finding electronic Customer Relationship Management (eCRM) as a new platform for insurance business of the future (Werbach, 2000). No other ICT applications had achieved a rapid growth in as short time as eCRM in the world.

To compare the level of eCRM service quality offered by different banks, seven service dimensions were taken. The dimensions were Reliability, Responsiveness, Competence, Easy to use, Product portfolio, security and convenience. Service quality of different banks were compared on the basis of these dimensions. The various questions were asked from the respondents related to these dimensions. What qualities will be possessed by the banks and what qualities the banks have were compared by using the gap analysis. The details were as under

Overall Gap Score of eCRM services provided by the selected banks of Haryana :

Overall GAP scores, both Unweighted and Weighted were tabulated in Table 4.1. All values were explained by mean, median and standard deviation.

Table 4.1 : Overall GAP Score (n=848)

	Mean	Median	Std. Deviation
Overall Unweighted GAP Score	0.69	0.71	0.34
Overall Weighted GAP Score	9.31	10.39	4.81

Overall average Unweighted GAP score for the total of 848 respondents was 0.69. It was in positive zone meaning thereby that the accountholder' perceptions were more than their expectations. Accountholder perceived the eCRM services provided to them were of good quality.

When importance weights were also taken into consideration the resultant overall Weighted GAP Score (9.31) was also positive. In USA-General sample in 1990, East Midlands UK outpatients in 1995 and Vassa Finland outpatients in 1996, Average Weighted GAP Score was negative, while it was zero in Scottish-Public Library services in 1995 and was positive in Scottish-Home Help service in 1995 (Dalrymple, 1995). This reaffirmed that banking organizations of India were providing the quality eCRM services to their accountholder [11].

Overall Importance Weights For Dimensions of eCRM services:

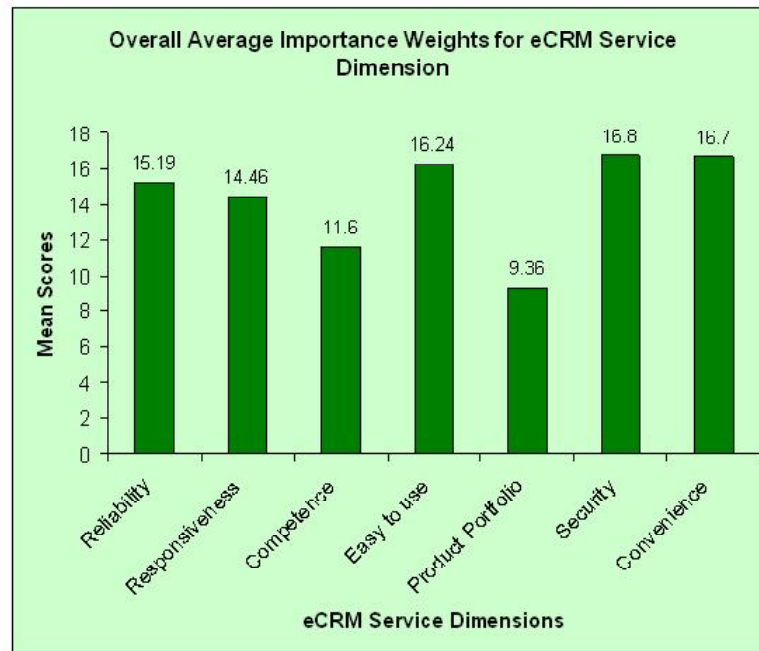
Average Importance Weights were compiled and tabulated in Table 4.2 and graphically showed in Graph No1

Table 4.2 : Overall Dimension wise Importance Weights (n=848)

	Reliability	Responsiveness	Competence	Easy to use	Product Portfolio	Security	Convenience
Mean	15.19	14.46	11.60	16.24	9.36	16.80	16.70
Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
Std. Deviation	3.60	3.73	3.78	3.87	2.63	4.17	3.94

Security (16.80) was allocated maximum weight by the respondents, closely followed by Convenience (16.70) and Easy to use (16.24). The Table 4.2 revealed that respondents accorded more importance to Security, Convenience, and Ease to use dimensions of eCRM services quality that showed that the accountholder were more concerned with security, convenience and easy to use eCRM services as compared to other dimensions of eCRM services quality offered by the selected banks. Reliability (15.19) ranked fourth closely followed by Responsiveness (14.46), Competence (11.60), Product Portfolio (9.36) was ranked lower in eCRM services quality dimensions. Meaning thereby, the accountholder were ready to compromise on Reliability, Responsiveness of employees of the selected banks, Competence and different types of product/policies offered by the selected banks. The inherent intangibility of eCRM banking services led the respondents to look for surrogate parameters of quality in security, convenience, and easy to use, which they rightly ranked higher than other quality dimensions.

Graph No. 1



Multiple correlations (Table 4.3) had been done between the dimensions and it was observed that there was a significant correlation existing between most of the dimensions of eCRM services. Reliability dimension was significantly positively correlated with responsiveness and significantly negatively correlated with easy to use, product portfolio and security dimension of eCRM service quality. Responsiveness was significantly negatively correlated with easy to use and convenience service dimension. Competence was significantly negatively correlated with easy to use, Product portfolio and security dimension of eCRM services. Ease in use was significantly positively correlated with Product portfolio and significantly negatively correlated with security dimension of eCRM services. Product portfolio and security both were significantly negatively correlated with convenience dimension of eCRM services.

Table 4.3 : Multiple Correlations :Amongst eCRM service dimensions

		Reliability	Responsiveness	Competence	Easy to use	Product portfolio	Security	Convenience
Reliability	Pearson Correlation	1	.228**	.017	-.403**	-.455**	-.263**	-.031
	Sig. (2-tailed)	.	.000	.731	.000	.000	.000	.525
Responsiveness	Pearson Correlation	.228**	1	-.085	-.396**	-.150**	-.043	-.573**
	Sig. (2-tailed)	.000	.	.081	.000	.002	.373	.000
Competence	Pearson Correlation	.017	-.085	1	-.140**	-.135**	-.394**	.011
	Sig. (2-tailed)	.731	.081	.	.004	.006	.000	.819
Easy to use	Pearson Correlation	-.403**	-.396**	-.140**	1	.304**	-.139**	-.072
	Sig. (2-tailed)	.000	.000	.004	.	.000	.004	.137
Product portfolio	Pearson Correlation	-.455**	-.150**	-.135**	.304**	1	-.078	-.152**
	Sig. (2-tailed)	.000	.002	.006	.000	.	.108	.002
Security	Pearson Correlation	-.263**	-.043	-.394**	-.139**	-.078	1	-.262**
	Sig. (2-tailed)	.000	.373	.000	.004	.108	.	.000
Convenience	Pearson Correlation	-.031	-.573**	.011	-.072	-.152**	-.262**	1
	Sig. (2-tailed)	.525	.000	.819	.137	.002	.000	.

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

• Overall dimensions Wise Gap Score :

Table 4.4 clearly showed overall dimension wise average Unweighted and Weighted gap score of different dimensions of eCRM service quality.

As an extension of analysis each service quality dimension was separately compiled and analysed to find out the Overall Average Gap Score accorded to them by the study group. Table 4.4 compiled the result of the same. However one had to understand that for all dimensions whether their scores were in positive or negative zones, the perceived value of service quality had not always exceeded the initial expectations for all variables under all dimensions. One could observe that respondents were consistently more satisfied with convenience dimension (overall Average Unweighted Gap Score was 0.85) in dimensions wise Unweighted gap score and were consistently more satisfied with convenience dimension (overall Average weighted Gap Score was 13.71) in dimensions wise weighted gap score, which was ranked higher than all other quality dimensions. It was interesting to note that the eCRM services quality being provided were perceived to be better than expectations for all the dimensions.

Table 4.4 : Overall Dimension wise Gap Score (n=848)

		Reliability	Responsiveness	competence	easy to use	product portfolio	security	convenience
Overall Unweighted Gap Score	Mean	0.65	0.43	0.82	0.68	0.63	0.75	0.85
	Median	0.75	0.50	1.00	0.70	0.60	0.75	1.00
	Std. Deviation	0.51	0.66	0.90	0.68	0.51	0.61	0.65
Overall Weighted Gap Score	Mean	9.32	5.24	8.52	10.25	5.39	12.73	13.71
	Median	10.00	6.67	8.33	12.00	6.00	12.50	13.33
	Std. Dev.	8.04	9.95	10.52	9.94	4.69	10.07	9.80

- Inter Comparison of GAP Score of eCRM services provided by the selected banks of Haryana:
- The results were presented in Table 4.5 and Table 4.6. All values were explained by mean, median and standard deviation. Respondents rated the quality of eCRM services provided by State Bank of India (Unweighted GAP Score 0.46 & Weighted GAP Score 6.17) were above than their expectations and higher than the other the selected banks .

Table 4.5 : Inter Comparison of GAP Scores of the selected banks of Haryana

Name of Bank		Unweighted GAP Score	Weighted GAP Score
State Bank of India	Mean	0.46	6.17
	Median	0.80	11.14
	Std. Deviation	0.34	4.82
Punjab National Bank	Mean	0.06	0.74
	Median	0.69	9.48
	Std. Deviation	0.36	5.02
Industrial Credit and Investment Corporation of India	Mean	0.05	0.65
	Median	0.49	6.67
	Std. Deviation	0.18	2.59
Housing Development Finance Corporation	Mean	0.06	0.89
	Median	0.74	10.39
	Std. Deviation	0.25	4.52

All of these banking organizations of India were accorded positive GAP SCORE (Unweighted and Weighted) that meant the accountholder using the eCRM services offered by these banking organizations perceived eCRM services better than their expectations.

Table 4.6 : Comparison of Importance Weights of Selected banks of Haryana

Name of bank		Reliability	Responsiveness	Competence	Easy to use	Product portfolio	Security	Convenience
Overall Score	Mean	15.19	14.46	11.60	16.24	9.36	16.80	16.70
	Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
	Std. Dev	3.60	3.73	3.78	3.87	2.63	4.17	3.94
State Bank of India	Mean	9.01	8.77	6.44	9.79	5.66	9.48	10.28
	Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
	Std. Dev	3.57	3.88	3.38	3.79	2.63	4.03	3.87
Punjab National Bank	Mean	1.59	1.52	1.54	1.85	1.03	1.86	2.02
	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
	Std. Dev	3.67	2.95	5.81	3.68	1.97	4.25	2.51
Industrial Credit and Investment Corporation of India	Mean	1.46	1.36	1.06	1.44	0.87	1.73	1.65
	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
	Std. Dev	3.26	3.74	2.01	3.26	2.01	2.49	4.03
Housing Development Finance Corporation	Mean	1.51	1.32	1.32	1.42	0.75	1.70	1.51
	Median	15.00	15.00	15.00	15.00	10.00	20.00	15.00
	Std. Dev	3.79	3.79	3.79	4.53	2.48	2.48	3.79

Table 4.7 clearly described that Security dimension of eCRM service quality was accorded the best perceived dimension out of all the seven service quality dimensions, amongst all the selected banks except State Bank of India (Convenience 10.28) and Punjab National Bank (Convenience 2.02). The table also revealed that accountholder of Industrial Credit and Investment Corporation of India, and Housing Development Finance Corporation accorded more importance to Security dimension of eCRM services quality that showed that the accountholder of these respective banking organizations were more concerned with security while using eCRM services as compared to other dimensions of eCRM services quality offered by the selected banks. The Accountholder of State Bank of India and Punjab National Bank accorded more importance to Convenience dimension of eCRM services quality that showed that the accountholder of these respective banking organizations were more concerned with convenience while using eCRM services as compare to other dimensions of eCRM services quality offered by the selected banks. Easy to use service dimension ranked fourth closely followed by

Reliability, Responsiveness, and Competence service dimensions of eCRM services quality offered by the selected banks. Product Portfolio was accorded the worst perceived quality dimension amongst all the selected banks of India. Meaning thereby, that the accountholder were ready to compromise on Reliability, Responsiveness of employees of the selected banks, Competence and different types of product/policies offered by selected banks of India.

Table 4.7: Comparison of Unweighted and Weighted Gap Scores of Selected banks of Haryana

		Reliability	Responsiveness	Competence	Easy to use	Product portfolio	Security	Convenience
Overall Score Dimension wise Unweighted Gap Score	Mean	0.65	0.43	0.82	0.68	0.63	0.75	0.85
	Median	0.75	0.50	1.00	0.70	0.60	0.75	1.00
	Std. Dev	0.51	0.66	0.90	0.68	0.51	0.61	0.65
Overall Score Dimension wise weighted Gap Score	Mean	9.32	5.24	8.52	10.25	5.39	12.73	13.71
	Median	10.00	6.67	8.33	12.00	6.00	12.50	13.33
	Std. Dev	8.05	9.95	10.52	9.94	4.69	10.07	9.79
State Bank of India Dimension wise Unweighted Gap Score	Mean	0.44	0.22	0.54	0.47	0.37	0.53	0.69
	Median	0.75	0.50	1.00	0.80	0.60	0.75	1.00
	Std. Dev	0.43	0.79	0.96	0.80	0.56	0.64	0.60
State Bank of India Dimension wise weighted Gap Score	Mean	6.24	2.28	5.09	6.79	3.01	8.60	11.14
	Median	10.00	5.00	10.00	12.00	6.00	15.00	20.00
	Std. Dev	6.71	11.83	10.66	11.29	4.97	10.15	8.35
Punjab National Bank Dimension wise Unweighted Gap Score	Mean	0.02	0.04	0.10	0.05	0.11	0.06	0.03
	Median	0.50	0.33	0.33	0.20	1.40	0.75	0.33
	Std. Dev	0.62	0.36	1.03	0.36	0.54	0.43	0.39
Punjab National Bank Dimension wise weighted Gap Score	Mean	0.08	0.56	1.01	0.83	1.12	1.02	0.54
	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
	Std. Dev	3.67	2.95	5.81	3.68	1.97	4.25	2.51
Industrial Credit and Investment Corporation of India Dimension wise Unweighted Gap Score	Mean	0.03	0.06	0.07	0.07	0.05	0.03	0.03
	Median	0.50	0.50	0.67	0.80	0.40	0.25	0.00
	Std. Dev	0.34	0.29	0.53	0.10	0.20	0.29	0.33
Industrial Credit and Investment Corporation of India Dimension wise weighted Gap Score	Mean	0.55	0.87	0.74	1.03	0.39	0.54	0.44
	Median	5.00	7.50	6.67	12.00	4.00	5.00	0.00
	Std. Dev	6.23	4.76	5.12	2.51	1.26	5.58	5.86
Housing Development Finance Corporation Dimension wise Unweighted Gap Score	Mean	0.05	0.05	0.05	0.06	0.05	0.08	0.05
	Median	0.50	0.50	0.00	1.00	0.60	1.25	0.67
	Std. Dev	0.19	0.39	0.87	0.58	0.35	0.63	0.34
Housing Development Finance Corporation Dimension wise weighted Gap Score	Mean	0.87	0.80	0.97	0.96	0.38	1.51	0.72
	Median	10.00	7.50	0.00	10.00	4.00	18.75	10.00
	Std. Dev	4.21	6.72	16.34	9.29	2.64	12.39	4.73

Average importance weight were compiled and tabulated in table 4.7. State Bank of India was accorded the best Unweighted and Weighted gap score in all the seven quality dimensions of eCRM services offered (Reliability 0.44 and 6.24, Responsiveness 0.22 and 2.28, Competence 0.54 and 5.09, Easy to use 0.47 and 6.79, Product portfolio 0.37 and 3.01, Security 0.53 and 8.60, and Convenience 0.69 and 11.14). Accountholder of Punjab National Bank accorded best Unweighted and Weighted gap score in two dimensions (Competence 0.10 and 1.01, and Product portfolio 0.11 and 1.12) of eCRM service quality following State Bank of India. Respondents accorded best Unweighted and Weighted gap score in two dimensions (Responsiveness 0.06 and 0.87, and Easy to use 0.07 and 1.03) of eCRM service quality offered by Industrial Credit and Investment Corporation of India following State Bank of India. Housing Development Finance Corporation was accorded the best Unweighted and Weighted score (0.08 and 1.51 respectively) in Security service dimension of eCRM services following State Bank of India. These findings could be appreciated from Table 4.7.

The results of the above analysis indicated that the attributes of Security (16.80), Convenience (16.70), and Easy to use (16.24) had been identified by the respondents to be the most important dimensions of eCRM services quality in the selected banks. All of the service quality dimensions of eCRM services were found to have positive gap, implying that accountholder's expectations regarding the eCRM services in the selected banks were met by the selected banks of India.

6. Conclusion

The main objective of the present research work was to assess the level of quality of electronic customer relationship management (eCRM) services offered by the selected banks. The accountholders/respondents view point on the traditional mechanism of services delivery regarding the eCRM services offered by the selected banks had been studied. This study demonstrated the usefulness of the GAP analysis as a measure of service quality. This not only highlights areas for specific action and also addresses perceived service shortcomings. The study of using eCRM services facilities offered by the selected banks revealed, inter-alia,

- that the overall unweighted (0.69) and overall weighted (9.31) GAP score both were in positive zone meaning thereby that the accountholders/respondents' perceived the eCRM services provided to them were of good quality.
- that the respondents accorded maximum weight to Security (16.80) closely followed by Convenience (16.70) and Easy to use (16.24) dimensions of eCRM services. Reliability (15.19) ranked fourth closely followed by Responsiveness (14.46), Competence (11.60) and Product Portfolio (9.36) was ranked lowest in eCRM services quality dimensions. Meaning thereby, the accountholders/ respondents were more concerned with security, convenience and easy to use eCRM services as compare to other dimensions of eCRM services quality offered by selected banks. The accountholders/ respondents were ready to compromise on Reliability, Responsiveness of the employees, Competence and Product Portfolio offered by the selected banks.

- that the overall dimension wise unweighted and weighted gap score in all of the dimensions of eCRM services were found to have positive gap, implying that respondents expectation regarding eCRM services dimensions were met by the selected banks. Accountholders /respondents were consistently more satisfied with convenience dimension [both in unweighted (0.85) and weighted (13.71) gap score] which was ranked higher than all other service dimensions.
- that there was a significant correlation, both positive and negative, existing between most of the dimensions of eCRM services offered by the selected banks. that the accountholders/respondents rated the quality of eCRM services provided by State Bank of India[both unweighted (0.46) and weighted (6.17) GAP score] were above than their expectations and higher than the other selected banks.. The State Bank of India was also accorded the best Unweighted and Weighted gap score in all the seven quality dimensions of eCRM services offered.

It is pertinent to note that all the selected banks were providing eCRM services at or above par than expected by their respective accountholders/ respondents. However, the perception level of State Bank of India accountholders/respondents was significantly higher than the accountholders/ respondents of remaining the selected banks.

- Although all the selected banks were providing eCRM services at or above par than expected by their customers. As quality improvement is a never ending process, governing bodies of these banks should train personnel professionally and upgrade information communication technologies to improve overall customers' experiences and satisfaction. The best way for the management is to look at the improvement of the physical facilities for eCRM services, training of the personnel and providing precise information on all functions related to eCRM services offered by the banks.
- The results of the study indicated that the GAP scale could make a valuable contribution by enhancing the understanding of the quality of eCRM services in banking sector of Haryana. The measurement scale also serves to identify symptoms and the underlying problems that inhibit the effective provision of quality eCRM services in banking sector of Haryana.

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