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Preface

The National Conference on Trends in Management was held in Mysuru, Karnataka on 04th February 2020 at Christ College, Srirampura Mysuru.

Over 100 distinguished research scholars, professors and policy makers gathered for this conference and 30 selected papers were presented. The conference focused on 3 tracks: Human resource management, Marketing management and Financial Management. The event was enthralled with two guests of honor and 3 panelists for the tracks in the conference. Parallel sessions were held where it was allowed to interchange ideas among the specialists and deepen the knowledge of ongoing research. It was the panelists' suggestion to the authors that they need to carry out an accurate analysis for their research papers.

The success of the conference was due to collective efforts of a large number of individuals. Grateful acknowledgements are extended to staffs, students and non-teaching staffs of Christ College Mysuru for their devoted assistance. Special thanks to the management for their invaluable and continuous support.

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A STUDY ON RETENTION OF EMPLOYEE'S ON RECENT TRENDS

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Abstract:

Employee's retention is a process in which employees are encouraged to remain in the organization for the maximum period. Every organization requires man power even though the technology grows, to operate such technology, to develop the technology man powers are required. Employee's retention is beneficial for the organization as well as the employees. Employees are the assets of the organization. So motivating and inspiring to employees are the biggest task of the company which encourage them to remain in the same organization. In present days most of the organization facing more problems in retaining the employees, because of the survival the company is based on the man power productivity which helps the organization to reach the success line.

In today's scenario organization incurs huge cost in hiring and training the new employees to avoid such expenses the company has to exercise their activities to retain the employees by providing a quality work life. This study helps to identify the factors causing dissatisfaction which cause reduction in the employee's turnover.

This study is based on secondary data and information has collected from various journals and articles.

Keywords: manpower, motivation, quality, productivity, turnover.

INTRODUCTION

“Human capital will go where it is wanted and it will stay where it is well treated. It cannot be driven it can only be attracted” Walter Wriston former chairman Citibank

Employees play a critical role in the sustainability and development of an organization. Every organization invests their money as well as time to groom new hires, to make them corporate-ready material and bring them at par with existing employees. At the same time, the organization will be at loss when the trained employees leave their jobs. Humans are the asset and they are the pillars of any concern. An employee creates new things, where an innovation ultimately leads to survival and profitability of a company. Success of the firm depends upon the level of productivity and height of creativity of the employees.

OBJECTIVES OF STUDY

- To study the factors which influence the employees to resign the jobs
- To study the organization strategies to retain the employees
- To determine the employee's expectations that would help the management to improve their strategies.

SCOPE OF THE STUDY

By identifying the factors causing employees turnover, the organization can develop and maintain the strategies which help the organization to tackle with resignations. This study provides the organization on recent trends of employees. This study also helps the organization to design the strategies as per the present preferences in order to create a space for the personal growth, job satisfaction and to remove the insecurity among the employees. By providing job satisfaction to the employees, which helps to increase the employee loyalty, thus the company can retain the employees, which in turn decreases the cost of training, recruiting and the time.

REVIEW OF LITERATURE

A literature review should give a theoretical base for the research help the author to determine the nature of research. An earnest attempt has been made to delve into the relevant researches done on the topic. Presented henceforth as follows:

Sunitichandiok (2012) Employee Retention in India textile industry: A Study on Grasim Bhiwani Textile Limited, New Delhi. The questionnaire tool is used for data collection, 40 questions relating to the variables mentioned in research model. There are three independent variables; 1. Merit based compensation 2. Working environment 3. Performance appraisal dependent variable is employee retention. The demographic factors deal with the personal profile of the respondents taken for survey. Gender, age, qualification, work experiences are dealt with in the study. Career path has strong positive correlation with employee retention. By conclude that career path is most valuable factor that employees look for, to work in the organization.

JeenDorance Batty S. (2014) A Study of to the factors which may be the possible reason for an employee to leave an organization Bangalore. Sample were collected through questionnaires from the first and middle line employees in selected organized retail outlets in Bangalore. The survey method used in the present study is sample survey and the research design choice, particularly for small scale enterprises. From the econometric analysis, it was found that turnover intention has influenced attrition factors such as quality work life, career growth, working hours, personal/family reasons. This study concludes that to reduces attrition industries should create some opportunities for the growth of their employees within the organization by adopting new innovative technologies and effective training programs.

Pawan Sharma (2016) The study on employee retention among the younger generation:21-30years, Bangalore. The sample shows that growth and work quality is given the highest priority in terms of factors that influences the employees to stay back in the organization. Good working environment and good employer-employee relationship is required in the organization for maintain harmony in the organization. Overall it is an honest endeavor to understand the various factors that influences the employee of the organization, their priorities in terms of the influences and how the employee can be retained back in the organization.

Onashile Femi (2011) Employee retention in textile sector, Chennai. This study shows changes are brought into software or any module is added then proper training should be given. Retention is an important concept that has been receiving considerable attention

from academicians, researchers and practicing HR managers. In its essence, retention comprises important elements such as the need or content, search and choice of strategies, goal-directed behavior, social comparison of rewards reinforcement, and performance-satisfaction.

RESEARCH METHODOLOGY

This study is descriptive in nature and based on secondary data, which has been collected from various books, journals, articles and research reports.

REASONS FOR EMPLOYEE DEPARTURE

When an employee leaves an organization, there are various factors which influence them to drop the organization could be better paying job outside, a bad relationship with supervisor/boss, pursuing higher education/vocation, fired from organization, work pressure, job insecurity, no space for personal growth, failed to balance work life and non-work life these are the factors which makes employees to take exit from the present organization. Because nowadays people who are working in any organization they are not working to get their daily bread instead they want their demands to get satisfy so they prefer the organization which makes the employees to get attract by offering more pay and which also Provides opportunity for the career development.

RETENTION STRATEGIES

Turnover is a great problem and that is the reason where a lot of effort has to contribute for retaining the existing employees. When an employee leaves an organization. He takes the culture, values, skills with him which can be tapped by the competitors and that is something no company likes to happen with them. As the cost of replacement for an employee is occurs more cost, it is always a better thing to keep the existing employees in the flock. Retention is also necessary for the growth and stability of an organization. Following are the retention strategies

A. Employee voice and retention

The organization should give more opportunity to its employee to voice their dissatisfaction related to workplace condition are more likely to retain their employees i.e., there are more chances that employees will remain with such organization as they feel that the organization is well equipped with better grievances handling system.

B. Communication and retention

Efficient communication process helps the organization to retain its employees in order to maintain a healthy work culture; leadership should be able to operate in an interpersonal, group, organizational and intercultural communication effectively. Communication not only improves the identity but also provides a space to share their views in order to achieve the desire of the company. Communication from executives helps better employee engagement.

C. Training, development and development

Job-related training improves the ability to employees in problem solving, making them confident, motivated and committed to their jobs and thus they are more likely to remain with the organization. Training and development is a kind of motivational tool for an employee to retain them by raising the commitment of employees towards the company.

D. Compensation and retention

Compensation in organizations can be defined as something (typically money in the form salary, wages, benefits, etc) that the employee receives from the employer. It is that the trend is changing but still research shows that compensation plays a greater role in the retention of employees. Compensation is the primary reason to leave the company so the organization has to design the structure of compensation in the form to match their skill ability and productivity with the monetary benefit so that the organization can retain the existing employees.

E. Career development and retention

Indian companies do not have a well-defined career development plan and job satisfaction can be achieved when the expectation of employees, which he brings with him at the time of joining the organization, matches with the reality. It found that there is strong relationship between job satisfaction and retention of employees giving the organization a clue to keep their employee satisfied.

CONCLUSION

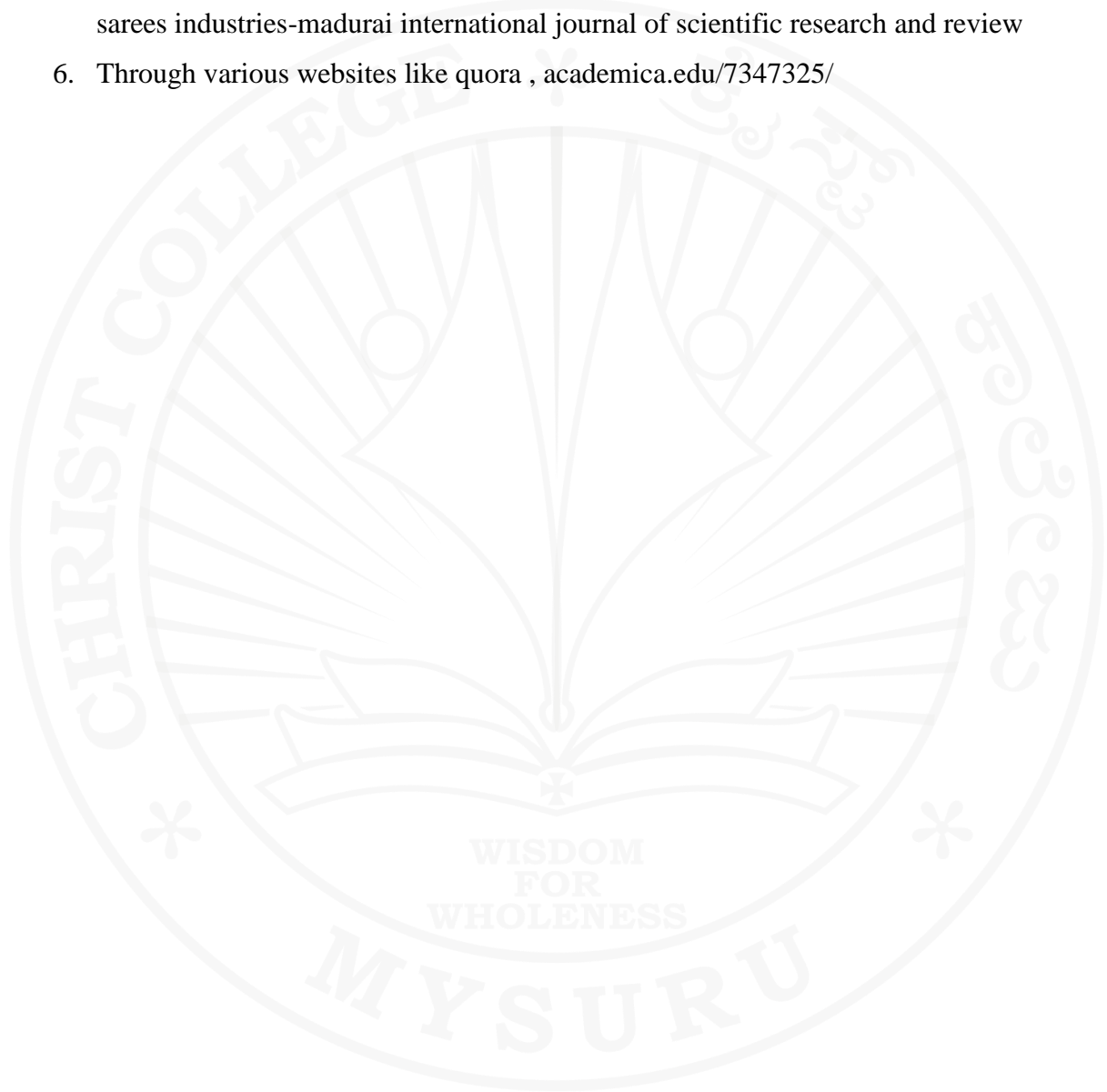
The study concludes that whether it is a buying market or seller market the demand for the skilled labors remains the same forever. Many organizations now understood the importance of employee retention, and the employee turnover by hiring the employee retention specialist who guide the organization to increase the retention percentage by hearing to the voice of employees. Nowadays a very few people are working for the very basic needs, most of them are very much concerned about their demand wants and needs if the company fails to satisfy them they are ready to jump into other organization where their demands are more valued in return to their productivity. Each & every organization has to resolve the problems and motivate them by providing a personal growth, educating them by the skill development and safeguarding their life by providing the job security and also providing the foreign opportunity for the deserved one. The word EQUALITY should play a prominence role in every organization to attract the existing employees to retain. When it comes to Pay everyone should get Pay as per their skills and performance in the organization, which motivate the employees to stay back. Finally, I would like to conclude that the organization must look for neediest person and train them in order to achieve the profit line in the corporate sector, and the most deserving candidate and every organization must provide a platform to share their opinion freely.

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HR PLANNING AND RETENTION IN EDUCATIONAL INSTITUTIONS

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Abstract

Education sector is the basis for the progress of all the other sectors of the society. Educational institutions play a very important role in shaping the progress of the nation through liberation of the human being, preparing him to play a meaningful role in the society. Every educational institution's success depends on its skilled and well-motivated workforce – the educational personnel or the academic staff. The educational personnel or the academic staffs in the educational institutions are the most important elements who strive to achieve the educational goals and there by contribute to national development. Due to this reason, importance of HR management in educational sector has also increased. Upcoming of many educational institutions have made the teaching profession a place of great competition for these educational personnel. This is a profession which is considered as a profession that has superior reputation in the society. This paper highlights the needs and importance of HR planning and retention in the educational institutions. After reviewing a few research papers on the above topic, this paper is done with an aim to explore the reasons for quitting of the job or changing of their workplaces by the educational personnel, factors that may motivate them to do their job more efficiently leading to HR retention and personal growth opportunities for the personnel in their profession; how HR planning and other HR management strategies can help in HR retention in educational institutions. It was found from the studies of various research papers that the job satisfaction in terms of good salary package, good working conditions, opportunities for personal growth and job performance appraisals and rewards stand as the main thing that can retain HR in the educational institutions. With the insights gained and explorations made, that are discussed in this paper, it is a recommendation to the educational institutions to involve HR management practices to achieve their educational goals more efficiently and effectively.

Keywords: *HR Planning, HR Retention, educational institutions, educational personnel.*

INTRODUCTION

Human Resource Management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using various techniques. HRM results in creating and developing human relations contributing towards the proportional achievement of organizational, individual and social goals. HRM in any organization or institution involves HR planning, recruitment, selection, training and development, HR appraisal and evaluation of HR retention. Educational institutions undergo several phases of changes that impact their internal structures. In such case, planning, recruitment, retainment, development and quality control of the educational personnel become the matter of priority for the educational institutions, as their success depends on those personnel. As such, HRM is of great importance in any educational institution to plan, attract, develop and retain the best and well-motivated skilled personnel. With emerging of a greater number of educational institutions, HR planning and HR retention have become the two important aspects in today's world of competition.

OBJECTIVES/ PURPOSE OF THE PAPER

The purposes of this study are as follows:

- To highlight the need and importance of HR planning and HR retention in the educational institutions.
- To explore the reasons for attrition of the educational personnel.
- To highlight the factors that lead to HR retention in the institution.
- To recommend the educational institutions to implement HR management practices and concentrate more on HR planning and HR retention in order to achieve their educational goals more efficiently.

RESEARCH METHODOLOGY

This paper is done based on the secondary source of data collected from published books, magazines, reports, text books, various published articles in journals and internet. The

conclusions and recommendations given in this paper is purely based on the study made by reviewing various research papers published in various journals on the related topic and from my experience of working as an educational personnel.

HR PLANNING IN EDUCATIONAL INSTITUTIONS

The routine functions related to the educational personnel in any educational institutions like maintaining employee files, calculating their salary, recording attendance, recording the leave details, etc. are done by the administrative expert of the institution. The focus of the role of administrative expert of the institution in these functions is on administrative aspects like reducing the operational costs and increasing efficiency altogether in the institution. Along with all these functions, getting excellent, skilled and well-motivated personnel who stick on to the same institution for longer period of service is also a very important task for the institution. Achieving this is possible only through a proper HR planning and implementation strategy.

According to Eric Vetter (1967), human resource planning is defined as, “The process by which a management determines how an organization should make from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kind of people at the right places, at the right time to do things which result in both the organization and the individual receiving the maximum long-range benefit.”

HR planning in an educational institution involves mainly the following steps:

- A) Forecasting the HR requirement
- B) Analyzing the existing educational personnel
- C) Matching the skill requirements either with existing educational personnel or by hiring the fresh candidates.

Forecasting the HR requirement: Forecasting HR requirements involves projecting the needs of exact personnel required in the institution based on the growth of the institution, attrition and other factors that affect the institution's need for personnel. This involves finding out how many personnel at what positions with how much of educational

qualification, expertise knowledge and skills, experience would be required for the academic year and further.

Analyzing the existing educational personnel: This step involves determining the current number of educational personnel already working in each department of the institution, evaluating their capabilities to handle their work and analyzing their dedication towards the work in the institution. This also involves review of the existing educational personnel for knowing the internal human resources in better terms, seeing their job performance, evaluating their ability to accept higher responsibilities and also assessing and evaluating the feedback received on them.

Matching the skill requirements: Matching the skill requirements can be done either with existing academic staff or by hiring the fresh candidates. This includes transfers, promotions of the existing personnel and recruitment of fresh candidates for the required positions in the institution. Usually the higher-level positions requirements are filled by promotions of the existing personnel and lower levels requirements are filled by recruitment of the fresh candidates suitable for the positions. This also involves seeing that there is neither shortage nor surplus of the educational personnel in the institution.

NEED AND IMPORTANCE OF HR PLANNING

In today's scenario, educational institutions are no longer non-profit making organizations like before. Even this sector is emerging like any other business field concentrating more on financial aspects than on any other aspect. Only in a few educational institutions, the management considers the educational personnel as the main resource to be handled with much planning and care. The remaining institutions consider only the financial resources and the organization's growth as important. Due to this, very less consideration is given to HR planning in the educational institutions; because of which, these organizations or the institutions fail to recruit the required educational personnel at right time who lead to overall growth of the organization. HR planning helps the institution to have optimum number of educational personnel, right type of personnel at the right positions and in right time. HR planning reduces the risk of wrong recruitments in the institutions. HR planning and its effective implementation also will lead to improved work efficiency from more apt

and dedicated workforce. It also helps in avoiding unnecessary costs of recruitment by ensuring the maximum utilization of already available educational personnel. Through HR planning, the selection of new educational personnel is done in such a manner that the institution gets highly competent employees leading to higher productivity and efficiency, which leads to achieving of the institutional goals more effectively. HR planning also helps in addressing the problems caused in the institution due to labor turnover, retirements and resignations. Today's organizations can no longer just hire to hire or can no longer rest on the belief that individuals will stay with the organization through thick and thin (Decenzo and Robbins 1998: 91). Hence, HR planning and its effective implementation is very much required in the educational institution.

HR RETENTION IN EDUCATIONAL INSTITUTIONS

Retention is defined as the effort by employers to retain talented and high-performing employees in order to achieve organizational objectives (Fatima, 2011, 25). Retaining high-performing employees or the 'best professional talent' is of great significance to organizations as it eliminates the recruitment, selection and on-boarding costs that would otherwise be incurred in replacing them. (Tymon, Stumpf and Smith 2011, 293). It is the responsibility of the employer to retain their best employees. The retention of the existing educational personnel is possible only through the establishment of a motivated and encouraging staff climate, a good quality work-life, execution of best practices related to the staff, providing growth opportunities and appraisal of the achievements made by them, in a right manner and at right time. Retention also depends upon the job security, welfare management and work environment, pay, promotional opportunities and relationship with co-workers. Thus, the educational institutions should focus on managing the work environment provided to the staff by implementing the retention strategies to retain their best employees. For not losing the best employees in this job market, the following retention strategies are to be followed:

1. Competitive salary and other benefits: Like any other business organizations, it's absolutely necessary for the educational institutions also, to offer attractive compensation packages in this era of competitive labor market to retain its well-qualified and competent workforce. This includes salary, health benefits and also retirement benefits.

2. Hiring right person and orientation at the start: Through proper evaluation of the candidates, the right ones with required knowledge, skill and expertise should be selected for the required posts. The new staff must be made clear about the institution culture and should be guided in such a way that the personnel is toned to thrive in the institution for the entire tenure of his/ her work.

3. Reducing employee dis-satisfaction: Through employee surveys, reason for dis-satisfaction of the employees must be found out and addressed at the earliest to avoid leaving of the jobs by such employees. It can be done by providing flexible working arrangements, helping employees to have healthy work-life balance & recognizing their hard work and appraising them through reward systems.

4. Encouraging leadership and not bossism: People follow leaders and not bosses. Leaders handle the challenges and work in team in good relation with the colleagues resulting in good working environment making other employees also feel confident and happy to work there. The bossism should be completely eradicated.

5. Being employer of choice: There should be team-building and a family-like environment in the institution to become an employer of choice for its employees. Employees not only work for the pay they receive. In addition to the pay package, they are also concerned about where they work and with whom they work also.

Staff retention will directly impact on the smooth operation, productivity, performances and long-term sustainability of any organization, and it will also indirectly impact on the image of the company as a whole. (Azeez, 2017).

NEED AND IMPORTANCE OF HR RETENTION

In Indian scenario, competition in employment prevails in almost all the sectors. There are lots of new aspirants coming up, well-qualified and capable of being employed in educational institutions. Due to this, the academic profession has become a place of high

competition. The educational institutions are giving very less prominence to the employee retention strategies these days with the over confidence that they can find the suitable replacements for the out-going employees. Though there are lot of available well-qualified candidates, retaining the experienced and loyal employees in the institution is very much important because in educational sector, not only the qualification, the experience and knowledge gained by them working in that field over years together also is of great importance. Qualified and competent people are known for job hopping, thereby creating frequent shortages in the institutions. (K. Ashwathappa, a book on Human Resource Management, pg.102). Adopting HR retention strategies helps in preventing such shortages, by ensuring the retention of the competent and out-standing staff and their maximum utilization thus reducing the cost of recruitment in the institution. A systematic way of maintaining the employee data, keeping a check over the job satisfaction of the employees, taking their views about their jobs is not found in many of the educational institutions. This becomes detrimental to the institution itself leading to the higher rate of attrition; as today, the educational personnel prefer to shift to other institutions where they find more opportunities for themselves rather stay within the same institution for longer period of time. As such, it is better to be proactive and keep a check over the job satisfaction of the employees and retain such candidates as academic staff who will do the required job and be successful at it than being reactive and acting after they come to know that best people have already left the job and wrong people have been recruited. Job satisfaction can be improved by improving working condition through tools required by the employees like improvement in position and hike in their salary (Dr. V. Antony Joe Raja, 2016, pg.7).

REASONS FOR ATTRITION OF EDUCATIONAL PERSONNEL

Attrition of educational personnel is the reduction of academic staff by voluntary or involuntary reasons. These can be through retirement or through resignations or termination of the job or transfers. It is observed from the study of various research papers that in educational institutions, more and more personnel change the workplace or the job, searching for better growth opportunities and other benefits. The reasons for the attrition of the educational personnel are:

- Non-competitive salaries

- Non-competitive benefits especially health insurance and retirement benefits
- Insufficient staff support from employer
- Lack of supportive and friendly colleagues
- Increased administrative pressure
- Burden on aspects beyond control by management
- Lack of research support
- Professional isolation
- Poor working conditions
- Lack of flexibility in work arrangements
- Lack of good quality of work life
- Lack of opportunity for advancement
- Lack of recognition and motivation
- Lack of job security
- Personal reasons like marriage, change of employment place of spouse, family problems, etc.

FACTORS THAT LEAD TO HR RETENTION IN EDUCATIONAL INSTITUTION

Retention of the employees in the educational institutions is critical and necessarily very important for its long-term success. The study on this topic reveals that, job satisfaction is the main factor that keeps the academic staff in their profession. However, job satisfaction was also linked with career growth and academic development (Jacob M. Selesho and Idah Naile, 2014). Once an organization has captured skilled employees, the return on investment requires closing the back door to prevent them from walking out. Employees are more likely to remain with the organization only if they believe that the organization shows more interest and concern for them, if they know what is expected of them, if they are given a role that fits their capabilities and if they receive regular positive feedback and recognition (Samuel and Chipunza, 2013, pg. 99). The factors that lead to HR retention are:

- Standardized salary and annual increments
- Enhanced health benefits and incentives
- Ensuring supportive, people-oriented work environment
- Performance appraisal and motivation through enhanced reward systems
- Conducting orientation programmes for the academic staff

- Developing opportunities for research
- Conducting seminars and workshops for the personnel for their career development
- Evaluation and feedback system
- Performing exit interviews to evaluate the areas for improvement in the institution.

RECOMMENDATIONS

In today's scenario, it seems like the human resource is not given utmost importance and care in the educational institutions leading to wrong recruitments, carelessness towards the employee retention leading to slow growth of the organization/ institution. The functions of HR management, cannot be done by anyone and everyone. It needs expertise and knowledge. Not only in business organizations, even in educational institutions, following HR management practices have become the need of the hour. It is important to have a place in the educational institution to contact for all issues relating to the HR in the institution. Currently, in many of the educational institutions this work is done at the desk of administrative staff who merely follow bureaucratic procedures. It's time to change this perspective and have some strategic HR management personnel who can use his/ her expertise knowledge in the field and employ HR management practices like HR planning and HR retention strategies to achieve their educational goals more efficiently and effectively by attracting quality human capital and gaining competitive advantage. The institutions should protect the interest of the educational personnel and implement latest developments in every aspect to grow in this society.

CONCLUSIONS

From the above discussions, it's clear that by employing the HR management practices like HR planning and HR retention strategies; the educational institutions can achieve its goals more efficiently. Employing the best HR management practices is advantageous for both employee and employer and it plays an important role in the constructive growth of the organization (Jeet and Sayeeduzzafar, 2014). HR planning helps in filling the vacancies in the educational institutions in a systematic way. It helps in maintaining optimum number of employees, reduces risk of shortages and surpluses, saves the institution from wrong recruitment effects and also ensures maximum utilization of available educational personnel. HR retention strategies on the other hand saves the institution from the additional costs involved in replacement of out-going employees and helps in retaining the

competent, experienced high-performing workforce who are the reasons for the growth and development of the organization or the institution.

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EMOTIONAL INTELLIGENCE: KEY IMPLEMENTATIONS FOR HUMAN RESOURCES

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Abstract

Emotional Intelligence is the ability to recognize your emotions, understand what they're telling & realize how your emotions affect people around you. Emotional intelligence also involves your perception of others: when you understand how they feel; this allows you to manage relationships more effectively. People with high emotional intelligence are usually successful in most things they do. Why? Because they're the ones that others want on their team. When people with high EI send an email, gets answered. When they need help, they get it. Because they make others feel good, they go through life much more easily than people who are easily angered or upset.

Role of EI in HRM ensure that human talent is used effectively & efficiently to accomplish organizational goals furthermore HRM is □ people centered □ personnel activities (or) functions □ continuous process □ based on HR. How HR manager hire great professionals can make or break organizations. Problem solver is not problem dwellers, YES people don't survive, be considerate, listen & discuss with subordinate.

Emotional Intelligence Strategies: Observe how you react to people □ Look at your work environment □ Do a self-evaluation □ Examine how you react to stressful situations □ Take responsibility for your actions □ Examine how your actions will affect others □ before you take those actions.

Here are some of the key steps mentioned above that must be part of a successful EI implementation plan. Get leadership support for the program □ Expand your resources □ provide coaching □ Develop statistically sound job success profiles □ Provide experiential EI training.

Key words: *If you are thinking about already begun to implement EI, avoid the "failure at the brink of success syndrome" by taking the necessary steps.*

INTRODUCTION

American Express Financial Advisors prides itself on helping clients develop financial plans that include the purchase of life insurance. But in 1991, the senior vice president in charge of

Life insurance at American Express Financial Advisors (AEFA) noticed that something was wrong. Seventy-three percent of clients with such plans never followed through with the purchase of life Insurance. This is the story of how the vice President's process of inquiry led, a year later, to a Novel solution—AEFA would train its financial Advisors and their managers in “emotional competence.”

The year was 1991. Four years later, David Goleman's first book on emotional intelligence practically turned the concept into a household Word in the halls of corporate America;

How did the AEFA program come about? And what was the impact on sales revenue?

The emotional competence program at American Express Financial Advisors was designed initially to help the company's advisors cope with the emotional reactions that they have to selling life insurance. The advisors learn about the impact of emotions on human behavior, and they learn how to identify and manage their own emotional reactions. Several versions of the program are currently being or have been offered. One version is an integral part of the training that all new advisors receive. Another version is for managers and is a standard part of the new manager development program. A third version is offered to regional management sales teams. There also are versions designed for sales consultants, veteran advisors, and corporate office management teams.

In the earliest versions of the program, external licensed psychologists provided the training. Outsiders continue to provide the regional management team, or leadership, versions, but veteran advisors now deliver the program to new advisors.

One study showed that when group vice presidents and their direct reports received emotional Competence training, their advisors generated 11 percent more growth in sales revenue during a 15-month period;

Two versions of the program have been evaluated. The findings suggest that advisors who receive the training generate more sales revenue than advisors do who are not given it. Furthermore, when regional management teams are trained, their advisors generate more revenue than advisors working in regions where the management teams have not received the training. For instance, one study showed that when group vice presidents and their direct reports received emotional competence training, their advisors generated 11 percent more growth in sales revenue during a 15-month period than did advisors whose management team did not go through the training. The company estimated that this difference resulted in over \$200 million more in sales revenue. Moreover, the program is well liked: 91 percent of participants report a positive personal benefit, and 88 percent of leader's report that it is relevant to their jobs.

OBJECTIVES OF IMPLEMENTING EI:

1. Build stronger relationships, succeed at work, and achieve your career and personal goals
2. Can manage his or her own impulses
3. Communicate with others effectively, manage change well, solve problems
4. Use humor to build rapport in tense situations
5. One step ahead of other companies

EMOTIONAL INTELLIGENCE: PRACTICAL SKILLS

SELF AWARENESS

- Emotional awareness: Recognizing one's emotions and their effects
- Accurate Self assessments: Knowing one's strength and limit
- Self-confidence: A strong sense of one's self worth and capabilities

SELF-REGULATIONS

- Self-control: Keeping disruptive emotions and impulses in check

- Trustworthiness: Maintaining standards of honesty and integrity
- Conscientiousness: taking responsibilities for personal performance
- Adaptability: Flexibility in handling changes
- Innovation: Being comfortable with novel ideas, approaches and new information

MOTIVATION

- Achievement drive: Striving to improve or meet a standard of excellence
- Commitment: Aligning with the goals of the group or organization
- Initiative: Readiness to act on opportunities
- Optimistic: Persistence in pursuing goals despite obstacles and setbacks

SOCIAL COMPETENCE EMPATHY:

- Understanding others: Sensing other's feelings perspectives, taking an active interest in their concerns
- Developing others: sensing other development needs and bolstering their abilities
- Service orientation: anticipating recognizing and meeting customers' needs
- Political awareness: Reading a groups emotional currents and power relationships

SOCIAL SKILLS

- Influence: wielding effective tactics for persuasion
- Communication: Listening openly and sending convincing messages
- Conflict management: Negotiation and resolving disagreements
- Leadership: Inspiring and guiding individual and groups
- Building bonds: Nurturing instrumental relationships
- Collaboration and cooperation: working with others towards shared goals
- Team capabilities: creating group synergy in pursuing collective goals

HR FUNCTIONS AND EI:

- Selecting people with high emotional intelligence.
- Developing emotional intelligence in existing employees.

SUCCESSFUL EI IMPLEMENTATION PLANS

1. **Get leadership support for the program.** Build a case to show the value of recognizing and managing emotions. Link lost revenue to a specific area where productivity has been down due to emotion-based interpersonal problems. This is easier to do than you might think. A champion on the senior management team will get—and keep—support from other senior managers. He or she will keep the program alive by getting the necessary resources and staying apprised of successes.
2. **Expand your resources.** Emotional Intelligence is still in its infancy as a business concept. Unless you have been researching and using EI for the past 20 years, it might make more sense to hire an experienced EI practitioner for implementation. Continue to build a resource 'library' that includes a variety of different media such as mobile-friendly audios, videos, books and articles to download. Encourage people to invest in their own self-improvement and to share what they are learning.
3. **Provide coaching.** Ongoing coaching for members of your EI implementation team and at-risk leaders and employees will produce immediate results. Experienced EI coaches can help you fill gaps in knowledge and application in just a few sessions. If you have a limited budget, this will provide the most immediate return on your investment.
4. **Develop statistically sound job success profiles.** HPS president Dick Thompson, Ph.D., has said that, "Emotional Intelligence is situationally specific. By this I mean that overall EI is a good general predictor of success. But the more powerful predictor is the specific combination of EI components for a specific type of job. This is what determines success." This process involves analyzing data from job descriptions, performance measures, and EI assessment to determine which areas of EI will predict success. Different scales on an EI assessment have different levels of importance in different jobs. You can get more information about this process.
5. **Provide experiential EI training.** Learning about EI requires experiential training. People should be able to recognize and manage their own and others' emotions in different situations. To do this successfully, they must *experience* emotions. We need to educate ourselves about emotions before we can learn how to manage them. This is the part of implementation that is bypassed most often.

EMOTIONAL INTELLIGENCE AND ITS CORRELATES

The emphasis on trait aspect and empathy in understanding EI cannot be denied. Trait model of EI incorporates factors of personality into an overall construct, which includes variables such as empathy and well-being. Researchers have noted specific work-based measures of EI. Wong and Law conceptualized EI as containing four distinct dimensions: Self-emotional appraisal, others' emotional appraisal (OEA), regulation of emotion (ROE), and use of emotion (UOE).

Self-emotional appraisal concerns an individual's capacity to understand his/her emotions and to be able to exhibit these emotions. The self-appraisal in the service industry is always necessitated as there is high amount of interaction with customers in service jobs. It is desirable to understand one's emotions before understanding others' emotions. OEA relates to an individual's ability to identify and understand the emotions of people around them. Lopes *et al.* believe that the ability to perceive and understand emotions has a direct influence on social interactions, as it helps individuals interpret internal and social cues. ROE is an individual's ability to manage his or her emotions. Côté and Miners noted that the ROEs influences the quality of social relationships, and in service jobs, this can affect task performance when dealing with customers. Finally, UOE refers to the ability of individuals to utilize their emotions by aligning emotions with productive activities. Creating positive emotions and having expectations are an integral component of customer care. Therefore, it is important for service employees to effectively generate emotions to create a positive service environment that contributes to customer satisfaction and future loyalty. Researchers have found the need of service employees to manage their emotions in order to manage emotions of the customers, and this is applicable across education industry to the hospitality industry.

LEADERSHIP AND EMOTIONAL INTELLIGENCE: A SYNTHESIS

The leader has a direct influence on the culture of work environment. Studies have found the impact of leader on the behavior of employees. However, it is still a major question to what extent do leaders and managers have a positive influence on their employees and on functions of organizations. Each of these factors influences emotional intelligence. At the same time, the HR functions of recruitment and selection, training and development, and management performance have a strong impact on leadership. The leadership has a direct influence on the extent to which HR functions are effective in helping to increase the EI of

organizational members. The high level of EI helps in identifying talents, delegation of roles accordingly and resolving the conflict amicably. The review of literature revealed mechanisms of EI and its synthesis with leadership. The mechanism includes the qualities given as under:

- Perception of others emotions: Accurate social perception allows individuals to gain considerable knowledge of other group members' attitudes, goals, and interests, which should enable influence by identifying, understanding, and addressing members' unstated needs and creating goals that might be accepted.
- Understanding of others emotions: EI members may improve the performance of their group. The ability to orchestrate one's emotions as per the need of the group helps in accomplishment of the group task, which in turn influences group performance.
- Manage emotions: The effective management of emotions enables a member to influence the group by changing other members' emotional reactions to particular courses of action; these influencers draw upon past experience and apply on them

EMOTIONAL INTELLIGENCE PROGRAM'S SUCCESS RESULTS

Primarily from two factors.

The first is how well it has navigated the three critical stages required for the successful implementation of an innovation: exploration, innovation, mutual adaptation, and institutionalization.

The second is the emotional intelligence of the program's implementers.

- **EXPLORATION:** During the exploration phase, a proposed innovative program or practice needs a champion, and that champion must be able to demonstrate that there is a critical need and that the innovation addresses that critical need. In addition, employees who are expected to adopt the new practice must be exposed to convincing evidence that they are capable of adopting the new practice. After all, what good is a perfect solution if nobody feels capable of implementing it? All three of these ingredients—a champion, demonstration that the innovation addresses a critical need, and convincing evidence that it can work—were present

in the case of the emotional competence program.

- **INNOVATION AND MUTUAL ADAPTATION:** Once a decision has been made during the exploration stage to pursue a change, teams have to be given considerable freedom to experiment and explore in order to innovate and adapt—that is, to discover what works. As general principles evolve, considerable flexibility is still needed to allow the innovator to adapt the innovation to meet the needs and resources of particular implementation sites and contingencies.
- **INSTITUTIONALIZATION:** Once a decision has been made during the exploration stage to pursue a change, teams have to be given considerable freedom to experiment and explore in order to innovate and adapt—that is, to discover what works. As general principles evolve, considerable flexibility is still needed to allow the innovator to adapt the innovation to meet the needs and resources of particular implementation sites and contingencies.

RECOMMENDATION

1. The implementation of psychometric testing at the time of recruitment and selection would definitely assist the organization to decide on the candidate with high emotional intelligence.
2. The standard training program on emotional intelligence would definitely facilitate the employee to execute better and right decisions.

CONCLUSION

This analysis of the implementation of the emotional competence program suggests a number of specific lessons and guidelines for those who wish to implement similar programs in large organizations.

1. Link the proposed program to a business need.
2. Secure the sponsorship of a powerful executive.
3. Provide program implementers with a high degree of autonomy and resources and a mandate to experiment.
4. Establish the program on a strong research base.
5. Monitor the program closely to ensure high quality.

6. Infuse the program throughout the organization.
7. Make sure the implementers have the emotional competencies that contribute to effective performance.

Role of EI in achieving organizational effectiveness is very significant, and it is reiterated in studies carried out across the globe. However, assessment and predictability of EI leading to success is still a very important issue to be addressed. Available literature suggests that facets of EI align well within the framework of achieving goals of the organization and ultimately leading to job satisfaction.

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A STUDY ON QUALITY OF WORK LIFE BALANCE AT KARNATAKA MILK FEDERATION, MYSORE

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Abstract

In organizations and on the home front, the challenge of work life balance is rising to the top of many employers and employee's consciousness. It leads to opportunity to grow and learn with workplace trends. This article provides human resource professionals with an historical perspective, data and possible solutions for organizations and employees alike to work life balance. Three factors global competition, personal lives, family values, and an aging workforce present challenges that exacerbate work life balance. This article offers the perspective that human resource professionals can assist their companies to capitalize on these factors by using work life initiatives to gain a competitive advantage in the market place. Work-life balance has always been a concern of those interested in the quality of working life and its relation to broader quality of life.

Keywords: *Work life balance, attitude, competition, quality.*

INTRODUCTION

Work-life balance is about creating and maintaining supportive and healthy work environments, which will enable employees to have balance between work and personal responsibilities and thus strengthen employee loyalty and productivity. Numerous studies have been conducted on work-life balance. According to a major Canadian study conducted by Lowe (2005), 1 in 4 employees experience high levels of conflict between work and family, based on work-to-family interference and caregiver strain. If role overload is included, then close to 60 percent of employees surveyed experience work-family conflict. Of all the job factors that influence work- life conflict, the amount of time

spent at work is the strongest and most consistent predictor. The higher levels of work-to-family conflict reported by managers or professionals often are a function of their longer work hours. Other reasons include: job security, support from one supervisor, support from co-workers, work demands or overload, work-role conflict, work-role ambiguity, job dissatisfaction, and extensive use of communication technology that blurs the boundaries between home and work.

The children, housework, volunteering, spouse and elderly parent care and this places stress on individuals, families and the communities in which they reside. Work-life conflict is a serious problem that impacts workers, their employers and communities. It seems that this problem is increasing over time due to high female labor force participation rates, increasing numbers of single parent families, the predominance of the dual-earner family and emerging trends such as elder care. It is further exasperated with globalization, an aging population, and historically low unemployment. Work/Life Balance in the Relief World in the “relief world,” comprised of organizations with employees and volunteers that provide service and care to communities in need locally and worldwide, the demands of an aging population in the coming decade are increasing the current strong competition for qualified individuals upon which relief organizations depend. “Not only will there be fewer young, keen and free-to-travel individuals who will want to be convinced that agencies are caring, „best-practice“ employers, but more skills and experience will be possessed by older staff likely to have families and other commitments and thus different priorities for their work/life balance.”²⁶ Therefore, organizations that provide relief services may experience increasing difficulty staffing and retaining employees due to the pull of family commitments at home. Furthermore, the challenges of work/life balance will no doubt impact recruitment, retention and willingness to serve in hardship locations. In view of these factors, voluntary organizations and aid agencies whose missions and services are critical in many parts.

Today’s workers have many competing responsibilities such as today’s fast-paced society, human resource professionals seek options to positively impact the bottom line of their companies, improve employ morale, retain employees with valuable company knowledge, and keep pace

REVIEW OF RELATED LITERATURE

Has (2015). this study is conducted on “A Report On the Importance of Work-Life Balance” As a noun, a balance is a set of scales, a weighing apparatus; it is also the regulating gear in clocks. If we use the scales, then balance occurs when there is “an equal distribution of weight or amount” (OED); but this presents problems for work-life balance since both sides may be very heavy or very light. Furthermore, the type of work-life balance sought by many may not imply equal weight on both sides. However balance also has a physical and psychological meaning as “stability of body or mind”

Subrahmanyam (2006), this study is conducted on “The Importance of Work-Life-Balance” Balance in work and family life is an emerging challenge for both employees and employers. This conceptual paper on WLB gives a framework on the meaning and importance of WLB in current scenario. It throws light on the effects of poor WLB and also gives suggestions to overcome those obstacles. Also views on WLB by both the organization and the employees are highlighted in this paper. This pays way for the reader to have an in-depth knowledge about the necessity of balancing one’s own work life and personal life and there by gives opportunities to bring out further research on this topic.

Muthukumar and Savitha (2017) this study is conducted on “Work Life Balance” The article discusses the significance of work-life balance of an employee and tries to provide some solutions to this contemporary globe crisis which demands for greater stability in the corporate world. It also reflects on the factors influencing work-life balance and on the solutions entailing wider scope for employers and employees to relate the same and attain optimum results and satisfaction in their lives. This could appropriately be understood as the harmony between office and personal life.

Yadav and Rani (2018) this study is conducted on “Work life balance: challenges and opportunities” This paper focuses on the challenges and opportunities of work life balance in the Indian companies. An intersection of authoritative trends in the early 21st century is pressuring employers to re-think their people practices. Definitely, the timing seems accurate to make the excellence of work life a strategic focus for business, as well as a public policy priority. These challenges (workforce aging, increasingly competitive labor market, information technology and increasing benefit costs) generate new potential for

employers to attain organizational performance goals while simultaneously meeting workers' individual aspirations. At the same time, plentiful employees are experiencing an abridged quality of work life. This is reflected most notably in work-life imbalance and job stress. Work life & personal life are the two sides of the same coin. In the world full of difficulties, inconsistent Job responsibilities & family responsibilities work life balance has become a major issue in the workplace.

Sheikh (2019) this study is conducted on "Impact of Work and Home Demands on work Life Balance: Mediating Role of Work Family Conflicts" The objective of the research is to find out the mediating relationship of work family conflict with Work life balance on work demand and home Demand among female doctors in the hospitals of Sialkot and also to find out the reasons of these conflict and their solutions Previous Research shows that the most of the researchers conclude that the women professionals face more work family conflict because they have to do dual responsibilities of their work as well as for their home along with the job requirements. Quantitative technique is used for data collection. For this purpose, the questionnaire is distributed to 300 female doctors in two districts of Sialkot. 179 questionnaires were received from female doctors of private hospitals and 121 from female doctors of government hospitals. Statistical package for social sciences (SPSS) is used for ANOVA, T test, correlation and regression analysis. Multiple regression analysis is used for testing of simple hypothesis and Barron and Kenny (1986) model is used for mediation analysis.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To identify the major factors that influences the Quality of Work Life of employees; To find out how quality of work life leads to high satisfaction of the employees; and
2. To offer suggestions in the light of the study.

RESEARCH METHODOLOGY

This study is based on both primary and secondary data. Primary data were collected through a questionnaire. Secondary data collection was done through relevant publications and web sites. The population of the research was the entire KMF. For the convenience of conducting the research it was restricted to 100 employees, as the sample used was convenient sampling method. The statistical tools used for analysis of data are chi square, mean, standard deviation.

ANALYSIS AND INTERPRETATION

Table No.1 represents the demographic profile of respondents. Moderate number of 79 belongs to male respondents and 21 are females. It represents that majority are female respondents compared to male respondent. Based on age pattern of respondent majority of 34 respondents are belong to age group of less than 30 years. And 28 respondents are less between 30-40 years and remaining respondents are above 40. Educational qualification of the respondents 48 respondents belongs to Graduates and 29 respondents are belonging to post graduates. Income level of below 100000 to 200000 this group of workers is more. It is clear from the table that the calculated P value is less than 0.05 in case of gender, qualification and marital status, which indicates that stated null hypothesis to be rejected and alternative hypothesis to be accepted.

Table 1: Demographic Profile

Particulars	Frequency	Chi-Square	Sig.	Hypothesis (H0)
Age Pattern:				
a) Less than 30 years	34	6.800	0.079	Accepted
b) Between 30-40 years	28			
c) Between 40-50	22			
d) Above 50 years	16			
Gender				
a) Male	79	33.640	0.000	Rejected
b) Female	21			
Qualification:				
a) PUC	23	9.140	0.010	Rejected
b) Graduates	48			
c) Post Graduates	29			
Marital Status				
a) Married	68	12.960	0.000	Rejected
b) Unmarried	32			

Income:				
a) Below -100000	22			Accepted
b) 100000-200000	40	5.840	0.054	
c) Above 200000	38			

Table No 2 shows Safe and Interested Factor. The Safe and Interested factor includes it Necessity of physical safe in work, building of experience, it leads to increase of stress, it leads to personal problems, Better career opportunity and It leads to raise the voice. The highest mean value was assigned to It leads to increase of stress and their respective value is 3.25. This was followed by Necessity of physical safe in work, it leads to raise the voice, Better career opportunity and Building of experience and their mean value is 2.75, 2.66 and 2.43 respectively. The lowest mean value assigned to It leads to personal problems and the mean value stood at 2.33. There was significance difference between the variables of Safe and interested factor to conclude the majority of respondent were given more weightage for Necessity of physical safe in work than other variables.

Table 2: Safe and Interested Factors

Particular	Mean	SD	't' Value	Sig.	Result
Necessity of physical safe in work	2.75	1.417	19.409	0.000	Rejected
Building of experience	2.43	1.320	18.408	0.000	Rejected
It leads to increase of stress	3.25	1.381	23.537	0.000	Rejected
It leads to personal problems	2.33	1.288	18.097	0.000	Rejected
Better career opportunity	2.43	1.257	19.326	0.000	Rejected
It leads to raise the voice	2.66	1.335	19.925	0.000	Rejected

Table No 3 shows Valuable and Workplace Factor. The Valuable and Workplace factor includes Compensation is fair, it leads to satisfaction, it leads to job security, it leads to

Table 3: Workplace Factors

Particular	Mean	SD	't' Value	Sig.	Result
Compensation is fair	1.91	0.842	22.684	0.000	Rejected
It leads to satisfaction	2.49	1.275	19.526	0.000	Rejected
It leads to job security	2.17	1.111	19.539	0.000	Rejected
It leads to safety at work	2.26	1.268	17.820	0.000	Rejected
It leads to opportunity to grow and learn	2.70	1.460	18.494	0.000	Rejected

Source: Primary data.

safety at work and It leads to opportunity to grow and learn. The highest mean value was assigned to It leads to opportunity to grow and learn and their respective value is 2.70. This was followed by It leads to satisfaction, it leads to safety at work, it leads to job security and their mean value is 2.49, 2.26 and 2.17 respectively. The lowest mean value assigned to Compensation is fair and the mean value stood at 1.91. there was significance difference between the variables of Valuable and Workplace factor to conclude the majority of respondent were given more weightage for It leads to opportunity to grow and learn than other variables

Table No 4 shows Proud and Acknowledged factor. The proud and acknowledged factor includes it leads proud-ness, it leads to make good friends, it has flexible hours, we have work place unity, superior appreciate our works and It leads to work valuable. The highest mean value was assigned to It leads to make good friends and their respective value is 2.78. This was followed by we have workplace unity, it has flexible hours, it leads to proud-ness and It leads to work valuable and their mean value is 2.69, 2.27, 2.13 and 2.07 respectively. The lowest mean value assigned to Superiors appreciates our work and the mean value stood at 2.02. There was significance difference between the variables of Proud and Acknowledgement. To conclude the majority of respondent were given more weightage for we have workplace unity than other variables.

Table 4: Proud and Acknowledged Factor

Particular	Mean	SD	't' Value	Sig.	Result
It leads to proud-ness	2.13	1.134	18.783	0.000	Rejected
It leads to make good friends	2.78	1.360	20.438	0.000	Rejected
It has flexible hours	2.27	1.286	17.652	0.000	Rejected
We have workplace unity	2.69	1.447	18.586	0.000	Rejected
Superiors appreciates our work	2.02	1.025	19.712	0.000	Rejected
It leads to work valuable	2.07	1.027	20.147	0.000	Rejected

Source: Primary data.

FINDINGS OF THE STUDY

- The majority of employees feel more secured in their workplace.
- The finding of the investigation enlightens high stress among the employees.
- The employees are satisfied with the HR policies of the company and feels it more

comfortable.

- The employees expressed their reservation on compensation & the work load they experience.
- The employees feel more uncertainty in the career growth.

SUGGESTIONS

- In this competitive world, educational qualification & Training is an essential impact. Provide even more good physical working condition.
- By providing extra pay during festivals will increase worker's morale.
- Company should consider the comments and suggestions and end role them in some of the decision making which also increases the QWL.
- If there are some shifts in the company it may help workers to less down their stress level and can make them more oriented towards the work

CONCLUSION

Quality of work life plays a vital role in the employee's retention & job satisfaction of the employees. Quality of work life enhances the effectiveness of the service provided by the organization. QWL practices in KMF has increased employee's satisfaction & Retention of employees in the organization, which is very challenges for the administration Physical safety, Work is valued, Good Workplace, Appreciation at work Acknowledge Gaining Experience in their job and good friends at the work place. This study focused on identifying the factors that associated with employees' satisfaction and their quality of work life. More specifically the study was held to identify the factors of quality of work life. Impact of QWL and employees' satisfactions.

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THE IMPACT OF EMOTIONAL INTELLIGENCE IN THE WORKPLACE

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Abstract

The purpose of this paper is to understand and analyse the fact of whether Human Resource (HR) professionals should possess emotional intelligence or not, it's a fair question in today's working environment especially when potential and current employees allow emotion to be a large part of their decision-making process when it comes to their employer and their daily lives. There are lots of examples where emotional intelligence plays a part whether realized or unrealized. One such example is the candidate experience. There is a push to make sure potential employees have a good experience or maintain a good feeling about the company. Another example would be the expectations that exist between leaders/managers and employees. This is often referred to as the psychological contract. From this research, in short we found out that emotional intelligence/quotient (EQ) is a much more important skill now than it has ever been before. Having said that, now, it's easy to discern why Emotional Intelligence is now such a critical part of work for human resources professionals, leaders and managers. The objective behind this research is to collect and analyse data of opinions of working people towards the necessity of emotional intelligence over (IQ) in the workplace

Keywords: *Emotional Intelligence, Workplace, Human Resource, Skills, Social Competencies, Personal Competencies, Intelligence Quotient.*

Introduction

“A leader with all favorable skills and unfavorable will is the sole reason for the downfall of an Organisation”

Broadly speaking, Emotional Intelligence refers to someone's ability to perceive, understand and manage their own feelings and emotions. Psychologist Daniel Goleman says it has five core components

1. Self-awareness – the ability to recognize and understand your moods and emotions, and how they affect others.
2. Self-regulation – the ability to control impulses and moods, and to think before acting
3. Internal (or intrinsic) motivation – being driven to pursue goals for personal reasons, rather than for some kind of reward.
4. Empathy – the ability to recognise and understand others' motivations, feelings and mood swings which is essential for building and leading teams successfully.
5. Social skills – the ability to manage relationships and build networks.

Nearly three-quarters (71%) of hiring managers surveyed by the career builder in 2011 said they valued an employee's Emotional Quotient (EQ) over their Intelligence Quotient (IQ). A further three-quarters (75%) said they would be more likely to promote an employee with high Emotional intelligence. More than half (59%) said they wouldn't hire a candidate with a high Intelligence Quotient and low Emotional Quotient.

Employers may also use EQ as part of their assessment of which employees have leadership potential, or who is next in line for a pay rise or promotion. Writing for Forbes in 2014, Travis Bradberry, author of Emotional Intelligence 2.0, said that "Of all the people we've studied at work, we've found that 90% of top performers are also high in emotional intelligence. On the flip side, just 20% of bottom performers are high in emotional intelligence. You can be a top performer without emotional intelligence, but the chances are slim."

While leaders and managers with a higher EQ can help teams to collaborate more effectively and identify the specific drivers that motivate individual employees, teams can also develop an emotional intelligence all of their own. Like people say "Businesses depend on the people who work for them to be highly engaged, to be able to adapt quickly to internal and external changes, and to show fresh thinking and come up with new ideas," There is a direct correlation between success in the workplace and emotional intelligence (EQ). What is emotional intelligence and why is it important in the workplace? EQ is one's ability to cope with daily situations and to get along in the world, to recognize one's own feeling and those of other people, and to be able to motivate oneself and others. EQ is also believed by many as a measure one's effectiveness in the workplace.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows;

1. To understand and analyses the Importance of Emotional Intelligence in Human Resource Management.
2. To find out the impact of Emotional Intelligence in the workplace.
3. To understand the role of Emotional Intelligence in Leadership.
4. To understand the role of Emotional Intelligence in Business Today and in the Future.
5. To understand the impact of proper relationship management.

EMOTIONAL INTELLIGENCE

Emotional intelligence (also known as ‘emotional quotient’, or EQ) was ranked sixth in the World Economic Forum’s list of the top 10 skills that employees will need to possess to thrive in the workplace of the future.

It also refers to having the ability to recognize and understand emotions and their impact on behavior and attitudes. Those who have a high degree of emotional intelligence are in tune with both their own emotions and the emotions of other people with whom they come in contact.

Broadly speaking, EQ refers to someone’s ability to perceive, understand and manage their own feelings and emotions.

EQ affects the everyday decisions employers make, such as promoting, hiring and firing employees.

Developing managers’ emotional intelligence in the workplace can reap rewards, but, in practice, there are issues that HR and managers need to be aware.

This is not surprising, given that our feelings can be complex, ambiguous, changing, contradictory, subjective and subconscious.

Emotional Intelligence training has been enthusiastically embraced by UK based companies over the last 20 years. This groundswell of interest revolves around its association with transformational leadership, resilience and being stress-fit. Emotional Intelligence is also the hallmark of enterprising business behaviors and excellent customer service.

In a supportive training environment, developing one's Emotional Intelligence offers opportunities for better self-understanding, successful management of emotions and thoughts, empathy and improved social relationships. However, despite Emotional Intelligence's longevity in business, some new themes are surfacing that have implications for HR best practice training and development. There are various key elements when it comes to Emotional Intelligence, some of which are described below;

SELF-AWARENESS

Frequently, leaders don't see a need to control their emotions because they've reached their lofty position without doing so—and their teams are afraid to clue them in.

A 360-degree feedback process can help pinpoint problem areas. The assessment, which uses input from supervisors, colleagues and subordinates, is often eye-opening.

A more low-profile approach is to simply ask trusted colleagues.

“It's good for all leaders to get some honest feedback,” says Cheeriness, noting that some companies are requiring executives to focus on emotional intelligence as part of their leadership development programs.

Self-Awareness include the following

- Intuition and empathy
- Political acumen and social skills

Intuition and empathy are important in the workplace because those lead to a better understanding of other's feelings, people development and leveraging diversity. When it comes to political acumen and social skills. These skills are important as it helps in communication, leadership, conflict resolution and collaboration and cooperation among other things.

Self-awareness is important because it helps promote emotional awareness, accurate self-assessments and self-confidence. Reasons for self-regulation include several areas such as self-control, adaptability and innovation. Finally, self-expectation and motivation are important because it provides drive, commitment and optimism among other things.

SOCIAL AWARENESS

Social Awareness is the ability to take the perspective of and empathize with others from diverse backgrounds and cultures, to understand social and ethical norms for behavior, and to recognize family, school, and community resources and supports. People without this skill don't understand that, in social interactions, they need to focus more on the other person than themselves. They miss important cues because they're always thinking about what they will say next.

Those prompts can be particularly subtle with subordinates, who often defer to authority and may be reluctant to share what's on their mind directly. Learning to read nonverbal signals can provide clues about what they're feeling.

RELATIONSHIP MANAGEMENT

Relationship management is a strategy in which an organization maintains an ongoing level of engagement with its audience. This management can occur between a business and its customers Business to Customer or between a business and other businesses (Business to Business). Relationship management aims to create a partnership between an organization and its patrons, instead of viewing the relationship as merely transactional.

Relationship management involves strategies to build client support for a business and its offerings, and increase brand loyalty. Most often, relationship building occurs at the customer level, but it is valuable between businesses as well.

A business may hire a relationship manager to oversee relationship building or it may combine this function with another marketing or human-resources role. Building a relationship with clients yields rewards for all parties. Consumers who feel that a company is responsive to their needs likely will continue to use that company's products and services.

A company's reputation for responsiveness and generous post-sales involvement can often stimulate new sales. Maintaining communication with consumers lets a company identify potential problems before they come to a costly head.

EQ CONTRIBUTES TO OVERALL CAREER DEVELOPMENT

EQ affects the everyday decisions employers make, such as promoting, hiring and firing employees.

Nearly three-quarters (71%) of hiring managers surveyed by career builder in 2011 said that they valued an employee's EQ over their IQ. A further three-quarters (75%) said they would be more likely to promote an employee with high emotional intelligence. More than half (59%) said they wouldn't hire a candidate with a high IQ and low EQ.

Employers may also use EQ as part of their assessment of which employees have leadership potential, or who is next in line for a pay rise or promotion. Writing for Forbes in 2014, Travis Bradberry, author of Emotional Intelligence 2.0, said that "Of all the people we've studied at work, we've found that 90% of top performers are also high in emotional intelligence. On the flip side, just 20% of bottom performers are high in emotional intelligence. You can be a top performer without emotional intelligence, but the chances are slim."

According to Goleman's model, those with a higher EQ have a greater ability to self-regulate, and higher levels of motivation – which can in turn reduces their tendency to procrastinate, leads to improved self-confidence, and enables them to focus on achieving long-term goals.

While leaders and managers with a higher EQ can help teams to collaborate more effectively and identify the specific drivers that motivate individual employees, teams can also develop an emotional intelligence all of their own.

Even when it comes to industrial Projects, the most effective teams are emotionally intelligent ones – and that any team can attain emotional intelligence... By working to establish norms for emotional awareness and regulation at all levels of interaction, teams can build the solid foundation of trust, group identity, and group efficacy they need for true cooperation and collaboration – and high performance overall.

EMOTIONAL INTELLIGENCE AND BUSINESS

Emotional intelligence involves being sensitive to and perceptive of other people's emotions, and having the ability to intuitively facilitate improved performance based on this knowledge. The modern workplace is characterized by open communication, team work, and a mutual respect among employees and their supervisors. Possessing emotional intelligence allows managers to better understand and motivate people they supervise.

Emotional intelligence bears an important impact on self-development of the manager and his leadership qualities. Practicing activities that support EQ behavior illuminate's positive effects that can be observed and measured by higher productivity. Its impact is visible in building positive relations and gaining emotional commitment of employees. At a higher level this strengthens organizational culture, sharpens its resilience and stretches its flexibility, both in the long run lead to greater competitive advantage in the market. Empathic communication between CEOs and employees develops a culture of trust that increases synergy among team members. Synergy stimulates employees' creativity, which is essential in developing new solutions and forming innovative responds to the increasingly complex demands of learning society.

Individuals who come from the old school philosophy of management by intimidation often find it challenging to adapt their management style to the demands of today's workers. In the modern business environment, authoritarian managers are much less likely to be successful for the long term than those who utilize a democratic style of management. If you want to succeed in the business world now and in the future, it's important that you understand the role of emotional intelligence in business today.

MANAGEMENT AND EMOTIONAL INTELLIGENCE

Managers who possess emotional intelligence approach supervisory responsibilities from a different perspective than authoritarian managers. They understand the importance of communicating effectively with staff members, and of treating each employee with respect. Those who want to be effective 21st century managers are well served by developing a deeper understanding of the concept of emotional intelligence and applying it to their management strategies.

LEADERSHIP AND EMOTIONAL INTELLIGENCE

Managers who have outstanding leadership qualities tend to possess emotional intelligence. It's important to realize that leadership isn't an inherent part of being in a position of authority. Leadership is something that employees bestow upon the most effective managers, and is reserved for individuals with high standards of integrity and outstanding communication skills.

An individual who is in tune with his or her own emotions is much more likely to be able to understand and empathize with the emotions that impact the attitudes and behaviors of others. This is why emotional intelligence is so valuable for managers. It's essential for managers who want to be viewed as leaders to remember that actions speak louder than words. This is something that individuals who possess a high degree of emotional intelligence seem to inherently understand.

Supervisors who take the time to get to know and really listen to their employees are utilizing emotional intelligence as a management strategy, whether or not they realize they are doing so. Most employees respond best to managers who treat them as individuals who deserve respect. When you take the time to focus on an employee's needs and make yourself accessible to them, that's exactly what you're doing.

ROLE OF EMOTIONAL INTELLIGENCE IN BUSINESS AT PRESENT AND FUTURE

It's likely that emotional intelligence is going to continue to become even more important in the business world in the future than it is today. As the baby boomer population

approaches retirement age, companies are going to find themselves dealing with labor shortages the likes of which have never been seen before.

In an economy characterized by scarce labor, it's going to become increasingly important to hold on to the good employees. At the same time, competition for the best employees is going to become even fiercer, and good workers who feel they aren't treated fairly at work will have an easy time finding employment elsewhere.

The best way to hold on to the employees that you want to keep is to incorporate emotional intelligence into your personal and organizational management philosophy. Managers and business owners can't let themselves lose sight of the fact that their employees are people, with real lives and emotions that impact how they think, feel, and act. Managers with emotional intelligence understand that their staff members are people first and workers second.

EMOTIONAL INTELLIGENCE IS NOT FOR EVERYONE

There is a flip side to the emotional intelligence coin.

A new study from Manchester Metropolitan University and Emlyon Business School in France says managers with a "high level of emotional intelligence is more likely to be unpopular and ineffective when compared with their peers."

For the study, researchers asked staff members to rate their managers' level of empathy and emotional awareness. What they found is emotional intelligence works up to a certain point and then it becomes ineffective and can actually have a negative impact.

CONCLUSION

Going back to the beginning of this piece, we asked the question: should HR professionals possess emotional intelligence? The answer is yes. There are significant reasons HR professionals should be well versed in emotional intelligence. In fact, companies tend to lean toward people who are "people smart" over those who are "book smart." It's not to say academic intelligence is unimportant. It just means that workers need to have a better

understanding of themselves emotionally and their fellow co-workers and be able to find that balance between their human side and their professional/work side.

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EMPLOYEE RETENTION STRATEGIES

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Abstract

In the paper main focus is given on employee attrition what are the causes for young employees leavening the job opportunity. The IT employees are taken to understand the reason for attrition. It is found that most of the employees who work in IT organization do not stick to one organization /company for a long time. This issue has been in the business from post LPG. An attempt is made to understand what are reason for change of job, what are the factors influencing the attrition, what are the retention strategy used by the companies to retain them in the organization /companies. Both primary and secondary data were taken in this paper. Thirty three samples were taken for the paper. Compensation /monetary rewards play an important role attrition and retention of the employee in the organization/company.

Key words: *Employees, Attrition, Retention and compensation.*

INTRODUCTION

Most of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. They are the most vital and dynamic resources of any organization. With all round development in each and every area of the economy, there is stiff competition in the market. Whenever the economy picks up, it will have positive impact on the job market resulting in more employment options. This would lead to high turnover rates. As more and more organizations pass through rapidly changing complex business environment, their employees feel uncertain about the future. The rules of the game keep changing.

The expectations of the management goals and priorities change very often. This would put heavy pressure on the employees which leads to increased stress, demoralization, and absenteeism, decreased productivity, this all will affect the rate of employee retention. Since people are the most valuable assets, losing them costs money to the organization.

Surprisingly, many companies do not make any effort to reduce employee turnover or find out why employees leave and most of them do not rely on any resources to why employee leave. Companies increasingly finding it difficult to retain talents. Attracting the best talent is one part where as retaining them is another challenge.

SURVEYS ON EMPLOYEE RETENTION

Retention/turnover was the top workforce management challenge cited by 47% of HR professionals in the SHRM/Glob force survey Using Recognition and Other Workplace Efforts to Engage Employees. Retention of high performers was among the top five workforce challenges identified in the Talent Practices Impact Survey conducted by Hewitt (2008); it is a major workforce challenge that CEOs worry about according to The Economist Intelligence Unit (2012); and it is one of the top two people issues of organizations according to Human Capital Trends Study 2014 of Deloitte Consulting (Schwartz, Bersin, & Pelster, 2014). In addition, a survey by Tower Watson (2011) found that almost 30% of companies struggle with the retention of their talented employees.

A study by Employee Benefits News states that the average cost of losing an employee is a staggering 33% of their annual salary. You haven't just lost talent or time – you've lost valuable funding for your company. When recruitment fees, training, and lost productivity are considered, a high turnover rate can have crippling financial implications for a business. Why not retain your employees, funds, and time by ensuring their happiness.

LinkedIn data from 2017 shows a worldwide turnover rate of 10.9 percent; the tech sector showed the most volatility with 13.2 percent turnover rate, based on LinkedIn member data. Certain areas within the tech sector showed even higher turnover rates, which could indicate an increased demand for these skills, according to LinkedIn.

” According to Michael Booz, writing for the LinkedIn Talent Blog”.User experience designers had extremely high turnover at 23.3 percent (they're also extremely in-demand), with both data analysts and embedded software engineers at 21.7 percent..

People are increasingly important in our digital information economy,” says Geoff Ho, Director of Organization Development at Rogers Communications. “Any company can be the next Google or Apple with the right people, culture, and set of HR practices in place.

“If you get people right, you're going to have the best innovation, best technology, and best products.”

SHRM (Society of Human Resources Management) says that direct replacement costs can reach as high as 50%-60% of an employee's annual salary.

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain the employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

A distinction should be drawn between low-performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees. Employee turnover is a symptom of deeper issues that have not been resolved, which may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many other issues. A lack of job satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large role in inducing turnover as is typically believed.^[2]

In a business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organizational knowledge. By implementing lessons learned from key organizational behavior concepts, employers can improve retention rates and decrease the associated costs of high turnover. However, this isn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees whom they consider to be high performers.

In today's environmental conscious behavior society, companies that are more responsible towards environment and sustainability practices can attract and retain employees. Employees like to be associated with companies that are environmentally friendly

J.Pavithra1 et .al. 2018 conducted the research in PHILIPS ELECTRONICS INDIA LIMITED” Chennai related to EMPLOYEE RETENTION sample size is 150 descriptive study is adopted in the studies. The results reveals that employee leave organization to get better compensation and good work environment if they are provided employees can hold for long time in the organization.

Balamurugan et al(2016), has done the survey on employee retention strategies in leading IT companies at Trichy by taking 150 samples from IT company. Descriptive study is

adopted in the studies to discuss about the topic. The results shows that three retention variables which influences most for retaining employees are Career advancement and opportunities, Superior support, Work environment.

Bidisha Lahkar Das et.al (2013), author opines that factors like compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, flexible working hours etc. Play a major role in retaining the employee in the organization for long time.

RESEARCH METHODOLOGY

Descriptive method has been used in the paper.

SCOPE OF THE STUDY

The scope of the study is confined to the IT Company located in electronic city Bangalore only.

SOURCE OF DATA

Data was collected from both primary and secondary sources. Primary data was collected through structured questionnaire methods. The secondary data was extracted from different publishers and websites.

SAMPLE DESIGN

Non Probability sampling technique was used for the paper. Convenient random sampling had been used.

SAMPLE SIZE

Thirty three convenient samples were taken for the study.

SURVEY REPORTS.

Pay Scale research found that only 1 in 5 employees feel like they're fairly paid, and this can make or break your company culture. Many employees leave because they get a better offer from another company. Ultimately it could cost you more to find another employee

than it would to simply give them a pay raise. Not to mention the knowledge drain that comes with losing a valuable employee.

If you find your salaries are lower, make a 3-year plan to get them where they need to be. SHRM says it's crucial to close the pay gap between genders to keep engagement high, and that organizations must correct the cause of the disparity to prevent it from happening again in the future.

Table: 1

Descriptive Statistics				
Sl.No	Reasons for change of job	N	Mean	Std. Deviation
1	Able to get Better Salary Elsewhere	33	2.79	1.495
2	Having Issues with Co-worker	33	2.36	1.365
3	Working in Shifts becomes problematic	33	2.42	1.119
4	Better Job Opportunities elsewhere	33	2.79	1.431
5	Problems with manager and higher authority	33	2.61	1.248
6	Health issues become major constraint	33	2.21	1.139
7	My Job Expectation is not matched	33	2.15	1.372
8	Difficult to balance family pressure	33	2.30	1.212
9	Difficult to adjust with local Culture	33	2.58	1.091
10	Existence of inadequate career prospects	33	2.45	1.371
	Valid N (listwise)			

From the above **Table 1**, it can be seen that there are 10 reasons for change of job for which the mean and standard deviation was tabulated. The most important reason for change of job will have highest mean. Accordingly, the prominent statements specifying the reasons for change of job were:

Able to get better Salary elsewhere 2.79, employees give more importance to monetary rewards.

Better Job Opportunities elsewhere 2.79, Young IT employees also look out more of mobility and monetary rewards in the job.

Problems with manager and higher authority 2.61.employees look out for a leader rather than a manager in the companies.

The below given literature review table shows that most of the employees are preference or importance given in the table for the change of job in the company or organization.

Table :2

Factors	Authors	Findings	Year
Compensation	C.O. Trevor, B. Gerhart, J.W. Boudreau.	Voluntary turnover and job performance: curvilinear and the moderating influences of salary growth and promotions	1997
	D.Davies, R. Taylor, C. Savery.	The role of appraisal, remuneration and training in improving staff relations in the Western Australian accommodation industry: A comparative study.	2001
	DG Gardner, L Van Dyne, JL Pierce.	The effects of pay level on organization-based self-esteem and performance: a field study.	2004
	GM Milkovich, JM Newman.	Compensation (8th ed.).	2004
	E Moncraz,,J.Zhao, and C.Kay.	An exploratory study on US lodging properties, organizational practices and employee turnover and retention.	2009
Reward and Recognition	N.C. Agarwal	Reward Systems: Emerging Trends and Issues	1998
	J.W. Walker	“Perspectives” Human resource planning	2001
	L.T. Silbert	The effect of Tangible Rewards on Perceived Organizational Support.	2005
Promotion and opportunity for Growth	M. R. Pergamit, and J. R.Veum.	What is a promotion?”	1999
	Meyer, John, Laryssa Topolnytsky, Henryk Krajewski and Ian Gellatly.	Best Practices: Employee Retention	2003
	B.J. Prince.	Career-focused employee transfer processes.	2005
	L. Eyser, R Johnson and E. Toder .	Current strategies to employ & retain older workers.	2008
Participation in Decision Making	P.Hewitt	High Performance Workplaces: The Role of Employee Involvement in a Modern Economy	2002
	Y. Noah	A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria	2008

Work-Life balance	J. Hyman and J. Summers	“Lacking balance? Work-life employment practices in the modern economy”	2004
Work environment	N. Miller, A. Erickson & B. Yust.	Sense of place in the workplace: The relationship between personal objects and job satisfaction and motivation.	2001
	M.Wells & L. Thelen	What does your workspace say about you? The influence of personality, status and workspace on personalization.	2002
	S. Ramlall	Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness.	2003
Training and development	M. Messmer	Orientations programs can be key to employee retention.	2000
	A. Tomlinson	High Technology workers want Respect	2002
	P. Garg & R. Rastongi	New model of job design motivation employees Performance.	2006
	L.W. Handy	The importance of the work environment variables on the transfer of training	2008
Leadership	R.Eisenberger, P. Fasolo, , & V. Davis-LaMastro	Perceived organizational support and employee diligence, commitment, and innovation.	1990
	McNeese-D.Smith	Job Satisfaction, Productivity, and organizational commitment.	1995
	Y. Brunetto, R .Farr-Wharton	Using social identity theory to explain the job satisfaction of public sector employees.	2002
	Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen	Applying Structural Equation Model to Study of the Relationship Model among leadership style, satisfaction, Organization commitment and Performance in hospital industry.	2009
Job-Security	J.C.Abegglen	The Japanese Factory. Aspects of Its Social Organization	1958
	S. Ashford, C .Lee, & P. Bobko	Content, causes, and consequences of job insecurity: A theory-based measure and substantive test.	1989
	J. Davy, A. Kinicki, C. Scheck	Developing and testing a model of survivor responses to layoffs.	1991
	Z. Rosenblatt, A. Ruvio	A test of a multidimensional model of job insecurity. The case of Israeli teachers.	1996

RETENTION STRATEGIES

- ❖ Career Development – It is important for employees to understand their career path within an organization to motivate them to remain in the organization

- ❖ Executive Coaching – Executive coaching can be used to build competencies in leaders within an organization. Coaching can be useful in times of organizational change, to increase a leader's effectiveness
- ❖ Motivating Across Generations – Today's workforce includes a diverse population of employees from multiple generations. As each generation holds different expectations for the workplace, it is important to understand the differences between these generations regarding motivation
- ❖ Orientation and Onboarding – An employee's perception of an organization takes shape during the first several days on the job and continues throughout their first six months, with 90% of employees still deciding whether or not to stay at the organization during this time.
- ❖ Women's Retention Programs – Programs such as mentoring, leadership development and networking that are geared specifically toward women can help retain top talent and decrease turnover costs.
- ❖ Exit Interview and Separation Management Programs
- ❖ Employee Surveys –It is important for organizations to understand the perspective of the employee in order to create programs targeting any particular issues that may impact employee retention.
- ❖ Exit Interviews –Exit interviews allow the organization to understand the triggers of the employee's desire to leave as well as the aspects of their work that they enjoyed.
- ❖ Employee Retention Consultants –Consultants can provide expertise on how to best identify the issues within an organization that are related to turnover.
- ❖ Recruitment – Presenting applicants with realistic job previews during the recruitment process have a positive effect on retaining new hires.
- ❖ Socialization – Research has shown that socialization practices can help new hires become embedded in the company and thus more likely to stay.
- ❖ Training and development – Providing ample training and development opportunities can discourage turnover by keeping employees satisfied and well-positioned for future growth opportunities.

- ❖ Compensation and rewards – the organizations can lead the market with a strong compensation and reward package as 53% of employees often look elsewhere because of poor compensation and benefits.
- ❖ Effective Leaders –Supervisors need to know how to motivate their employees and reduce cost while building loyalty in their key people.
- ❖ Employee Engagement –Engaged employees give their companies crucial competitive advantages, including higher productivity and lower employee turnover.

We surveyed 13,551 employees for our 2020 Global Employee Experience Trends report and found that regular listening has a huge impact on employee engagement and employee retention. Our 2020 Global Employee Experience Trends report found that the number 1 driver of engagement is opportunities for growth and development (62%).

CONCLUSION

The paper tried to examine these are the causes of attrition reason for change of job and some of the most predominant strategy adopted by the organization to prevent employees from change of job. It clearly indicates that monetary rewards play a vital role for employees to change the job. the Herzberg theory and Theory X of motivation in which employee look out for hygiene factors like monetary rewards ,supervision and security ,they work salary plays a vital role in holding the employees for the long time. If IT companies focus on making retention strategy based on providing hygiene factors to employees, it will be helping to retain them for a long time in the company.

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AN EMPIRICAL STUDY ON CUSTOMERS EXPERIENCE IN AMAZON SHOPPING SITE

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Abstract

Digital India is the upshot of many innovations and technological advancements keep the customer on top of the scale of change and ensure their preferences wide variety of products and services is touch point's where the consumer is spending their time on internet based shopping. In spite of high penetration rate of internet and high population the contribution of online shopping has been increased. it is imperative to attract new customers and increase customer's retention and to achieve these objectives it is crucial to implement online shopping. The main objectives of this study is to highlight the demographic profile of Amazon shopping customers in Mysuru City and to assess the major reasons for customers chosen Amazon shopping and also analyzes the customer satisfaction level related goods and services provided by the Amazon shopping. Finally this paper examines the main problems faced by customers related to Amazon shopping. The present study has been collected from primary data was collected on the basis of questionnaire, the population or sample size for study was only 150 customers of Amazon online shoppers. For the purpose of analysis of data based on normality test applied for parametric tests such as, mean, standard deviation, one sample t - test etc. Finally this study results majority of the customers are opined that Amazon are the major digital shopping sites used to buy the different categories of product and also quantity issues of products and difficulties in e-payments are the major problems faced by customers through Amazon shopping sites in India.

Keywords: Digitalization, On-line shopping, Amazon, Customer Services.

THE PROLOGUE

The present scenario online shopping trend spread very fast around the country. The Neilson Company conducted survey in 2010 and polled over 27000 internet user in 55 market from as a in pacific, Europe, middle east, north America a to look at how consumers shop online (Neilson, 2010). Globally online shopping is made on books and cloths as per survey data. Most people are interested to purchase and bought usually books and cloths. Alternative names are: e-web-store, e-shop, e-store, internet shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place.

Online shopping is a kind of electronic commerce, which allows consumers to directly buy goods or services from a person who sells over the Internet using a web search engine. Globally, large number of people is buying through online because it is more convenient to them. Online shopping has become popular in 1999-2000. Amazon.com, instituted a history by becoming the pioneer bookstore with a presence only on the internet. Later, Yahoo.com and MSN.com also instituted online shopping channels where people could buy more than just books. Consumer's mentality and shopping models are changing very fast. Online shopping is going to become main stream in the coming years.

According to a study, In India overall 72% of young people access internet on regular basis, while online shopping is still not popular in India, but the numbers are growing every year. Amazon says that India's e-commerce business bounced by more than 80% in 2013 and the trend is likely to continue for at least the next five – six years. Flipkart Co-founder Sachin Bansal said that the e-commerce business in India is expected to reach around \$50-70 billion by 2020 on the back of fast developing internet connected population and development in related infrastructure like amount payment and delivery systems. It is expected that, over half billion Indians will switch to smart phones in the next five to six years. This will be a big driver of e-commerce business in India

PROFILE OF STUDY UNIT

Amazon is the largest multinational technology internet company founded by Jeff Bezos in Bellevue, Washington in July 1994. The Company initially started as an online marketplace for books but later expanded to sell electronics, software, video games, apparel, furniture, food, toys and jewelry etc. In 2002, the corporation started [Amazon Web Services](#) (AWS), which provided data on Web site popularity, Internet traffic patterns and other statistics for marketers and developers. In 2006, the organization grew its AWS portfolio when [Elastic Compute Cloud](#) (EC2), which rents computer processing power as well as [Simple Storage Service](#) (S3), which rents data storage via the Internet, was made available. That same year, the company started Fulfillment by Amazon which managed the inventory of individuals and small companies selling their belongings through the company internet site.

In 2009, Amazon had no infrastructure in India, and now it dominates the Indian markets. At the very start it was perception of investors that in India it will not go long like China as in the year 2010 when Amazon entered in China it has not seen much success there with Alibaba, its Chinese competitor, dominating the e-commerce market after its bad run in China, because it is going all in for India. Fact behind formation of Amazon in India was its huge number of headcounts approximately 1.25 billion four times as big as Researchers expect the online shopping market in India to reach \$15 billion by 2016 up from only \$35 million in 2017. Amazon acquired Whole Foods Market for US\$13.4 billion, which vastly increased Amazon's presence as a brick-and-mortar retailer. In 2018, Bezos announced that its two-day delivery service, Amazon Prime, had surpassed 100 million subscribers worldwide. Therefore the current study focused overall analysis of customer experience and satisfaction towards Amazon online shopping site in Mysuru City the U.S.'s and more than doubles Europe's. Of these, 500 million, around 35 percent, are internet users. As per researches the yearly growth rate of internet users is highest in India around six million users join every month.

REVIEW OF LITERATURE

Bahru (2013), he emphasized a study on "The Impact of Electronic Customer Relationship Management on Consumers Behavior". He further explains the behavior of consumers

toward organizations and the emergence of electronic commerce that brought a positive change towards business in a global market. He focus is to discuss the positive and negative impacts of electronics customer relationship management (E-CRM), as a marketing strategy for an organization and slight is known about how various activities may exert differentiated impact on organization the concerned with software, process, applications and commitment of management activities to develop high quality of customer service.

Nazir (2014), he addressed a study on “How Online Shopping Is Affecting Consumers Buying Behavior in Pakistan?”. He analyzed factors affecting the consumers directly for online shopping. To this end, a survey was conducted and the 120 questionnaires were distributed among the students of different universities and the general public. Finally, he come out with the results of the survey analysis has shown that most of the people already shopping online and prefer to make their purchases online, but there are some factors such as psychological factors, social factors emotional factors, and the privacy factors which affect the buyer attitudes of online purchases in Pakistan.

Narang (2015), he focused a study on “Digital India and its Impact”. The 'Digital India' programmers, an initiative of honorable Prime Minister Mr. Narendra Modi, will emerge new progressions in every sector and generates innovative endeavors forever. He also attempt has been made in this paper to understand Digital India – as a campaign where technologies and connectivity will come together to make an impact on all aspects of governance and improve the quality of life of citizens and digitally empowered society, with good governance for citizens by bringing synchronization and co-ordination in public accountability, digitally connecting and delivering the government programs and services to mobilize the capability of information technology across government departments in India.

Gupta (2016), he attempts a study on “Comparative Study of Online and Offline Shopping: A Case Study of Rourkela in Odisha”. He tries to recognize that, how consumer measure channels for their purchasing. Specifically, it progresses a conceptual model that addresses consumer value perception for using the internet shopping versus the traditional shopping. Earlier study showed that perceptions of price, product quality, service quality

and threat strongly impact of perceived value and purchase intents in the offline and online network and observations of online and offline buyers. He mainly finds out that female is more into online shopping than male. Since last two years as population are more aware of the technology the online shopping increased immensely fairly important to go for e-shopping.

Mahalaxmi (2017), she conducted a study on “A Study on Impact of Digital Marketing in Customer Purchase Decision in Trichy”. She examines the implication of digital marketing in consumer purchase decision and to find out that the consumers are aware of digital marketing and the digital channels influence in their purchase decision and she carried out through survey from 50 respondents. After that she come out with the results of the survey are analyzed using chi square test. The findings revealed that customers are aware of digital marketing and they prefer to buy electronic and shopping goods through digital channels in their purchase behavior and this study is performed particular geographical area to judge the purchase decisions of all customers of various regions of Trichy.

Muthumani (2018), he focused a study on “Problems Faced by Customers on Online Shopping in Virudhunagar District”. He attempt is made to know the products purchased by consumers from online stores and to identify the types of problems faced by consumers while buying goods from online shopping and this study is based on primary data. The primary data were obtained through interview schedule. The convenient sampling technique was adopted for collecting data from respondents in Virudhunagar District. Finally, he give suggestions a consider the advantages and disadvantages carefully so the researcher can make an informed decision about what's best for customer also given to overcome the problems faced by online shopping consumers in Virudhunagar District.

Gopinath (2019), he conducted a study on the customer's satisfaction towards Amazon with Special Reference to South Chennai. He mainly focused on the purchasing pattern of the consumers, to evaluate the satisfaction level of services provided by Amazon, Customer loyalty is usually viewed as the power force of the relationship between the attitude of individual's relative and repeat patronage. Customer can buy anything from online such as books, household's product, toys, hardware and software etc. He collected data from 100 respondents the study area of South Chennai city. Finally, this study results shopper can

visit web site and shop just sitting in form of computer. Ability of the internet contains wide range of collecting information, supplying a service or purchasing a product Amazon should work towards them so that it can increase its customers.

OBJECTIVES OF THE STUDY

The following are the major objectives of the study:

1. To highlight the demographic profile of Amazon shopping customers in Mysuru City;
2. To assess the major reasons for customers chosen Amazon shopping site;
3. To analyzes the customer satisfaction level related goods and services provided by the Amazon shopping.
4. To examine the main problems faced by customers related to Amazon shopping; and
5. To offer suggestions in the light of the study.

HYPOTHESES

The study is based on the following hypotheses:

- H1:** There is no significant difference between demographic profiles of Amazon shopping customers.
- H2:** There is no significant relationship between major reasons for customers chosen Amazon shopping site.
- H3:** There is a significant relationship between customer satisfaction level related goods and services provided by the Amazon shopping company.
- H4:** There is no significant difference among problems faced by customers related to Amazon shopping.

RESEARCH METHODOLOGY

The present study has been collected from both primary and secondary sources. The primary data was collected on the basis of issuing questionnaire. Sample for the study was Amazon online shopping customers in Mysuru City. The total population size is indefinite; therefore, sample size is universe, for study only 150 respondents, which is considered optimum for the study. The method of sampling used is convenient simple random sampling. Secondary data was gathered from different sources such as, Internet, website, Professional Magazines, refereed journals related on digitalization of customer services.

For the purpose data analyze applied test of normality of data. *A significant test means the sample distribution is not shaped like a normal curve ($p < 0.05$).* The sample size is small $N = 17$ therefore to test the normality of data used **Shapiro-Wilks W test ($P=0.538$)**. Therefore, the data is normally distributed we applied parametric test mentioned, one-way ANOVA, mean, standard deviation, one sample T-test etc.

ANALYSIS AND INTERPRETATION

1. Demographic Profile of Amazon Customers

Table No.1 visualizes the demographic profile of Amazon online shopping users in Mysuru city. The overall respondents numbering, 150 customers out of that 90 respondents are belongs to male category and 60 respondents are belonging female category this shows male customers more used Amazon shopping. In the context of age pattern, majority of the respondents numbering, 65 and 45 customers belong to age group of between 19-30 years and between 30-40 years respectively, this shows younger and middle age generations were more used Amazon shopping compared to adult generation. Further the educational background of the respondent's majority numbering, 70 and 50 respondents were post graduates and graduates respectively. In the context of occupation of customers, majority numbering, 40 and 35 respondents were belonging to private employee and businessmen respectively. In the context of monthly income level of the customers, Majority numbering, 45 and 62 respondents were belonging to monthly income level of between Rest. 20,000 to Rs. 30,000 and above Rest. 30,000 respectively. Further majority 60 and 50 respondents are opinioned that monthly and when required they use Amazon shopping sites respectively. To calculate, independent chi square test for data of gender profile, age pattern occupation and frequency of purchase from Amazon of the respondents, the P value (Sig 2-tailed) is 0.001, 0.000, 0.002 and 0.004 which is less than the Alpha value of 0.05, it was found to be significant. Therefore, the results indicate that the stated null hypothesis to be rejected and alternative hypothesis is accepted. Further the data of age pattern, education background and level of monthly income, the P value (Sig 2-tailed) is 0.0078 and 0.091, which is more than the Alpha value of 0.05, it was found to be Insignificant. Therefore, the results indicate that the stated null hypothesis to be accepted and alternative hypothesis is rejected.

Table No.1

Demographic Profile of Online Customers

Personal Factors	Classification	Frequency	Chi Square Test
Gender	Male	90	3.481 P=0.001 (H0 Significant)
	Female	60	
Age Pattern	Below 18 years	25	6.502 P=0.000 (H0 Significant)
	Between 19-30 Years	45	
	Between 31-45 Years	65	
	Above 45 Years	15	
Educational Background	Under graduation	30	4.812 P=0.078 (H0 In Significant)
	Graduation	50	
	Post-Graduation	70	
Occupation	Housewife	20	5.108 P=0.002 (H0 Significant)
	Students	25	
	Private Employees	40	
	Government Employees	30	
	Business and others	35	
Level of Monthly Income	Below Rs.10000	15	4.321 P=0.091 (H0 In Significant)
	Between Rs.10000-20000	28	
	Between Rest. 20000-30000	45	
	Above Rest. 30000	62	
Frequency of Purchase from Amazon	Weekly	40	3.627 P=0.004 (H0 Significant)
	Monthly	50	
	When Required	60	

Source: Field Survey.

2. Reasons for customers chosen Amazon for Shopping

Table No.2 shows that reasons for customers chosen Amazon for Shopping in Mysuru City. The following are the reasons mentioned below such as, wide variety choice of products, easy buying procedures, lower prices and combo offers, faster services and easy payment system. Majority of the customers numbering, 52 (35%) and 32 (21%) are opinioned lower prices and combo offers and wide variety choice of products are the major reason for customers opted digital channels to buy the products respectively.

Table No.2
Reasons for customers using Amazon shopping

Reasons	Frequency	Percentages
Wide variety choice of products	32	21.00
Easy buying procedures and delivery	25	16.00
Lower prices and combo offers	52	35.00
Faster delivery services for prime customers	23	15.00
Easy payment system	18	13.00
Total	150	100.00
ONE WAY ANOVA Test	$F=3.714$ $P=0.000$ $Degree\ of\ Freedom=04$	

Source: Field Survey.

Table No.2. The **ONE WAY ANOVA test** describe to test the significant difference between the mean score among the reasons for customers chosen Amazon for Shopping, the P value is 0.000, which is less than the Alpha value of 0.05, which states that the null hypothesis to be rejected and alternative hypothesis is accepted.

3. Customer satisfaction towards goods and services provided by Amazon Shopping

Table No.3 indicates that customer satisfaction level towards goods and services provided by Amazon Shopping. The goods and services purchased through Amazon shopping has been categorized as follows, clothes and foot ware, electronics and mobile phones, cosmetics care product/fashion accessories, household products, food items, medicine and

books, Amazon UPI , Amazon TV channels, Amazon Prime Reading and Amazon pantry etc. Majority of the customers numbering, 75(50%) and 24(16%) are opinioned frequently more purchased the products of clothes, footwear (*Rank I*), electronics and mobile phones (*Rank II*) are using Amazon shopping respectively. In the context of services provide by the Amazon shopping, majority of the customers numbering, 60 (40%) and 45(30%) are opinioned customers are use more Amazon UPI money transfers and Amazon prime pantry services from Amazon shopping sites respectively.

Table No.3

Customer Satisfaction level towards goods and Services.

Types of Goods	Online Shopping users		Rank
	Frequency	Percentage	
Clothes and foot ware	75	50.00	<i>I</i>
Electronics and Mobile Phones	24	16.00	<i>II</i>
Cosmetics care product/Fashion accessories	19	12.00	<i>IV</i>
Household products and food items	20	13.00	<i>III</i>
Medicine and Books	12	08.00	<i>V</i>
Total	150	100.00	
<i>One Sample T- Test</i>	<i>T=2.143</i> <i>P=0.088</i> <i>Degree of Freedom=04</i>		
Types of Services	Frequency	Percentage	Rank
Amazon prime videos and music	25	16.00	<i>III</i>
Amazon UPI Money Transfers	60	40.00	<i>I</i>
Amazon TV channels	15	10.00	<i>IV</i>
Amazon Prime Reading	10	04.00	<i>V</i>
Amazon Prime Pantry	45	30.00	<i>II</i>
Total	150	100.00	
<i>One Sample T- Test</i>	<i>T=3.102</i> <i>P=0.063</i> <i>Degree of Freedom=04</i>		

Source: Field Survey.

Table No.3.The *one Sample T- test* describe to test the significant difference between the types of goods purchase through Amazon shopping, the P value is 0.088, which is more than the Alpha value of 0.05, which states that the null hypothesis to be accepted and alternative hypothesis is rejected. Further to test the significant difference between the types of services provided through Amazon shopping, the P value is 0.063, which is more than the Alpha value of 0.05, which states that the null hypothesis to be accepted and alternative hypothesis is rejected.

4. Problems Faced by Customers in Amazon shopping

Table No.4 represents that problems faced by customers through Amazon shopping. This study mentioned some of the major problems faced by customers in Amazon shopping of has been classified as follows, deliver of damaged product, high delivery charges, wrong product delivery, quantity issues of products and difficulties in e-payments. Majority of the customers numbering, 60(40%) and 28(19%) are opinioned quantity issues of products and difficulties in e-payments are the major problems faced by customers through Amazon shopping.

Table No.4

Problems faced by customers in Amazon shopping

Problems Faced by Customers	Online Shopping users	
	Frequency	Percentage
Replacement of damaged product	18	11.00
High Delivery Charges	24	16.00
Wrong Product Delivery	20	14.00
Quantity Issues of products	60	40.00
Difficulties in E-payments	28	19.00
Total	150	100.00
<i>Kruskal –Wallies Z-Test</i>	<i>Kruskal –Wallies Z-Test=3.752</i> <i>Asymp. Sig.(2-tailed)=0.005</i> <i>Mean Rank=25.17</i> <i>Degree of Freedom=04</i>	

Source: Field Survey

Table No.4, The Kruskal–Wallies Z-Test it's a category of nonparametric test. Describe to test the significant difference between the Problems Faced by Customers through Amazon shopping; the P value (Sig 2-tailed) is 0.005, which is less than the Alpha value of 0.05, which states that the null hypothesis to be rejected and alternative hypothesis is accepted.

FINDINGS OF THE STUDY

The following are the major findings of the study:

1. The overall respondents were numbering, 150 customers, out of that 90 respondents are belongs to male category and 60 respondents are belonging female category this shows male customers more used Amazon shopping.
2. The age pattern, majority of the respondents numbering, 65 and 45 customers belongs to age group of between 19-30 years and between 30-40 years respectively.
3. The educational background of the respondent's majority numbering, 70 and 50 respondents were post graduates and graduates respectively.
4. Majority of the customers numbering, 52 (35%) and 32 (21%) are opinioned lower prices and combo offers and wide variety choice of products are the major reason for customers opted Amazon shopping respectively.
5. Majority of the customers numbering, 75 (50%) and 24(16%) are opinioned frequently more purchased the products of clothes, footwear, electronics and mobile phones using digital Amazon shopping respectively.
6. Majority of the customers numbering, 60(40%) and 28(19%) are opinioned quantity issues of products and difficulties in e-payments are the major problems faced by customers through Amazon shopping respectively.

SUGGESTIONS FOR THE STUDY

The following are the major suggestions of the study

- ❖ The Amazon e-commerce sites should take the primary issues really serious as well as the delivery of product with better return policies to make themselves credible before the eyes of the customer

- ❖ The Amazon is making tremendous mark among the customer, because whatever the product is their packing will obviously safe and secure, so they can maintain it forever, to retain customer
- ❖ The customers feel that delivery of the product is one week and more than one week. So the online company should reduce the period of the product delivery within 2-3 days.
- ❖ The majority of the customers are faced the problem of quality issue among product through digital online shopping. Therefore, internet online shopping companies should more attentions about the delivery of right product to the customers.
- ❖ Proper awareness must be made available to all adult persons of different occupation and online websites must ensure about the quality and right of the information to their customers.
- ❖ The digital online transactions must be ensured of web security and confidential card information of the customers.
- ❖ The online stores should pay an attention to solve the problems faced by the online consumers. If they fail to solve the problem, it is very difficult to attract new consumers and retain existing cu

CONCLUSION

This paper contributes to impact of digitalization on customer services through using Amazon shopping sites. Digitization is the social transformation started by the massive adoption of digital technologies to generate process, share and manage digital information. This research clearly highlights that online shopping is having a vast scope in the study area. With the help of the internet, consumers can shop anywhere, anything and anytime easily. The trend of buying through online shopping is increasing day by day. Finally this study concludes the Online shopping is more popular among younger and middle generations customers are opinioned that Amazon are the major shopping sites were used to buy clothes, footwear, mobile phones and electronic items are the different categories of product purchases using this digital online sites and also this study identifies the quantity issues of products and difficulties in e-payments are the major problems faced by customers through Amazon shopping sites in Mysore City.

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INTERNET OF THINGS (IOT)

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Abstract

The introduction of technology or digitization tools in the marketing has completely changed the scenario in India. Digitization provides marketing system a better scope to grow up and move ahead. The concept of IoT has even increased the participation. The traders, also finds job of connecting more simplified. The present study is carried out to analyze the opportunities and challenges of IoT in marketing. The internet of things refers to a type of network to connect anything with the internet, based on stipulated protocols through information sensing equipment to conduct information exchange and communication in order to achieve smart recognitions, positioning, tracing, monitoring, administration and knowledge for new value creation. The main purpose of IoT devices is to generate real-time data that we can then analyze and use to create desired outcomes.

The internet of things is not a single technology, but it is a mixture of different hardware and software technology. The internet of things provides solutions based on the integration of information technology which refers to hardware and software used to store, retrieve and process data and communication technology which includes communication between individuals and groups. The ideologies for IoT is oriented on economic growth efficiency at the expenses of automation process in different field of activities and the elimination or minimize of manpower form these processes. Things get interesting when these connected devices and services start creating Compound Applications with their own verticals across industries. The three C`s of IoT include Communication, Control and Cost saving The IoT architecture consists of different types of layers of technologies supporting IoT like smart device, sensor layer, gateways and networks, management service layer and application layer. It serves to illustrate how various technologies relate to each other to communicate the scalability, modularity and configuration of IoT deployments in different scenarios. This paper discusses about how IoT has created and expanded new markets and services,

empowered people, increased efficiency, created better experiences to build relationships and gives people deeper insights for greater decision making.

Keywords— *software, integration, automation, empowerment*

INTRODUCTION

Anyone who says that the Internet has fundamentally changed society may be right, but at the same time, the greatest transformation actually still lies ahead of us. Several new technologies are now converging in a way that means the Internet is on the brink of a substantial expansion as objects large and small get connected and assume their own web identity. Following on from the Internet of computers, when our servers and personal computers were connected to a global network, and the Internet of mobile telephones, when it was the turn of telephones and other mobile units, the next phase of development is the Internet of things, when more or less anything will be connected and managed in the virtual world. This revolution will be the Net's largest enlargement ever and will have sweeping effects on every industry — and all of our everyday lives. Smart connectivity with existing networks and context-aware computation using network resources is an indispensable part of IoT. With the growing presence of Wi-Fi and 4G-LTE wireless Internet access, the evolution towards ubiquitous information and communication networks is already evident. However, for the Internet of Things vision to successfully emerge, the computing paradigm will need to go beyond traditional mobile computing scenarios that use smart phones and portables, and evolve into connecting everyday existing objects and embedding intelligence into our environment. For technology to disappear from the consciousness of the user, the Internet of Things demands: a shared understanding of the situation of its users and their appliances, software architectures and pervasive communication networks to process and convey the contextual information to where it is relevant, and the analytics tools in the Internet of Things that aim for autonomous and smart behavior. With these three fundamental grounds in place, smart connectivity and context-aware computation can be accomplished. A radical evolution of the current Internet into a Network of interconnected objects that not only harvests information from the environment (sensing) and interacts with the physical world (actuation/ command/control), but also uses existing Internet standards to provide services

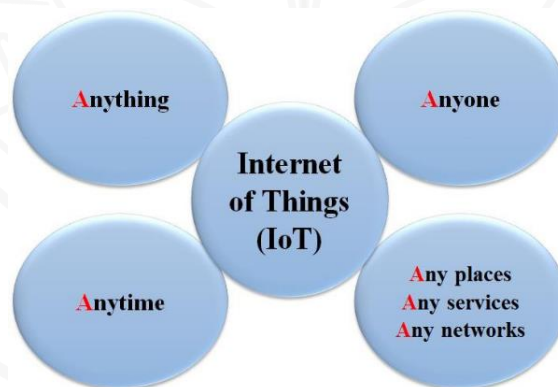
for information transfer, analytics, applications, and communications. Fueled by the prevalence of devices enabled by open wireless technology such as Bluetooth, radio frequency identification (RFID), Wi-Fi, and telephonic data services as well as embedded sensor and actuator nodes, IoT has stepped out of its infancy and is on the verge of transforming the current static Internet into a fully integrated Future Internet [1]

DEFINITION

IoT is intelligent interactivity between human and things to exchange information and knowledge for new value creation. It is not a single technology but it is a mixture of different hardware and software technology.

With the development of critical technologies in the internet of things the IOT applications (Examples: Smart home, Digital Health Care, Smart City, Smart Cars) become widely used in the world. By the internet of things, objects recognize themselves and obtain intelligence behavior by making or enabling related decisions thinks to the fact that they can communicate information about themselves. These objects can access information that has been aggregated by other thinks or they can add to other services. [2]

The below figures shows that anything will be able to communicate to the internet at any time from any place to provide any services by any network to any one



THE CHARACTERISTICS OF IOT

Inter connectivity, things related services, heterogeneity, dynamic changes, enormous scale, safety and connectivity.

The IOT architecture consist of different layers of technologies supporting to IOT like Smart devices, sensor layer, gate ways, and networks, management service layer and application layer. [3]

Smart Systems and the IOT are driven by a combination of

1. Sensors and actuators,
2. Connectivity,
3. People and process.

1. *Sensors and actuators*: We are giving our world a digital nervous system. Location data using GPS senses. Eyes and ears using cameras and microphones, along with sensory organs that can measure everything from temperature to pressure change.
2. *Connectivity* : These inputs are digitized and placed on to networks(WAN, MAN, LAN)
3. *People and Process*: These networked inputs can be combined into bi-directional systems that integrate data, people, process and systems for better decision making.

The massive potential of IOT is:

- Improved performance
- Reduced cost
- Create innovative services
- New revenue stream.

APPLICATIONS OF IOT

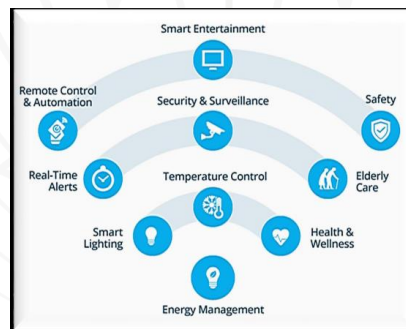
IOT applies in human life making easier, safe and smart. There are many applications such as smart cities, smart homes and buildings, energy and smart grid, transportation, smart health, smart factory and smart manufacturing, smart environment.[4]

1. *Smart Cities*: Building smart cities require careful planning in every stage with the support of agreement from Government, by the IOT cities can be improved by improving infrastructure, enhancing public transportation, reducing traffics and keeping citizens safe. By connecting all systems in the cities like transportation system, health care system, weather monitoring system etc. in addition to support people by the internet in every place

to accessing the data base of airports, railways under specified protocols cities will become smarter.



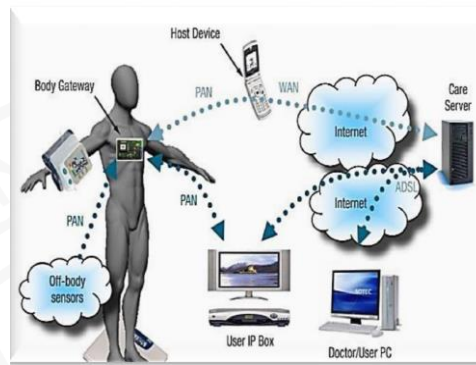
2. *Smart homes and Building* : Wi-Fi technologies in home automation have been used primarily due to the networked nature of deployed electronics were electronic devices such as Televisions, mobile divisors etc. are usually supported by Wi-Fi



3. *Smart energy and Smart Grid*: A smart grid is related to the information and control and developed to have a smart energy management. A smart grid that integrate the information and communication technologies to the electricity network will enable a real time two way communications between suppliers and consumers, creating more dynamic interaction on energy flow, which will help to deliver electricity more efficiently and sustainably. Many applications can be handling due to the internet of things for smart grids such as industrial, solar power, nuclear power, vehicle, hospitals and cities power control.



4. *Smart Health*: Physiological status of patients should be monitored continuously by using IOT monitoring Technologies. Smart health sensors are used to collect comprehensive physiological information and uses gate ways and cloud to analyze and store the information then send the analyzed data wirelessly to care viewers for further analysis.



5. *Smart Factory and Smart Manufacturing*: Smart factory added new values in manufacturing revolutions by integrate artificial intelligence, machine learning, automation of knowledge work and M2M communication with the manufacturing process.



6. *Smart Environment*: It is an important technology in our everyday life which provides many facilities and solutions for many environmental applications such as water and air pollution, weather and radiation monitoring, waste management, natural disaster, and many other environment indicators. The IOT technology is able to monitor in and managing the air quality by collecting data from remote sensor across the city and providing full time Geographic coverage to achieve a way of better managing urban traffic in major cities. IOT provides an environmental protection by control the industrial pollution by real time monitoring and management system integrated to supervision and decision making networks to reduce waste and improve environment

CHALLENGES OF IOT

Behind every success story is a hidden chain of problems. In the same way IOT experiences three major challenges.[5]

1. Technological Challenges
2. Business Challenges
3. Social Challenges

1. *Technological challenges:* IOT Components are implemented using divergent protocols and technologies. As a result these components have intricate configurations and poor design. The parameters of technological challenges are as below

- a. *Security:* A massive number of new hubs to the system and the web will provide attackers with a larger platform to invade the system.
- b. *Connectivity:* The most significant challenges of the future of IOT would be connect to several devices. Presently a centralized server / client architecture is being utilized to authenticate, authorize and connect several terminals in a network.
- c. *Compatibility and Longevity:* Unavailability of standardized M2M protocols, non unified, cloud services and varieties in firmware and operating systems among IOT devices are some of the other compatibility issues.

2. *Business Challenges:* The main issue is a major inspiration for beginning, putting resources into and managing any venture without a full proof plan of action for IOT will have another bubble, this model should fulfil every one of the pre requisites for all kinds of e-commerce, vertical markets and consumer markets.

3. *Social Challenges :*

- a. Customers request and requirements change regularly
- b. New use of devices also grows and develops dangerously.

CONCLUSION

The IOT creates and expands new markets and services, empowers people, increases efficiency create better experiences to build relationships and gives people deeper insides for greater decision making. The proliferation of devices with communicating–actuating

capabilities is bringing closer the vision of an Internet of Things, where the sensing and actuation functions seamlessly blend into the background and new capabilities are made possible through access of rich new information sources. The evolution of the next generation mobile system will depend on the creativity of the users in designing new applications. IoT is an ideal emerging technology to influence this domain by providing new evolving data and the required computational resources for creating revolutionary apps.

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INTERNET OF THINGS (IoT) – A FUTURE OF DIGITAL MARKET IN INDIA

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Abstract

Internet of Things (IoT) as a technology that enables physical objects to be connected to the digital world which consists of an embedded system with sensors, actuators and network connectivity that enable to collect and exchange data. Internet of things (IoT) is expected to have a massive impact on consumer products, business and wider culture. IoT is the next big and forthcoming thing in financial services. The total installed base of Internet of Things (IoT) connected devices are projected to amount to 5 billion in India by 2022 and is taking the well-trodden path to digital transformation with an eye on the prize: a US\$1 trillion economy by 2022. The IoT, enabled by the already ubiquitous Internet technology, is the next major step in delivering Internet's promise of making the world a connected place. With the mass adoption of online banking, mobile banking apps and, most recently, contactless payment technologies, consumers are demanding on convenience and a personalized service. Through IoT, banks will be able to track and analyze consumer behavior and will be able to deliver personalized experience to their customers with targeted advice. With the help of IoT banks can attain a new level of customer intimacy and it helps in understanding of the needs of both consumer and business clients. This paper aims at Understanding IOT and how Internet of Things is going to benefit individuals, industry, financial institutions and economy.

Keywords: *Internet of Things, electronic payments, Digital marketing, M2M Communication*

INTRODUCTION

The Internet of Things (IoT) can be defined as a network of physical objects or people called "things" that are embedded with software, electronics, network, and sensors which allows these objects to collect and exchange data.

The thing in IoT can also be a person with a diabetes monitor implant, an animal with tracking devices, etc.

1970- The actual idea of connected devices was proposed

1995- Siemens introduced the first cellular module built for M2M

2004 - The term was mentioned in famous publications like the Guardian, Boston Globe, and Scientific American

2008- The Internet of Things was born

2011- Gartner, the market research company, include "The Internet of Things" technology in their research.

TYPES OF IOT DEVICES

Smart electronics for consumers comes into this category. These can be smart watches, kitchen appliances, light bulbs, security cameras, home assistants and even your trash cans.

All these devices when used together come under one of the most discussed concepts of 21st century i.e. smart home.

- **Smart products**

- Enable products to self-process, store data, communicate and interact within the industrial ecosystem.
- Describe their status and lifecycle history and are capable of computing algorithms and Machine Learning.

- **Smart equipment**

- Production equipment uses on-board data, IoT and soft sensors to measure operating conditions, quality results, faults and environmental data.
- Machine Learning improves productivity and continuously refines settings.

- **Smart maintenance**

- IoT sensors generate data to drive condition based maintenance and reduce downtime.
- Generates and refines operating model for predictive maintenance.
- Provides additive manufacturing for spare parts to reduce inventory cost.

- **Smart material**

- Use of smart labels and radio-frequency identification, and self-identifying materials that understand their properties and quality characteristics.
- Smart systems actively participate in inventory, transportation, manufacturing transformations and scrap management.

- **Smart metrics**

- The measurements made by the process, material and equipment help in refining the models of zero-loss operation.
- Advanced analytics provide actionable data for control during short-intervals.

- **Smart workforce**

- Mobile workforce working in high-performance teams.
- Executes right operations or maintenance tasks at the right time.
- AR/VR provides situational awareness and activity coaching.

- **Industrial Use**

Pumps, industrial washing machines, carts or any other machinery which earlier used to be off the grid is now connected through the internet. These machines are now faster and smarter which saves time, energy, money and lowers the risk of human error.

- **Infrastructure**

Have you ever wonder about smart buildings? Or smart highways which can automatically power the entire lighting system depending upon the traffic! Yes, it is possible and is actually happening in some part of the world.

- **Logistics**

In this category, all sorts of machines which are used for moving cargo from one place to another can be equipped with IoT devices. It can simplify the process of monitoring which will lower the operational cost and increase the profit.

- **Connectivity**

IoT device allows you to group multiple devices together based on the type of connection they require. For example, any device transmitting small amounts of data can be grouped together to enhance the data speed or bandwidth.

I. RELATED WORK

The author of [1] analyzed the development of IoT enabled services .The author made an expectation towards IoT technology is going to expand drastically over the next few years with an estimated 30 billion IoT devices in use by 2020. This growth is going to have a tremendous impact on e-commerce retailers and online shoppers. If IoT technology has been utilized in businesses, it will result in massive benefits for both their customers and their bottom line. For developers and designers, the fundamental essence of work lies in innovation.

Paper [2] talks about the development trend in the IoT applications have been analyzed in E-commerce and the problems prescribed in the traditional E-commerce. The author also concentrated on IoT devices technology and industry solutions programs. This paper highlighted the logistics models and supporting techniques which have improved the Ecommerce logistics significantly [2].

The author of paper [3] goes through the various aspects of what future of IOT looks like. Though chains of myths will always hold the future with uncertainty, the situation can be seen to become better shortly if we work on eliminating them. The author strongly

concentrated on acceptance of technology by people is also essential and should be taken into consideration during its development as people who are not fond of using gadgets, smart devices and do not feel comfortable dealing with technology will have a difficult time working with the complexity functionality IOT will engage them with.

II. GROWTH OF INTERNET OF THINGS

Worldwide spending on software and hardware around the Internet of Things (IoT) is projected to grow rapidly, from \$726 billion in 2019 to \$1.1 trillion in 2023, according to a report from market research firm International Data Corporation (IDC). Global IoT connections are predicted to increase with 17% CAGR (Compound Annual Growth Rate) from 7 billion to 25 billion approximately from 2017 to 2025. From a regional perspective, Asia-Pacific region is forecasted to be a leader followed by North America and Europe in terms of IoT market size and revenue with US\$10.9 billion by 2025. Yet Europe and Middle East (EMEA) is the fastest growing region at a CAGR of 15.7% through the forecast period.

The study identifies discrete manufacturing, process manufacturing, and transportation as the three spending around IoT in 2023. Consumer market spending, meanwhile, is expected to grow at a brisk 16.8 percent CAGR through 2023. Smart homes most active commercial sectors for IoT spending, accounting for nearly a third of global and connected vehicles currently lead IoT spending in the consumer space.

Fig 3.1: Global IoT installed base by category (million units), 2016 – 2022

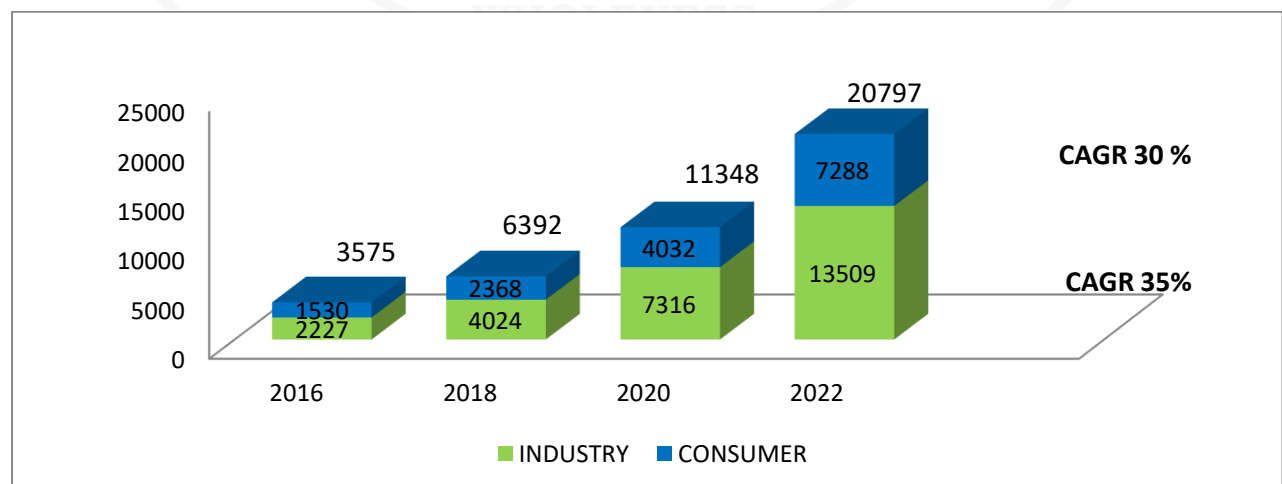
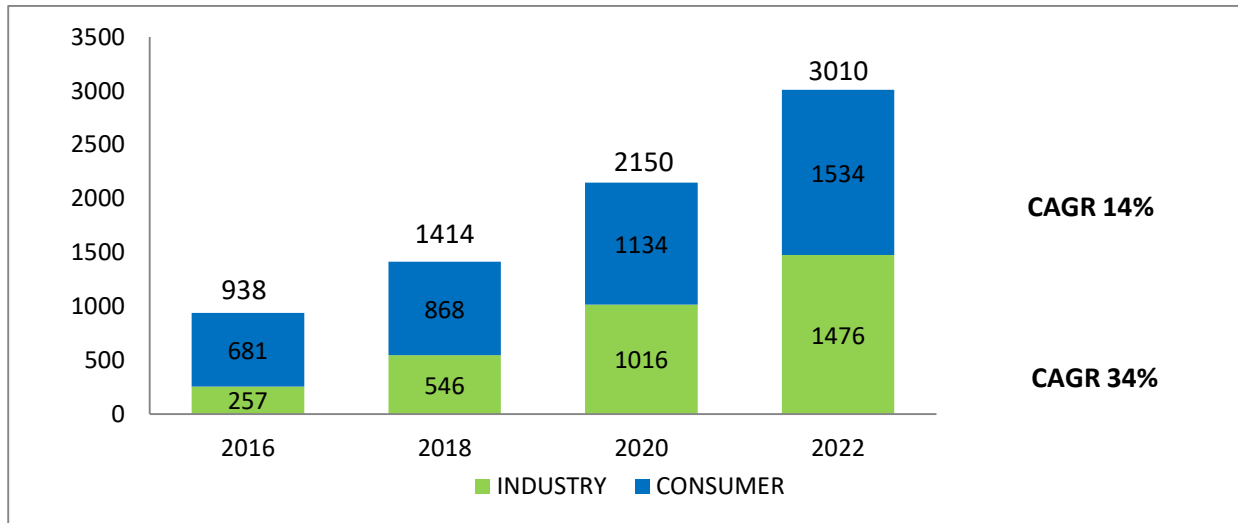


Fig 3.2: Global IoT revenue* by category (USD billion), 2016– 2022



- **Industrial IoT:** Manufacturing, Healthcare, Transport, Energy, Automotive, etc.
- **Consumer IoT:** Health & Fitness, Infotainment, Security & Safety, etc

INDIA IOT MARKET TRENDS

There are currently 7.6 billion people on Earth 3.7 billion are connected to the Internet; almost 50% of that connected population lives in Asia, 24% of who reside in India. Investment in digitization and urbanization and friendly regulatory policies hold the key to ensuring that India continues to advance on its path of socioeconomic progress. The market potential of all things IoT in India alone is predicted to be 5 billion connected devices by 2022. India is one of the key countries poised for large-scale implementation of IoT projects - not only to be able to set new standards but also as a key geography to anticipate the emergence of a new humanism embracing people and devices.

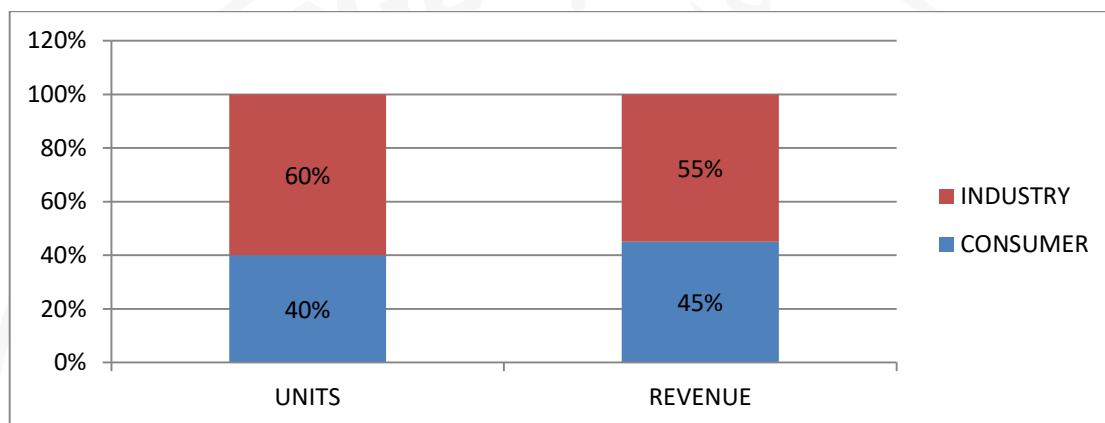
CURRENT STATE OF INDIAN IOT MARKET

In India, digital economy is poised to reach USD 1 trillion in the next 5-7 years and new technologies like IoT, machine learning, artificial intelligence, cyber security etc will play important role in the growth. Recently, Titan Company Limited, the Indian luxury goods company that is part of the Tata Group, has invested \$3-5 million in wearable tech internet

of things (IoT) startup Cove IoT. There are over 971 startups of IoT in India and Bangalore-the hotbed for IoT holds 51% of total IoT startups.

The report covers the present ground scenario and the future growth prospects of the Internet of Things (IoT) Market for 2016-2024 along with the statistics of IoT devices, number of startups and adoption rate of IoT in various verticals.

Fig 3.3: IoT market in India is expected to be valued at USD 9 billion, with an installed base of 5 billion units by 2022.



As per NASSCOM report on IoT Landscape, India will be a front runner in IoT adoption in Asia Pacific (APAC). The IoT market size in India is expected to grow at rate of 62% CAGR and reach US\$9 billion by 2022. The number of IoT connections is expected to grow in India envisions an estimated 5 billion IoT connections by 2022, and a USD \$1 trillion digital economy by 2025. This increase in IoT market revenue share will be distributed across different industry sectors like utilities, manufacturing, transport and logistics, automotive, healthcare and so on.

Factor driving IoT growth in India

- Innovation in product offerings
- Increasing operational efficiencies
- Improving customer experience
- Thrust on evolving partner ecosystem
- Maturing IoT solution

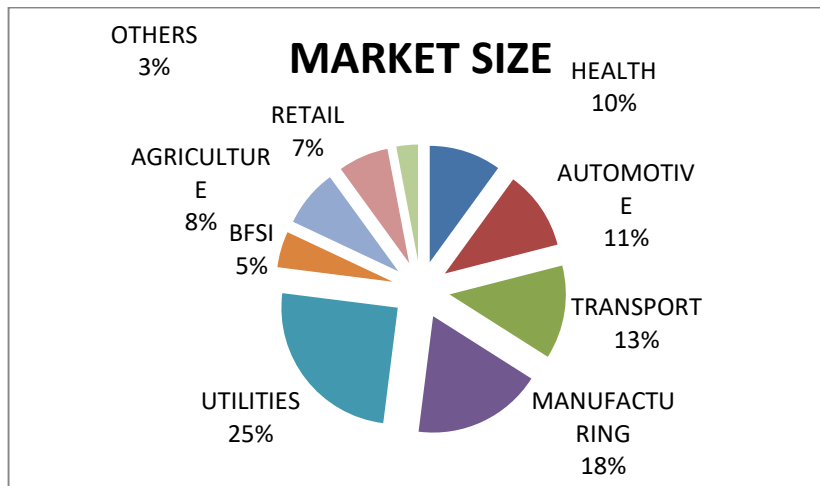
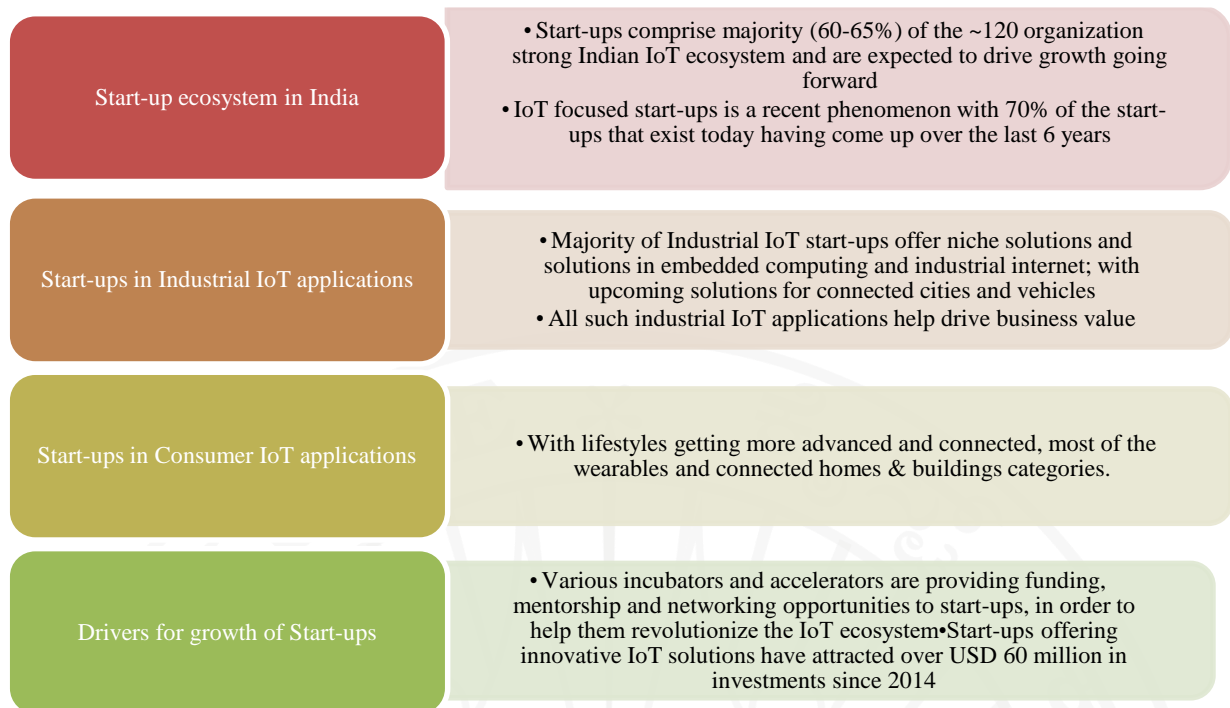


Fig 3.4: Market size of Indian industry by 2022

IoT solution deployment for Digital Utilities/ Smart Cities and in the Manufacturing, Transportation and Automotive industries will drive the demand for Industrial IoT applications going forward

- With GoI's focus on building Smart Cities and IoT being a key enabler for this, Utilities' share in the IoT market is expected to be the highest
- With growth and consolidation, owing to the e-commerce boom and regulatory changes such as GST, Transport & Logistics industry will increasingly leverage IoT technology for more efficient operations
- Rise of the tech-savvy consumer along with increasing Smartphone and mobile internet penetration is driving consumer IoT applications in the India market
- However, consumer IoT adoption is expected to be slower than its industrial counterpart due to cost of IoT devices and security as well as privacy concerns of consumers.

Fig 3.5: Start-ups offering innovative solutions are playing a key role in driving the growth of IoT in India.



GOVERNMENT OF INDIA INITIATIVES ON IOT

NATIONAL DIGITAL COMMUNICATIONS POLICY (NDCP) 2018

NDCP has set futuristic goals and undertaken crucial policy initiatives to address the problem of communications and access of digital services in India. According to Internet and Mobile

Association of India, the goals set for 2022 are crucial policy initiatives which will address the problem of access and are a welcome step to take India towards a vibrant digital economy. This policy aims to create a roadmap for the emerging technologies in areas like IoT and may result in improving the efficiency and economic benefits.

NDCP IoT goals 5 billion connected devices by 2022

- Technologies such as 5G, AI, robotics, IoT/M2M and cloud
- Simplifying the licensing and regulatory frameworks whilst ensuring appropriate security frameworks for IoT/M2M/future services
- Allocating 13-digit numbers for all M2M mobile connections
- Earmarking adequate licensed and unlicensed spectrum for IoT/M2M services

THE FOLLOWING ARE THE GOVERNMENT OF INDIA IOT APPLICATIONS/PROJECTS.

1. SMART CITY :

- To set-up a Smart-city model which would include deployment and display of IoT concepts to be used in development of Smart City. The model should cover the concepts like, Smart Lighting, Smart traffic management, Smart building, Smart parking, Wi-Fi Internet access & City Surveillance, Solid Waste Management, Smart Metering, Water Quality, water clogging management in cities, etc.
- To develop tools to enable accessibility for persons with disabilities.

2. SMART WATER:

- To setup Potable water monitoring tools to monitor the quality of tap water in all government owned education institutes and public places.
- To setup project to detect real-time leakages and wastes of factories in rivers and other natural water bodies.
- To setup project for monitoring of water level variations in rivers, dams and reservoirs, for proactive disaster management.

3. SMART ENVIRONMENT

- To setup project for alarm and control of CO₂ emissions of factories, pollution emitted by cars and toxic gases generated.
- To setup projects to create alarms based on distributed control in specific places like buildings, bridges, of tremors in the country and establish a National Advance Seismic System.

4. SMART HEALTH (Remote)

- To setup projects for monitoring various vital parameters of patients like subtle changes in pulse, respiration, heart condition, temperature and preventive warning on early onset of pneumonia (in small children) or other life-threatening problems ,inside hospitals and at remote patient location including old people's home and ambulance.

- To setup projects for supporting dementia and other mentally unhealthy patients from getting lost
- To setup projects to detect & provide support to old age persons in case of fall.

5. SMART WASTE MANAGEMENT

- To assist the 'SWACH BHARAT' initiative, we may setup projects to create products which are solar-powered trash receptacle and trash compactor that alerts sanitation crews of municipal authorities, when it is full.

6. SMART AGRICULTURE

- To setup project for precision farming this uses data analysis to customize operations. The project may include monitoring of soil moisture, vibrations, earth density and pests to detect dangerous patterns in land conditions and create an online update mechanism for farmers.

7. SMART SAFETY

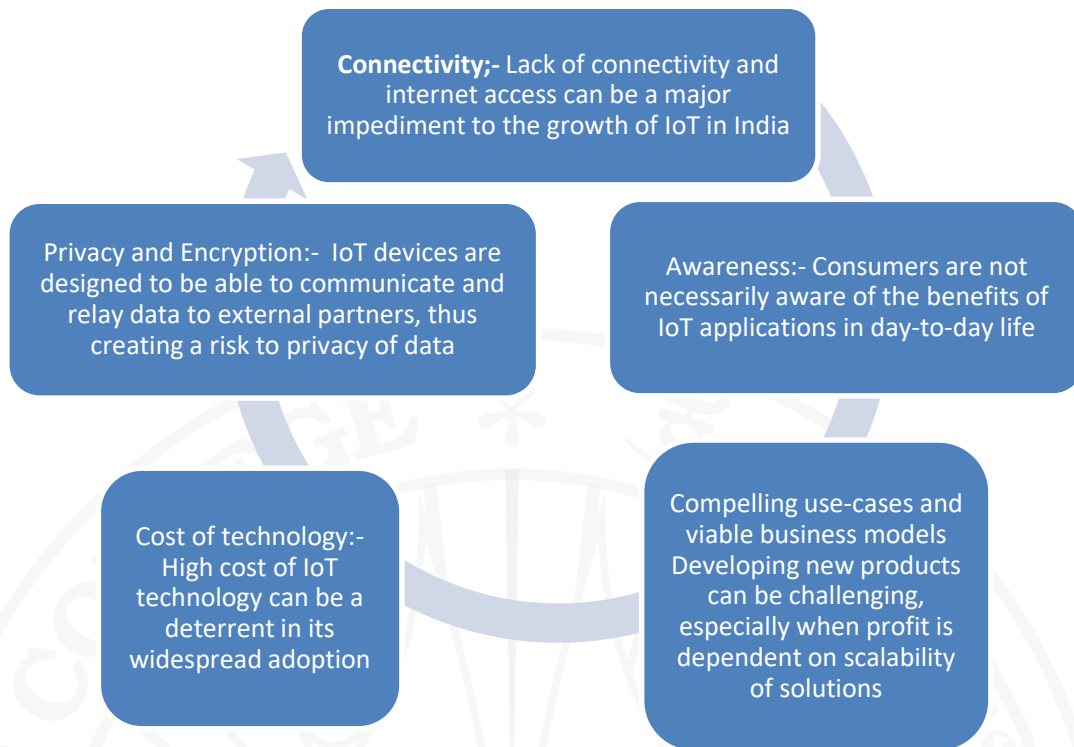
- To setup a project to build a wearable device for women, child and old people safety in public.

8. SMART SUPPLY CHAIN & LOGISTICS

- To setup a project for enabling universal ambulance service at any place using any kind of device.

Fig 3.6: Various challenges will need to be overcome to enable IoT adoption and growth in India.

Key challenges in the Indian IoT ecosystem



CONCLUSION

In this study, the development of India's Internet of Things (IoT) market will grow at a CAGR of 28.2 per cent during 2016-22. The IoT technology in India is going to expand rapidly over the next few years with an estimated 5 billion IoT devices in use by 2022. This growth is going to have a tremendous impact on e-commerce retailers and online shoppers. The major factors driving the growth of the IoT in smart cities market are the increasing number of government initiatives and PPP models for smart cities, improvements in the communication infrastructure brought on by IoT, and rising adoption of connected and smart technologies in smart cities initiatives. Government of India launched various projects such as 100 smart cities project and organizations for the adoption and implementation of IoT. Awareness among the user may increase the buyers of internet of things devices in India.

ACKNOWLEDGEMENTS

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DIGITAL MARKETING TRENDS AND THE CURRICULUM

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Abstract

The purpose of this paper is to explore the relationships between marketing education and digital marketing as a result of the emerging consumer behaviour in digital environments subsequently the purposed conceptual framework would set the basis for the examination of specific aspects of the above relationships through an empirical study

Marketing education may not equip graduates with what business want in order to implement effectively such strategies or sample of marketing programmes also shows that the response of marketing educates would rather be the introduction of new or modified courses focusing on Digital Marketing.

Keywords: Digital Marketing, Marketing Education.

INTRODUCTION

This is the age of technology. Technology is applied in every area for the betterment of life of human beings, so the technology is applied in the area of information and communication which is fast changing the Information and Communication Technology has enabled the Digital Marketing

Digital Marketing means the marketing of products or services using digital technologies on the internet through mobile Apps display advertising and any other Digital medias. Digital marketing channels are systems based on the Internet product value from producer to a consumer terminal through Digital market.



DIGITAL MARKETING IN INDIA

Digital marketing was started in India in the year of 1990's and the volume of trade and service through Digital Marketing is increasing day by day. Indian communication technology is upper with most advanced countries in the world. We have own our communication satellites and satellite launching technology. Hence we are self-reliance in communication technology which facilitates the growth of Digital Marketing in India.

The forms of Digital Marketing's are

- Content Marketing
- Search engine optimisation
- Search engine Marketing
- Social media Marketing
- Pay per click Advertising
- Affiliate Marketing
- E-Mail Marketing
- Instant Marketing
- Radio Advertising
- Television Marketing

INDIAN SHARE IN DIGITAL MARKETING

Why Digital Marketing is better than other marketing

As we all know that in the information and communication are the time availability of every individuals is same but everyone thinks of doing many things on making use of available time in the best possible manner for fulfilment of his/her objectives. Digital

marketing is one of the means of better utilisation of all the resources including time . The following points are clearly highlights how and why Digital Marketing is better than other Marketing

1. It promotes transparency
2. Reducing marketing cost
3. It is a better tool for small business
4. Marketing impact can be measured
5. Brand development is easy
6. Long lasting content
7. Time saving

TRENDS IN DIGITAL MARKETING

There are many new Digital Marketing trends and strategies that are evolving in the current high tech. Internet connected era and business now need to use them to succeed in their efforts.

1. Artificial Intelligence

It is transforming customer facing services for digital marketers by increasing efficiency and optimizing user experience



2. Programmatic Advertising

It means using Artificial intelligence to automate ad buying. This automation is much more efficient and fast Ex: Target more specific Audiences, Real time biddings or auctions.



3. Chat bots

It is a computer program which can mimic human conversations in the form of text or speech using artificial intelligence. Chat bots are used mainly for interacting with numerous people and are programmed to resolve queries and hold communications at a more formal level



4. Personalization

It is the process of keeping in mind the needs and preferences of your audience so that you market the right product and experience to the right person at the right time



5. Video Marketing

It is using video to promote and market your product or service, increase engagement on your digital and social channels, educate your customers and reach your audience with a new media



6. Influencer Marketing

It is a type of word of Mouth Marketing that focuses on using key leaders to drive your brands message to the larger market rather than marketing directly to a large group of consumers.



DIGITAL MARKETING IS A PART OF CURRICULUM

Digital Marketing as a part of curriculum has two dimensions. The education institutions imparting education through online courses. Many training institutions and tutorial institutions, online coaching classes through online. Someone sits in Delhi teaches lakhs of students across the country at various centres through satellite connections. Similarly many universities across the country have introduced online courses. Further the recent trends in Digital Marketing such as Artificial intelligence , programme advertising, chat bots, personalization, Video marketing and Influence marketing have become tools of furtherance of education.

On other dimension Digital marketing as a part of curriculum is to include all the digital marketing aspects and trends in curriculums designed to provide commerce and management education by various universities and other Institutions. Since Digital marketing is growing day by day it is necessary that all the aspects, issues and trends should be a part of curriculum.

Why digital marketing the best means to impress students

- ❖ Prospective students are already searching online for educational and training courses
- ❖ Students spend more time on the internet rather in front of other media including television
- ❖ Display advertisement on the internet are highly effective and outperform traditional advertising

- ❖ Parents and guardians have started to judge a school or college based on its website and its online presence
- ❖ Most students have also began to judge a school or college through its online presence
- ❖ The internet is today the most favoured channel for applying and making admission queries
- ❖ Parents and students now considered web as the most convenient means for carrying out admission process

Advantages of Digital marketing for education institutions.

- Cost effective
- Instantaneous feedback
- Measurable
- Easily accessible Tools
- High conversion rates

CONCLUSION

Digital marketing has been gradually introduced in India thanks to the technological advancement in information and communication field, the share of digital marketing is also increasing substantially due to its advantages. Digital marketing as a part of curriculum is still to be developed. As observed earlier the dimensions of digital marketing need to be exploited further. Digital marketing should be tool for imparting education by all the institutions. India has not recognized the importance of it in furtherance of education. Further digital marketing issues and trends must be included in the curriculum of marketing discipline taught at university level.

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BRAND MANAGEMENT USING DIGITAL MARKETING

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ABSTRACT

*Just making an advertisement to reach its targeted audience can result in huge expenditure to a company. This is where we must notice the trend of the current market and get adapted to it. That means, in the present-day generation in India, nearly 30% of Indians own smartphones and its almost 45cr people using smartphone. India has become the world's second largest country for internet consumption. So, reaching the targeted audience through digital marketing has become a lot easier than ever. **"As marketing always says, hitting the market at the right time is the most important factor"** So, we will be seeing how to use digital marketing as the main source of advertisement, how effective it can be in reaching the targeted consumers and its cost-effectiveness.*

Keywords: *Digital Marketing, advertisement, brand management/marketing, Indian market.*

INTRODUCTION

WHAT IS TRADITIONAL MARKETING

Traditional Marketing is the process of marketing used in traditional ways without the help of digital technologies like web, social media, and other means of digital marketing.

It was adversely implemented before the evolution of technology but it hasn't been totally extinct. We can still see some of the traditional marketing methods utilized in olden days like Hoarding board, Poster advertising, Billboards and Transits like bus, trains, etc. And the paper and plastic waste generated by this, Is also contributing to the increasing pollution in our country. According to research, the waste produced from the plastic and

papers by the usage holdings and banners in urban areas is contributing to a total of 18% waste produced annually, so going digital can be a useful replacement⁴

OPTIONS AVAILABLE IN TRADITIONAL MARKETING SYSTEM



Now let's go through some of the benefits of traditional marketing

1. Easy to reach a local audience.
2. Its familiarity makes it easy to understand.
3. Builds immediate brand awareness.

So, as we can see there is very less area which can be targeted through the traditional marketing system and also manpower required is also more compared to digital

WHY DIGITAL MARKETING

Marketing has been consistently connecting with the audience at the proper time and in the right place. Presently, it means that you have to meet them where they are now investing their time. Digital Media is so widespread today that users have information access at any place and at any time they want it. Days are gone when the people got the messages about your services or brands or products and comprised of just what you needed them to know. People want organizations or companies that know them, communications that are relevant and personalized, offers custom-made to their preferences & needs, and brands they can trust on them. Digital Media is a regularly developing source of news, social interaction, shopping, and entertainment. Customers are currently exposed not just to what your firm or organization says in regards to your brand, but what the friends, media, surveys, and relatives are saying as well. What's more, they will probably trust them more than you.

OBJECTIVES OF STUDY

1. To learn about Digital Marketing by contrasting it and Traditional Marketing.
2. To consider the idea of advertisements for concentrating the most favoured promoting technique.
3. To examine the versatility of individuals towards advanced showcasing.

To contemplate the effect of Digital Marketing in delivering business improvement.

PRICE

The pricing of a product can be based on the cost of the process of getting the product to the market. While the business does eMarketing it has better prospect saving costs and therefore feasibility to have lower prices. Internet-based marketing sites not only save on cost spent on storing the product but also uses a cheap mode of communication like email. Competition is very tough as the competitors are a click away while a potential consumer is searching for information on the internet.

PLACE

In conventional, customary & traditional marketing, companies have the opportunities to decorate the stores in order to create a specific atmosphere that can attract consumers. Some attractive tools to create that atmosphere can be music, colours, etc, but through e-Marketing it is almost not possible to create real sensation since a website is just a virtual image atmosphere of the store mentioned above is very important for sales of the goods & services. For instance, if you see an unorganized store just filled up with some clothes you hardly feel tempted to go in and look for anything. The way the store is decorated provides a message about the business and its style. While one thinks about this, one can realize the importance of the physical existence of the store. Think for instance how the business could offer the same atmosphere through their website. For instance, we can consider H&M. They try to create the same atmosphere on their website as they have in their real stores. Despite this, the experience of stepping into the store differs from clicking on the computer while shopping. Internet helps companies to be reachable anytime, regardless of openings hours that physical stores require. Also, a website has a wider reach

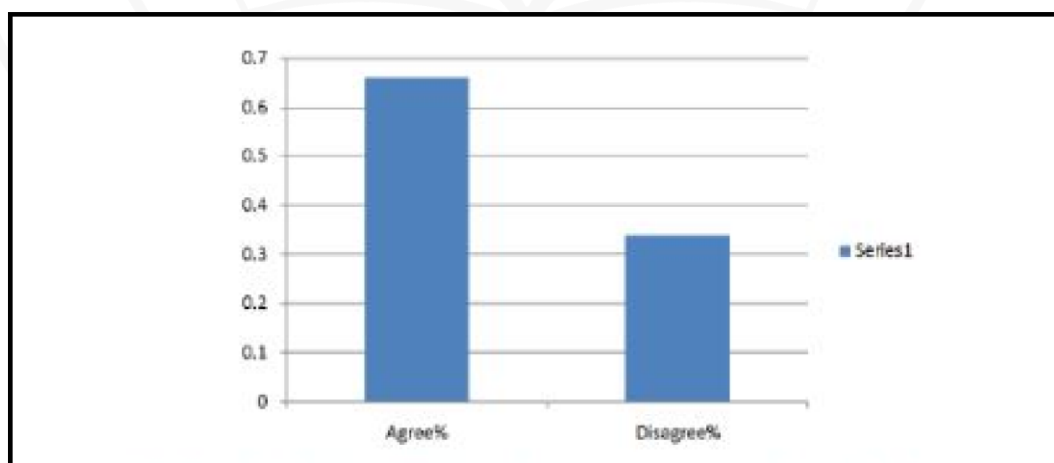
compared to a locality based store with a physical address. that physical stores require. Also, a website has a wider reach compared to a locality based store with a physical address.

PROMOTION

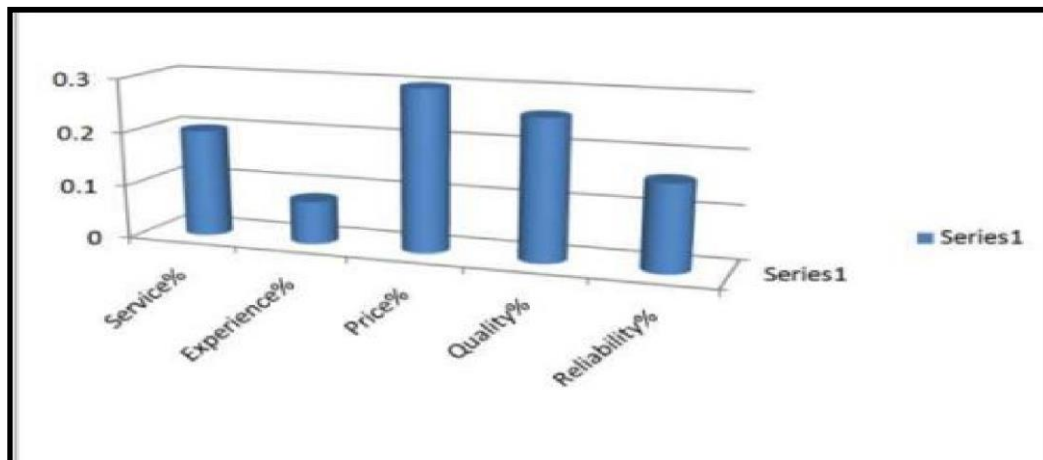
When it comes to endorsement and promotion, speed in getting the message across varies in traditional and internet marketing. Speed of getting the message of advertisement, news or any type of information to consumers is very quick through the Internet. This is very important in the competitive world of business. Additionally, the difference between endorsement and promotion by the Internet is the durability of the marketing message the marketer wants to communicate with the consumers. In conventional, customary & traditional manner, the message would receive attention during a limited amount of time like in case of advertisements aired on TV or sent out in newspapers and pamphlets. On the other hand, the marketer's message to the consumers can exist for a longer duration on the business's website and it is easily reached and handy to the consumers 24/7.

RESULTS OBTAINED BY QUESTIONNAIRE

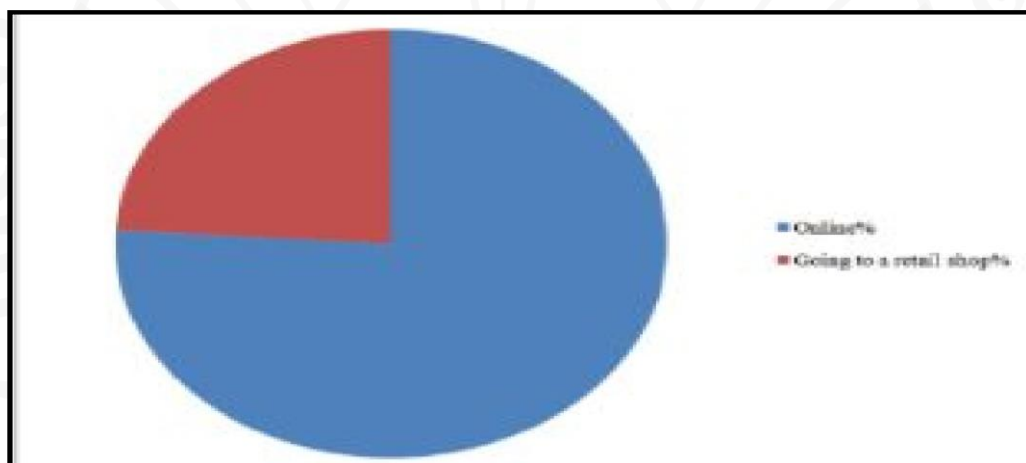
1.On seeing new things do you collect information on that.



2. Which data is collected about a product before making a buy decision.

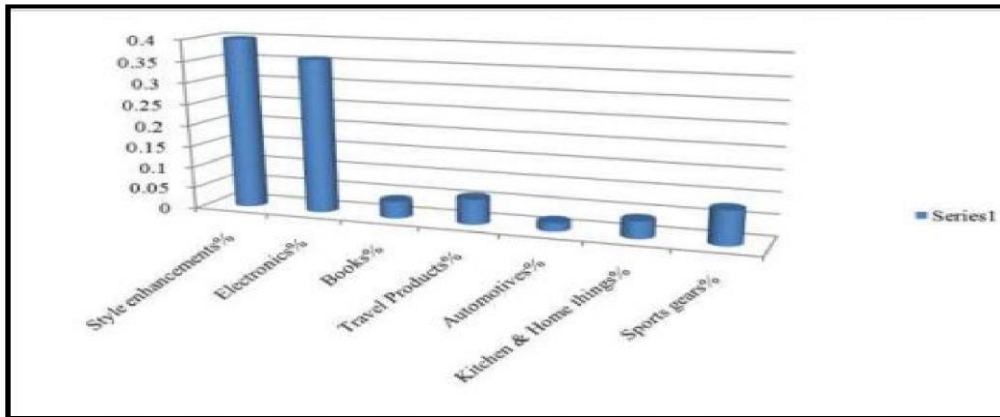


3. The system used to purchase a thing frequently.

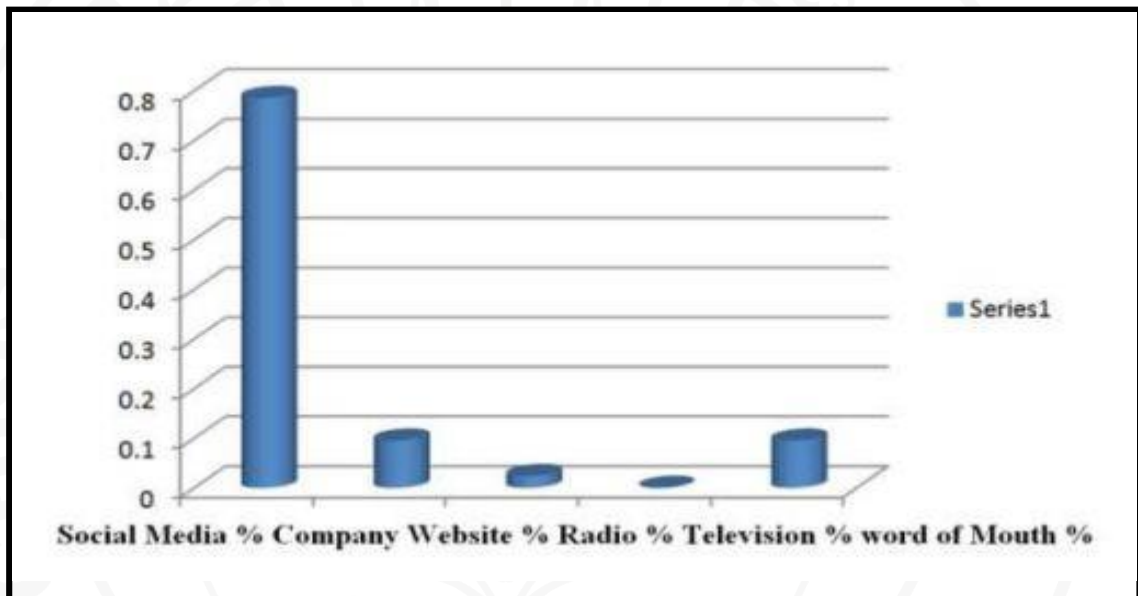


RED: Going TO RETAIL SHOP. BLUE: ONLINE SHOPPING

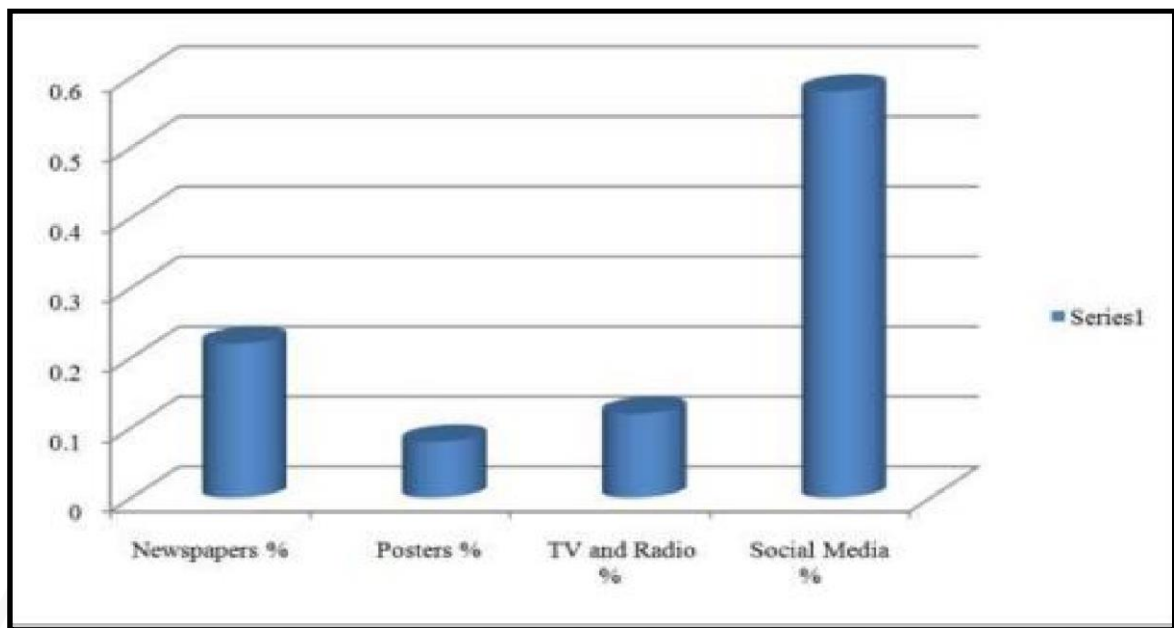
4. Kind of Products/benefit that you as a Buyer Incline towards with Purchase on the Web.



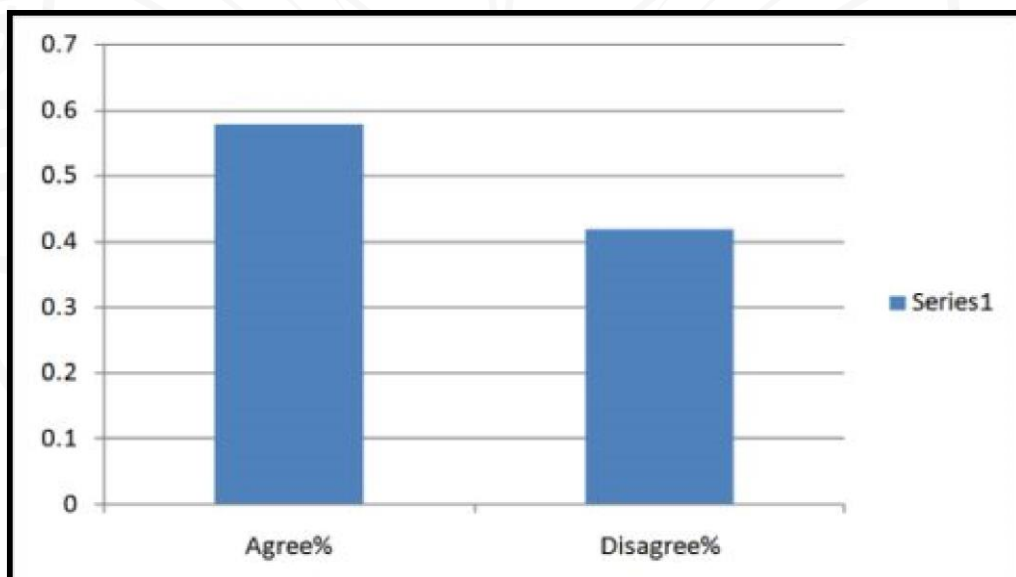
5. Most Favoured Framework for Buying Involvement with Others.



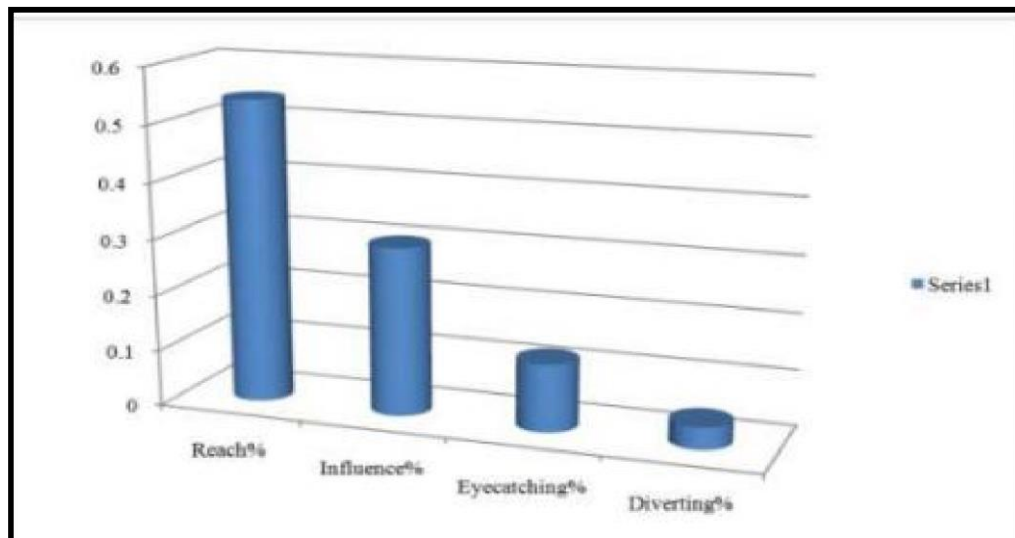
6.Favoured Medium to Watch Ads.



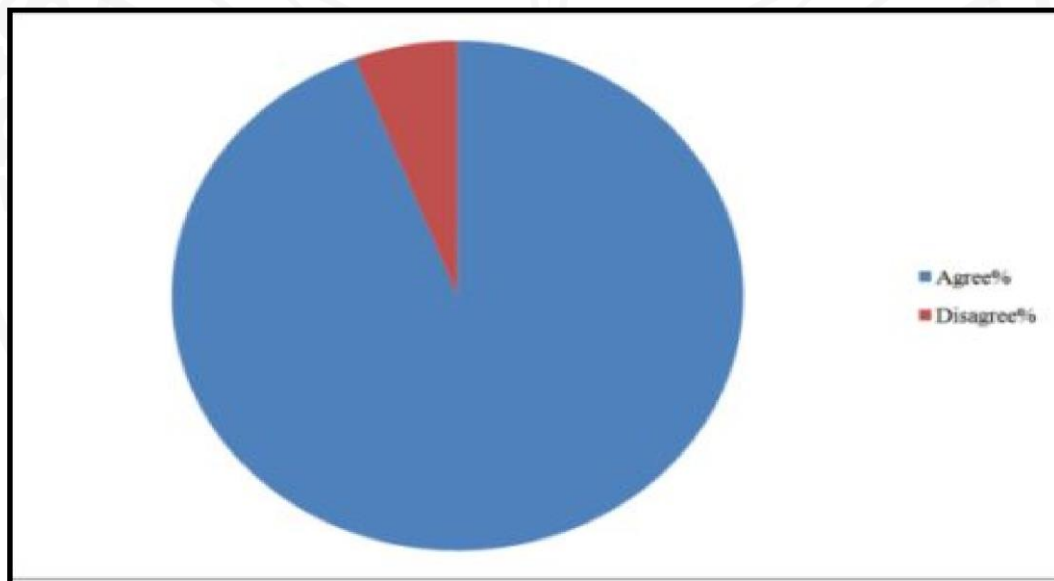
7.Branding ads through Social Media has More Reach that Television.



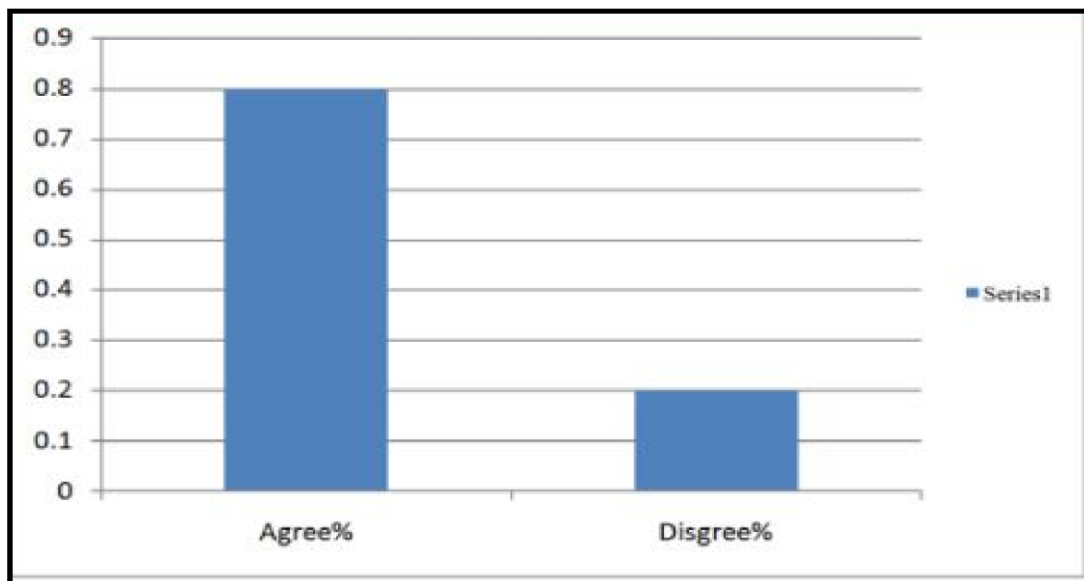
8 . Do you Discover Digital Media Marketing Powerful?



9. Do you think Future Era is going to be Digital?



10. If Yes, Social Media is the Most Influential Factor.



CONCLUSIONS

Comprehensively, all improvement will as time goes on fall into two classes structure, and interface. One will interface contraptions, the other will associate a gadget with a human Technology will draw in various social requests to team up more satisfactorily, in each circle. It will join individuals and affiliations, nearer. In the Digital period propelled time, advancement is made by joining individuals, data and foundation and making openness by putting individuals at the purpose of the meeting of everything. The examination demonstrates that the present and inevitable destiny of displaying is in the hands of Digital Media. Advanced showing contains made associations and merged channels. Marketing specialists need to utilize these areas best to fulfil target get-togethers and thusly building up a brand. In this time promoter isn't for a brand, individuals who are connected over the robotized stages are the directors. Brands need to assemble their quality through the automated stage since clients have higher pull in to forefront media than other media's. More than that clients are fundamentally data searchers and computerized media is the standard way or stage for two-course correspondence among brands and clients. Impelled media is the best stage to change over a thing to a brand. Since it is more sensible and it gives a considerable measure of inspiration driving comprehension to a marketing expert. Brands can draw in their objective get-togethers in a persuading course through

modernized stages. Impelled media isn't derived for engagement, brands can expand their clients or they can hold their present clients. Impelled stages help to produce the effect of brand and can besides study their objective social events. The examination concentrates on the inclination of clients over the media of showing. Indian buyers are particularly data searchers and they get some answers concerning a brand or a thing before getting it too. So brands should concentrate more on this while propelling their thing and the best stage for this is Digital Media.

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CRYPTOCURRENCY OF INDIA

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INTRODUCTION

The concept of crypto currency has made several rounds in the recent days of financial services and trading. We have a strong reason to believe that people need change and faster trading platforms which can fetch those better returns. As the expansion of demat account started in India the online trading fever reached its maximum trying to lure investors to best level possible. Many of us still believe in the fact that trading is one of the biggest mistakes or challenges in the markets since we lack knowledge and we do not have enough guidance in making things simpler for us. In all this gamut of activities going on crypto currency suddenly started making waves due to the high levels of risk and return philosophy. Though we do not know much about the inventor and rules of this game the financial system was not able to stop the trading of this currency. Bit coin was an innovative concept where the demand and supply factors were factored in with lot of challenges and expectations to create more than just a transparent economy. The trading of crypto currency became a phenomenon today by people thinking it would be easy for them to raise and decline prices because of the lack of governance standards. Regulators like SEBI, Ministry of finance and stock exchanges have tried to decline or resist traders from getting into bit coin trading because it is not considered to be valid.

THE LIQUIDITY CRUNCH

In the normal trading sessions, when a company IPO gets listed the traders get to choose the quantity and price under which they want to buy or sell. In the case of crypto currency the major issue remains the liquidity in the sense the availability of these coins to be traded. The volume is very less and price is too high for the normal traders to enter. Placing of orders and delivery becomes quite complicated and there is no equated supply in the market to facilitate regular trading aspects. A secondary issue of reduced liquidity is that it

puts the power into the hands of crypto currency exchanges with large liquidity. Some major exchanges now charge up to \$1 million to get tokens listed, essentially selling liquidity to the token projects.

PRICE MANIPULATION

Currently, the majority of crypt exchanges are only lightly regulated, leaving room for sometimes shady or abusive maneuvers. It is reported that crypto exchanges use bots to manipulate the prices of coins. Last September, crypto currency trader and analyst Alex Kruger exposed a promotion on Bithumb which inflated the trading volume on the exchange.

Crypto currencies and block chain technology are often portrayed as the big challenger to the current financial system, promising to fight corporate red tape, increase financial inclusion and create a more just and transparent economy. While all this is true, it's not always rainbows and unicorns in the crypto world.

Different crypto currency exchanges can offer various types of crypto currencies and have different terms, policies, payment methods, and fees. Exchanges also differ on aspects such as security, user-friendliness, functionality, and design. These factors can all play a significant part when choosing the most suitable exchange.

Talks over regulation of digital currencies and crypto exchanges are a way to help the market become healthier and more transparent. Crypto currencies and exchanges indeed have many issues to address and challenges to overcome. Here, we highlight some of the main concerns and recent issues that are preventing the crypto revolution from progressing to its next stage.

SECURITY

The biggest problem currently in the crypto market is the lack of security. Indeed, with news of hackings and breaches often making headlines, users are demanding more protection over their assets and data.

It is important to remember that as technology becomes more sophisticated, so do hackers. Exchanges are essentially so vulnerable to hacks because they centralize the risk, so further decentralization can be an option in the pursuit for maximum security.

Security is indeed an urgent and weighty matter. Coin Desk reports that each day, \$2.7 million is stolen from exchanges, with the amount of crypto currency taken in 2018 having increased 13 times compared to the previous year. This amounts to \$2.7 million in crypto assets being stolen every day, or \$1,860 each minute.

TRANSPARENCY

Indeed, it is a well-established fact that the majority of ICOs end up unsuccessful — some of them even fraudulent. Furthermore, many expensive crypto projects often make a case for themselves claiming they are decentralized, when in reality, data from Token Analyst for Yahoo Finance showed that nearly 80% of the top 50 coins are held by the top 20 wallets. In 16 cases, the 20 biggest wallets held more than 90% of total token supply.

Much like in the more traditional economy, power dynamics also underline the negotiations and collaborations set in the crypto sphere, and the nuances of marketing strategies can mislead users and investors.

The lack of transparency, accountability and professionalism from renowned institutions can poison the benefits of digital currencies and undermine the strength and influence of block chain adoption in different industries beyond finance. True block chain believers call for an end to sketchy practices in the financial system and market structures, promoting widespread professionalism and ethical standards.

CREDIBILITY

Initial Coin Offerings are a great way to attract investors, but part of them resulted to be scams. Exchanges need to be careful and strict enough only to list those crypto coins which are reliable and ensure that the right assessment is performed.

TRANSACTION DELAYS

While crypto currency transactions are known for being fast, delays can happen and can be a way to protect users from hackings or fraudulent transactions. Exchanges sometimes delay transactions if they suspect the user did not authorize the transactions.

REGULATION

In light of these flaws and loopholes, and continuing cases of hacks and breaches of exchanges, regulations would be welcomed if tailored to ensure transparency and consumer protections. Crypto experts have anticipated 2019 is on track to be the year of crypto regulations. This year started with stronger calls for rules and regulations all around the world. In January, two major European regulatory bodies, the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) have publicly called for better assessments of crypto technology and its impacts to develop appropriate regulations. In the US, the Securities and Exchange Commission (SEC) is applying their regulatory guidance to crypto currency projects as it considers another form of securities. Recent controversies over exchanges' lack of professionalism and transparency are likely to prompt exchange regulations to be in place soon.

DECENTRALIZATION

Over the last few months, we have been seeing more moves from centralized exchanges towards decentralization. Finance, for example, announced earlier this month that it is about to launch its decentralized exchange, Finance DEX, for public testing.

There various advantages to decentralization. A DEX ensures the poor and unbanked can participate in the global economy: anyone can store and transfer wealth to anyone anywhere in the world, almost at no cost. Another benefit of decentralized exchanges is that users are fully in control of their data as there is no central authority storing or managing it.

HOW DOES THE FUTURE LOOK LIKE?

While centralized crypto exchanges have been the tradition so far, they have somewhat given way to the decentralized crypto exchanges. The main objective behind bit coin and block chain is decentralization and thus, both the CEX's and DEX's should come together to develop a hybrid model which benefits all of the crypto ecosystem.

Hybrid crypto exchanges can represent a viable option that bridges the gap between the benefits of a centralized exchange and those of a decentralized exchange. This is the way to

gain the trust of numerous users and the cooperation of huge investors, while eliminating the element of subordination to a third-party and ensuring reliable storage.

If there is one thing we can learn from the recent developments and news, it is to look at the shortcomings of the so-called transparent crypto sphere, realize there is plenty of work to be done in this realm, and use the combination of technology, knowledge and accountability to fight these flaws. For the block chain & crypto revolution to produce its best outcomes, it is important to address the factors that undermine its integrity.

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A STUDY OF FUNDAMENTAL ANALYSIS OF REAL ESTATE SECTOR STOCKS

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ABSTRACT

*The primary motive of buying a share in secondary market is to sell it subsequently at a higher price. In many cases, dividends are also expected. Thus, dividends and prices changes constitute the return from investing in shares. Consequently, an investor would be interested to know the dividend to be paid on the share in the future as also the future price of the share. These values can be estimated and not predicted with certainty. These values are primarily determined by the performance of the company which in turn is influenced by the performance of the industry to which the company belongs and the general economic and socio-political scenario of the country. An investor who would like to be rational and scientific in his investment activity has to evaluate a lot of information about the past performance and the expected future performance of companies, industries and the economy as a whole before taking the investment decision. Such evaluation or analysis is called as **Fundamental Analysis**. The present article tries to highlight the importance and concepts of fundamental analysis. This article is purely based on the secondary data and tries to identify some of the major companies in real estate sector.*

Key Words: STOCKS, REAL ESTATE

INTRODUCTION

The primary motive of buying a share in secondary market is to sell it subsequently at a higher price. In many cases, dividends are also expected. Thus, dividends and prices changes constitute the return from investing in shares. Consequently, an investor would be interested to know the dividend to be paid on the share in the future as also the future price of the share. These values can be estimated and not predicted with certainty. These values are primarily determined by the performance of the company which in turn is influenced by the performance of the industry to which the company belongs and the general economic and socio-political scenario of the country. An investor who would like to be rational and scientific in his investment activity has to evaluate a lot of information about the past performance and the expected future performance of companies, industries and the economy as a whole before taking the investment decision. Such evaluation or analysis is called **Fundamental Analysis**. Hence, the economy fundamentals, industry fundamentals and company fundamentals have to be considered while analyzing a security for investment purpose. Fundamental analysis is, in other words, a detailed analysis of the fundamental factors affecting the performance of companies. Each share is assumed to have an economic worth based on its present and future earning capacity. This is called its intrinsic value or fundamental value. The purpose of the fundamental analysis is to evaluate the present and future earnings capacity of a share based on economy, industry, and company fundamentals and there by assess the intrinsic value of the share. The investor can then compare the intrinsic value of the share with prevailing market price to arrive at an investment decision. If the market price of the share is lower than its intrinsic value, the investor would decide to buy the share as it is underpriced. The price of such a share is expected to move up in future to match with its intrinsic value. On the contrary, when the market price of a share is higher than its intrinsic value, it is perceived to be overpriced. The market price of such a share is expected to come down in future and hence, the investor would decide to sell such a share. Fundamental analysis insists that no one should purchase or sell a share on the basis of tips and rumors. The fundamental approach calls upon the investor to make his buy or sell decision on the basis of the information about the company, the industry to which the company belongs, and the economy.

MEANING

An investor who would like to be rational and scientific in his investment activity has to evaluate a lot of information about the past performance and the expected future performance of companies, industries and the economy as a whole before taking the investment decision. Such evaluation or analysis is called **Fundamental Analysis**.

REVIEW OF LITERATURE

Venkates CK, et.all. (2010) “Fundamental analysis and stock returns” -This paper investigated the relationship between accounting information and stock returns of selected Indian stocks pertaining to Information Technology, Banking and Pharmacy sectors over the past ten years starting from 2001 to 2010. In this research work a simple financial score is designed to capture short term changes in firm’s operating efficiency, Profitability and Financial policy. The objectives of the study was to measure 3 areas of firms financial conditions that is Profitability, Operating efficiency and Financing Decisions by using 8 fundamental signals.

Victoria Galsband (8 October 2010) “The cross-section of equity returns and assets’ fundamental cash-flow risk”- In this study empirically, the author found that differences in expected excess returns between low book-to-market and high book-to-market portfolios are associated with differences in their cash-flow betas, and thus reflect macroeconomic, especially consumption related risks. This result holds true for a broad set of consumption-based asset pricing models. In addition, the results indicate that the risk premium on equity markets is primarily driven by the exposure of assets’ cash- flow components to the cyclical variability of durable consumption goods.

Hemang desai, (2011) “The role of fundamental analysis in information arbitrage”- The study examined whether information arbitrageurs attempt to exploit the return predictability in valuation and fundamental signals. They show that their empirical model explaining short seller recommendations is successful in predicting both short interest and future returns for a broader sample in an out-of-sample period. The study presents an important application of the model in distinguishing between valuation and arbitrage

motivated short selling. Overall, these findings present additional insights into the decision process of short sellers and validate the importance of fundamental analysis in the information arbitrage process.

M. Arifur Rahman, et.all. (18 September 2012) “*Firm fundamentals and stock prices in emerging Asian stock markets*”- The purpose of this paper is to investigate the direct link between firm fundamentals and stock prices in a set of emerging Asian stock markets using firm-level panel data. In doing this, they explore the relationship between firm-specific variations in stock returns and firm fundamentals in the context of a simple present value framework. They find that alternative proxies of variation in firm fundamentals albeit at differing degrees explain a significant part of firm-specific return variation in a majority of emerging markets in Asia. Overall results suggest that stock prices in a majority of the Asian emerging markets contain a significant amount of firm-specific fundamental information and are, therefore, not as murky as commonly thought.

Dr. Me pare Timor, tall. (13 Mar 2012) “*A Stock Selection Model Based on Fundamental and Technical Analysis Variables by Using Artificial Neural Networks and Support Vector Machines*”- The basic aim of this article is to provide a model to explain stock performance utmost level. In this research paper they used Artificial Neural Network (ANN) is an approach that has been widely used for financial classification problems for a long time. In addition, promising results of a novel machine learning method known as the Support Vector Machines (SVM) have been presented in several studies compared to the ANN. The stock performance results relying on fundamental analysis have shown more successful classification rates than the models based on technical analysis. Moreover, it was also experienced that the models constructed by using SVM method in the both type of analyses have shown more prominent results.

OBJECTIVES OF THE STUDY

- To understand the concepts of fundamental analysis
- To understand the growth of real estate sector in India
- To understand the SWOT analysis of real estate sector
- To identify major real estate companies in India

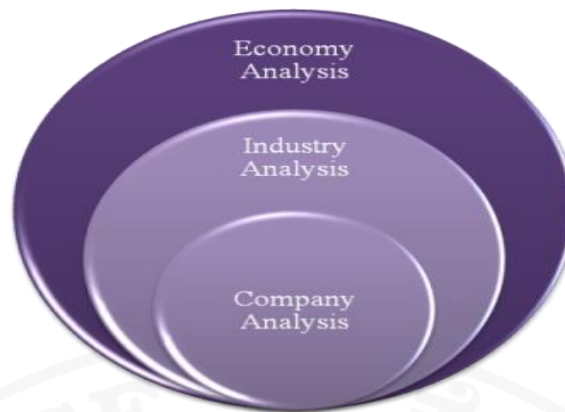
METHODOLOGY

This paper is based on qualitative research design consisting of review of literature through secondary sources of data collection. The data has been examined through content analysis process from various books, newspaper articles and journals. This paper seeks to explain concepts of fundamental analysis.

FUNDAMENTAL ANALYSIS

Fundamental analysis is the study of the various factors that affect a company's earnings and dividends. Fundamental analysis studies the relationship between a company's share price and the various elements of its financial position and performance. Fundamental analysis also involves a detailed examination of the company's competitors, the industry or sector it is a member of and the broader economy. Fundamental analysis is forward looking even though the data used is by and large historical. The objective of fundamental analysis is to determine a company's intrinsic value or its growth prospects. This intrinsic value can be compared to the current value of the company as measured by the share price. If the shares are trading at less than the intrinsic value, then the shares may be seen as good value. The framework used is the economic-industry-company approach, or the E-I-C framework. The intrinsic value of an equity share depends on a multitude of factors. The earnings of the company, the growth rate and the risk exposure of the company have a direct bearing on the price of the share. These factors in turn rely on the host of other factors like economic environment in which they function, the industry they belong to, and finally companies own performance. The fundamental school of thought appraised the intrinsic value of shares through -

- Economic Analysis
- Industry Analysis
- Company Analysis



ECONOMIC ANALYSIS

The level of economic activity has an impact on investment in many ways. If economy grows rapidly, the industry can also be expected to show rapid growth and vice versa. When the level of economic activity is low, stock prices are low and economic activity are high the stock price are high reflecting the prosperous outlook for sales and profits of the firm. The analysis of macroeconomic environment is essential to understand the behavior of the stock prices. The commonly analyzed macro-economic factors are as follows:

- **Gross Domestic Product (GDP):** GDP indicates the rate of growth of the economy. GDP represents the aggregate value of the goods and services produced in the economy. GDP consists of personal consumption expenditure, gross private domestic investment and government expenditure on goods and services and net export of goods and services. The estimates of GDP are available on annual basis. The rate of growth of GDP is around 6% in nineties. The growth rate of economy points out the prospects for industrial sector and the investors can expect return for their investment in shares. The higher growth rate is more favorable to the stock market.
- **Savings and Investment:** It is obvious that growth requires investment, which in turn requires substantial amount of domestic savings. Stock market is a channel through which the savings of the investors are made available to the corporate bodies. Savings are distributed over various assets like equity shares, deposits, mutual fund units, real estate and bullion. The savings and investment patterns of the public affect the stock to great extent.
- **Inflation:** Along with the growth of GDP, if the inflation rate also increases, then the real rate of growth would be very little. The demand in the consumer product industry is significantly affected. The industries which come under the government price control

policy may lose the market, for example sugar. The government control over this industry, affects the price of the sugar and thereby the profitability of the industry itself. If there is a mild level of inflation, it is good to the stock market but high rate inflation is harmful to the stock market.

- **Interest Rates:** The interest rate affects the cost of financing to the firms. A decrease in the interest rate implies lower cost of finance and more profitability. More money is available at a lower interest rate for brokers who are doing with borrowed money. Availability of cheap fund encourages speculation and rise in the price of shares.
- **Budget:** The budget draft provides an elaborate account of the government revenues and expenditures. A deficit budget may lead to high rate of inflation and adversely affect the cost of production. Surplus budget may result in deflation. Hence, balanced budget is highly favorable to the stock market.
- **The Tax Structure:** Every year in March, the business community eagerly awaits the government's announcement regarding the tax policy. Concessions and incentives given to certain industry and encourages investment in that particular industry. Tax reliefs given to savings encourage savings. The Minimum Alteration Tax (MAT) levied by the Finance Minister in 1996 adversely affected the stock market. Ten years of tax holiday for all industries to be set up in the northeast is provided in the 1999 budget. The type of tax exemption has impact on the profitability of the industries.
- **The Balance of Payment (BOP):** The balance of payment is the record of a country's money receipts from and payments abroad. The difference between receipts and the payment may be surplus or deficit. Balance of payment is a measure of the strength of rupee on external account. If the deficit increases, the rupee may depreciate against other currencies, thereby, affecting the cost of imports. The industries involved in the export and import are considerably affected by the changes in foreign exchange rate. The volatility of the foreign exchange rate affects the investment of the foreign institutional investors in the Indian stock market. A favorable balance of payment renders a positive effect on the stock market.
- **Infrastructure Facilities:** Infrastructure facilities are essential for the growth of industrial and agricultural sector. A wide network of communication system is a must for the growth of the economy. Regular supply of power without any power cut would boost the production.

Banking and financing sectors also should be sound enough to provide adequate support to the industry and agriculture. Good infrastructure facilities affect the stock market favorably. In India, even though infrastructure facilities have been developed, still they are not adequate. The government has liberalized its policy regarding the communication, transport and power sector. For example, power sector has been opened up to the foreign investors with assured rates of returns.

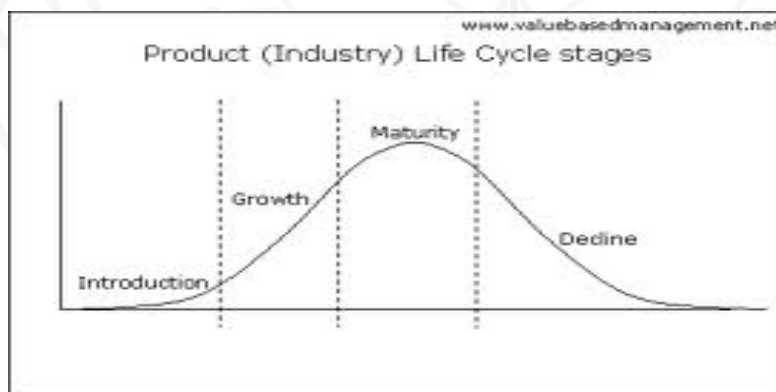
INDUSTRY ANALYSIS

An industry is a group of firms that have similar technological structure of production and produce similar products. For the convenience of the investors, the board classification of the industry is given in financial dailies and manufacturing process and products.

➤ Industry Life Cycle

The industry life cycle theory is generally attributed to Julius Grodensky. The life cycle of the industry is separated into four well-defined stages such as -

- Pioneering stage.
- Rapid growth stage.
- Maturity and stabilization stage
- Declining stage.



- **Pioneering stage:** The prospective demand for the product is promising in this stage and the technology of the product is low. The demand for the product attracts many producers to produce a particular product. There would be service competition and only fittest companies survive this stage. The producers try to develop brand name,

differentiate the product and create a product image. This would lead to non-price competition too.

- **Rapid growth stage:** The stage starts with the appearance of surviving firms from the pioneering stage. The companies that have withstood the competition grow strongly in market share and financial performance. The technology of the production would have improved resulting in low cost of production and good quality products. The companies have stable growth rate in this stage and they declare dividend to the shareholders. It is advisable to invest in the shares of these companies.
- **Maturity and stabilization stage:** In the stabilization stage, the growth rate tends to moderate and the rate of growth would be more or less equal to the industrial growth rate or the Gross Domestic Product growth rate. Symptoms of obsolescence may appear in the technology. To keep going, technological innovations in the production process and products should be introduced. The investors have to closely monitor the events that take place in the maturity stage of the industry.
- **Declining stage:** In this stage, demand for the particular product and the earnings of the companies in the industry decline. Now a day's very few consumers demand black & white TV, innovation of new products and changes in consumer preferences lead to this stage. The specific feature of the declining stage is that even in the boom period; the growth of the industry would be low and decline at a higher rate during the recession. It is better to avoid investing in the shares of low growth industry even in the boom period, investment in the shares of these types of companies leads to erosion of capital.

ESSENTIAL FACTORS

Apart from the industry life cycle analysis, the investor has to analyze some other factors too. They are as listed below

1. Growth of the industry.
2. Nature of the product.
3. Nature of the competition.
4. Government policy.
5. Research and development.

1. Growth of the industry:

The historical performance of the industry in terms of growth and profitability should be analyzed. Industry wise growth is published periodically by the Centre for monitoring Indian economy. The past variability in return, in reaction to macro-economic factors, provides an insight into future. Even though history may not repeat in the exact manner, looking into past growth of the industry, analysts can predict.

2. Nature of the product:

The products produced by the industries are demanded by the consumers and other industries. The investor has to analyze the condition of related goods producing industry and the end user industry to find out the demand for industrial goods.

3. Nature of the competition:

Nature of the competition is an essential factor that determines the demand for the particular product, its profitability and the price of the concerned company scrip. The supply may arise from indigenous producers and multinationals. The investor before investing in the scrip of a company should analyze the market share of the particular company's product and should compare it with the top five companies.

4. Government policy:

The Government policies affect the very nerve of the industry and the effects differ from industry to industry. Tax subsidies and tax holidays are provided for export oriented products. Government regulates the size of the production and the pricing of certain products. Sugar, fertilizer and pharmaceutical industries are often affected by the inconsistent Government policies. Liberalization and de-licensing have brought immense threat to the existing domestic industries and several sectors.

5. Research and Development:

For any industry to survive the competition in national and international markets, product and production process have to be technically competitive. This depends on R&D in a particular company or industry. Economies of scale and new market can be obtained only through R&D. The percentage of expenditure made on R&D should be studied diligently before making investment.

COMPANY ANALYSIS

In the company analysis, the investor assimilates the several bits of information related to the company and evaluates the present and future value of the stock. The risk and return associated with the purchase of the stock is analyzed to take better investment decisions. The valuation process depends upon the investors' ability to elicit information from the relationship and inter relationship among the company related variables

THE COMPETITIVE EDGE OF THE COMPANY

Major industries in India are composed of hundreds of individual companies. In the information technology industry even though the number of companies is large, few companies like Tata InfoTech, Infosys, NIIT etc., control the major market share. Likewise in all industries, some companies rise to the position of eminence and dominance. The large companies are successful in meeting the competition. Once the companies obtain the leadership position in the market, they seldom lose it. Over the time they would have proved their ability to withstand competition and to have a sizeable share in the market. The competitiveness of the company can be studied with the help of:

1. The market share.
2. The growth of annual sales.
3. The stability of annual sales.

1. The market share:

The market share of the annual share helps to determine a company's relative competitive position within the industry. If the market share is high, the company would be able to meet the competition successfully. While analyzing the market share, the size of the company also should be considered because the smaller companies may find it difficult to survive in the future. The leading companies of today's market will continue to lead at least in the near future. The companies in the market should be compared with like-product groups; otherwise, the results will be misleading. A software company should be compared with other software companies to select the best in that industry.

2. Growth of sales:

The company may be a leading company, but if the growth in sales is comparatively lower than another company, it indicates the possibility of the company losing the leadership. The rapid growth in sales would keep the shareholder in a better position than one with the stagnant growth rate. The company of larger size with adequate growth in sales will not be preferred by the investors. Growth in sales is usually followed by the growth in profits. Investor generally prefers size and growth in sales because the larger size companies may be able to withstand the business cycle rather than the company of smaller size. The growth in sales of the company is analyzed both in rupee terms and in physical terms. Physical terms are very essential because it shows the growth in real terms. The rupee term is affected by the inflation.

3. Stability of sales:

If a firm has stable sales revenue, other things being remaining constant, will have more stable earnings. Wide variation in sales leads to variation in capacity utilization, financial planning and dividend. Periodically, all the financial newspapers provide information about the market share of different companies in an industry.

FINANCIAL ANALYSIS

The best source of financial information about a company is its own financial statements. This is a primary source of information for evaluating the investment prospects in a particular company's stock. Financial statement analysis is the study of company's financial statement from various viewpoints. The statement gives the historical and current information about the company's operations. Historical financial statement helps to predict the future. The current information aids to analyze the present status of the company. The two main statements used in the analysis are:

- Balance sheet.
- Profit and loss account.

➤ Balance sheet:

The balance sheet shows all the company's source and uses of funds at a given point of time. The balance sheet can be either in horizontal form or vertical form. The balance sheet

provides an account of the capital structure of the company. The net worth and outstanding long term debt is known from the balance sheet. The debt has certain advantages in terms of cost and market acceptability. The use of debt has financial leverage beneficial or detrimental to the shareholder depending on the size and stability of earnings. If revenues are stable and certain, large amount of debt can be carried and it is beneficial to the shareholder. If earnings fluctuate, the debt should be low in capital structure, so that the payment of interest may not be detrimental to the shareholders.

It is better for investor to avoid company with an excessive debt component in its capital structure. From the balance sheet, liquidity position of the company can also be assessed with the information on current assets and current liabilities. The overall ability to pay its short term obligation can be found.

➤ **Profit and loss account:**

An analysis of the financial condition of the company requires a report on the flow of funds from business operation that takes place between two points of time. It lists down the items - income & expenditure. The difference between income & expenditure represents the profit & loss during the period. It is also called as Income & Expenditure statement. The investor should be aware of the limitations of the financial statements. An investor should scrutinize the financial statements to find out the manipulation, if any, the auditor's report & notes to the balance sheet give vital clue to the investor in this regard.

ANALYSIS OF FINANCIAL STATEMENTS

The analysis of financial statements reveals the nature of relationship between income and expenditure, and the sources and application of funds. The investor determines the financial position and the progress of the company through analysis. The investor is interested in the yield and safety of his capital. He cares much about the profitability and the management's policy regarding the dividend. Towards this end, he can use the following simple analysis:

Ratio analysis: Ratio is the relationship between two figures expressed mathematically, which provides numerical relationship between two relevant financial data. Financial ratios are calculated from the balance sheet and P&L account. The relationship can be expressed as a percentage or as a quotient. Ratios are a summarized data for easy understanding,

comparison and interpretation. Financial ratios can be divided into 6 groups they are:

1. Liquidity ratios.
2. Efficiency ratios.
3. Leverage ratios.
4. Margin ratios.
5. Profitability ratios.
6. Valuation ratios.

INTRINSIC VALUE

When it comes to investing, everyone wants to know what stocks are going to go up. Unless you have the ability to see into the future, you'll have to settle for doing things the old fashioned way: by research them. Even though it may not be possible to be right on all of your stock picks, you can tilt the odds in your favor by learning as much as you can about the stocks you're investing in. One useful tool that you can use to make an educated decision on whether or not to buy a stock is the intrinsic value, which gives you an idea of approximately what the stock is worth.

Valuing a stock is not always very easy to do. Ratios like the P/E ratio give you a quick idea but it doesn't go into depth very well. The intrinsic value makes up for some of what the P/E ratio lacks by accounting for its growth rate and the discount rate. The growth rate allows the intrinsic value (IV) to value the stock not only on their current earnings per share but also on their future earnings per share. The term "discount rate" refers to the rate that you would have to earn to make an investment worth the risk. By accounting for this, it helps weed out some stocks that may be less lucrative investments.

USING THE INTRINSIC VALUE

After calculating the intrinsic value, you will come to know what the stock is "worth", you can compare its current stock price with its intrinsic value to decide if it is worth the risk. For example, if XYZ was trading at \$45, you would consider it undervalued because it's trading at a price that is less than its IV of \$58. However, if it was trading at \$75 per share, it would be considered overvalued.

The price that will be paid is the ultimate determinant for the rate of return that you'll be earning. The higher the price paid for it, lower the rate of return. This is why; one need to know how much a stock is worth. Once you know its value, you can identify which stocks are traded at discounted price. However, buying a stock simply because it is cheap is not the right approach either. This is another reason to calculate intrinsic value. The only big disadvantage that the intrinsic value has is that it doesn't allow you to calculate it for stocks that don't have positive earnings. But, in general, the intrinsic value has very nice advantages over other methods and has even been found it more accurate. By using it, you give yourself one more way to check out a stock to decide if it really is worth the risk.

GROWTH OF INDIA'S REAL ESTATE SECTOR

Real estate in India continues to be a favored destination globally for investors, developers and non-resident Indians (NRIs), driven largely by investor-friendly government policies and increasing globalization. The second largest employment generation sector after agriculture, real estate contributes about 6.3 per cent to India's gross domestic product (GDP). The foreign direct investment (FDI) in the sector is expected to touch US\$ 25 billion in the next 10 years from its current US\$ 4 billion.

The sector's progress is driven by factors such as rapid urbanization, a growing trend towards nuclear families, positive demographics, rural–urban migration, ever-developing infrastructure, higher income levels and housing demand. The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020.

FACTORS THAT WILL DRIVE GROWTH IN THIS SECTOR

- Robust economic growth is driving the demand for commercial property. Urbanization and growing household income is boosting demand for residential real estate.
- Hospitality space is gaining from increased flow of foreign tourists to the country (CAGR of 6.6 percent during 2005-10).
- FDI in real estate and construction is on an uptrend, accounting for 22 percent of total FDI. 110 deals were closed in the sector between 2001 – mid 2011.

- Housing segment growth is leading to higher demand for cement for homebuilding.
- Government's 12th Five Year Plan focuses on increasing infrastructure (upgraded airports, ports, railway expansion, etc.) to drive construction activity.

GOVERNMENT INITIATIVES

Introduction of few policies by the Government is allowing the growth of the real estate and construction sector:

- Housing finances are becoming feasible with the housing loan limit being raised to US \$52080 for priority sector lending.
- US\$ 625 million have been allocated for the Rural Housing Fund to provide homes to economically weaker sections.
- FDI up to 100 per cent is allowed with government permission for developing townships and settlements. FDI up to 100 per cent is also allowed in hotel and tourism sector through automatic route.

DEMAND FOR PROFESSIONALS

CMA predicts that cement production of one million tons will generate downstream employment for 50,000 people. According to the 'Real Estate and Construction Professionals in India by 2020' study by Royal Institute of Chartered Surveyors (RICS) in November 2011, there is a demand-supply gap in the order of 82-86 percent in the number of professionals and the skill sets for the core, namely civil engineering, architecture and planning. The study indicates a supply-demand gap of 44 million core professionals by 2020.

MARKET DYNAMICS

The real estate sector in India is witnessing rapid growth in the residential, commercial and industrial segments. Real estate development, once restricted to bigger cities, have shown marked progress in smaller cities and towns owing to availability of banks loans, higher earnings and improved standard of living. The real estate sector of India is projected to post annual revenues of US\$ 180 billion by 2020 against US\$ 66.8 billion in 2010-11, a compound annual growth rate (CAGR) of 11.6 per cent. The demand is expected to grow at

a CAGR of 19 per cent in the period 2010-2014, with Tier I metropolitan cities expected to account for about 40 per cent of this growth. As of now, Mumbai, Delhi-National Capital Region (NCR) and Bengaluru cater for 46 per cent of total office space demand in India. This demand is expected to rise sharply in Tier II cities such as Kolkata and Chennai in the period 2010-14. Today, Delhi-NCR accounts for about 30 per cent of the total mall supply in India. About 53 per cent of demand for total mall space is projected to come from the country's top seven cities, namely Delhi-NCR, Bengaluru, Mumbai, Kolkata, Pune, Hyderabad, and Chennai, in the period 2010-2014.

INVESTMENT OPPORTUNITIES

The Indian retail realty sector is projected to grow at around 15 per cent year-on-year over the next 3-5 years as against a 12-13 per cent nominal growth of India's GDP estimated by the International Monetary Fund (IMF). If the sector does indeed manage the aforementioned growth, it will touch Rs 34 trillion (US\$ 544.73 billion) by 2016. India's office space stock is estimated to rise by 40 per cent to 642.2 million sq. ft. by 2017, according to a report by real estate consultancy Knight Frank India. The current Indian market offers some of the most competitive rates in the Asia-Pacific region, according to a report by property services firm DTZ. The report also states that Indian cities will have some of the fastest rental growths in the region over the period 2013-17, but will remain among the most competitive.

INDIA'S TOP REAL ESTATE COMPANIES

- Dlf ltd.
- Jaypee infratech ltd
- Oberoi realty
- Ansal properties & infrastructure ltd
- Parsvnath developers ltd
- Unitech
- Merlin group
- Godrej properties
- Omaxe ltd

- Db realty

SWOT ANALYSIS OF INDIAN REAL ESTATE SECTOR

STRENGTHS

- Attracting High FDI Inflow
- High Demand due to Urbanization
- Rising Middle Class Numbers
- NRI Buying power 10x than local buyers
- Better Infrastructure
- citizens buying affordability

WEAKNESSES

- High Government Regulation
- High taxes on Raw Material
- Availability of Finance
- High Interest Rate
- Inability to tap NRI customers
- Lack for technology adaptation

OPPORTUNITIES

- Affordable Homes segment
- Rural India Housing

THREATS

- Competition
- Economic Inflation
- political instability
- economic slowdown

ECONOMIC LIFE CYCLE

A market timing strategy sometimes recommended by professionals like Fidelity Investments assumes that the various phases of the stock market's life cycle correspond roughly to the stages of an economic business cycle. To aide investors following the strategy, they developed the following schematic which overlays a typical economic cycle, the market life cycle phases corresponding to the various economic sectors and the industry groups that typically tend to perform best in them.



In the Financial Crises Crash, financial stocks was one of the first (after homebuilders) and most beaten down of all the Industry Groups having come under new, intense Federal scrutiny, regulation and restructuring and, up to now, the stocks have been slow to recover. But their time may be coming.

COMPANY PROFILE

DLF Ltd

DLF Ltd is engaged in the business of colonisation and real estate development. The company operations span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects. It is also engaged in the business of generation of power, provision of maintenance services, hospitality and recreational activities, life insurance and retail chain outlets. Its internal business includes development business and rental business. The development business of the Company is involved in the sale of residential spaces, select commercial offices and commercial complexes.

The company has a unique business model with earnings arising from development and rentals. Its exposure across businesses, segments and geographies, mitigates any down-cycles in the market. The company has also forayed into infrastructure, SEZ and hotel businesses. It operates in all aspects of real estate development, ranging from acquisition of

land, to planning, executing, constructing & marketing of project. The group is also engaged in the business of generation and transmission of power, provision of maintenance services, hospitality and recreational activities. The business of DLF is organized on a SBU basis. The Homes SBU caters to 3 segments of the residential market - Super Luxury, Luxury and Mid-Income.

DLF Ltd was incorporated in the year 1963. The company was founded by Chaudhary Raghuvendra Singh. The company developed some of the first residential colonies in Delhi such as Krishna Nagar in East Delhi, which was completed in 1949. Following the passage of the Delhi Development Act in 1957, the state assumed control of real estate development activities in Delhi, which resulted in restrictions on private real estate colony development. They therefore commenced acquiring land at relatively low cost outside the area controlled by the Delhi Development Authority, particularly in the district of Gurgaon in the adjacent state of Haryana. This led to their first landmark real estate development project? DLF Qutab Enclave, which has now evolved into DLF City.

HOUSING DEVELOPMENT AND INFRASTRUCTURE LTD

Housing Development and Infrastructure Ltd (HDIL) is one of the premier real estate development companies in India and is actively pursuing on the development of real estate and slum rehabilitation projects in Mumbai Metropolitan region.

The company is engaged in the business of real estate development and construction of residential and commercial properties, infrastructure facilities and all other related activities. They are also engaged in slum rehabilitation projects in Mumbai Metropolitan region. They have also diversified into energy, hospitality and the development of SEZs. The company has established themselves as one of India's premier real estate development companies, with significant operations in the Mumbai Metropolitan Region. They are a public listed real estate company in India with shares traded on the BSE & NSE Stock Exchanges Housing Development & Infrastructure Ltd was incorporated in July 25, 1996 as a private limited company with the name Housing Development and Improvement India Pvt Ltd. HDIL group has completed more than 100 million sq. of construction in all verticals of real estate and has rehabilitated around 30,000 families in last one decade. With operations spanning every aspect of the real estate business, from residential, commercial and retail projects, to slum rehabilitation to land development, the company was ranked as

India fastest growing real estate company by Construction World-NICMAR in October 2007. Its residential projects range from apartment complexes to towers to townships. Its commercial projects comprise premium office

UNITECH LTD

Unitech Ltd is a leading real estate developer in India. The business operations of the company consists of construction, contracts, development of real estate, consultancy and management services, hotels, manufacturing of power transmission and telecom towers. The company is the first developer to have been certified ISO 9001:2000 in North India and offers the most diversified product mix comprising residential, commercial/IT parks, retail, hotels, amusement parks and SEZs. The company has six segments, namely real estate, construction, transmission towers, consultancy, hospitality and others. The construction activities include construction contracts of highways, roads, powerhouses, manufacturing of transmission lines, refineries and various types of other buildings/structures. Real Estate Development includes development of mini cities/townships construction of residential and commercial complexes. Consultancy and management services include overseeing of project execution, marketing of real estate ventures for associates and joint ventures. The manufacturing of power transmission and telecom towers in India is carried out through a subsidiary; Unitech Power Transmission Ltd. Unitech Ltd was incorporated in the year 1972 by four civil engineers as a soil testing company. In the year 1975, the company entered into construction activities. In the year 1978, they forayed into the Middle East for construction projects. In the year 1980, they started construction of power projects. In the year 1986, they entered into real estate starting with Gurgaon. Also, they entered into capital market through public issue. In the year 1995, the company established a joint venture with Hyundai for the transmission tower manufacturing. In the year 1996, they forayed into hospitality with the construction of Radisson Hotel, Delhi. In the year 2003, the company commenced property and facilities management services. In the year 2004, they forayed into amusement parks, namely Adventure Island, Delhi and Worlds of Wonder, Noida. Unitech Wireless. Also, Unitech Wireless received pan-India telecommunication licenses viz. Unified Access Service Licenses (UASL), in all 22 telecom circles. The company completed the construction of Gurgaon Central, a retail mall spread over an area of 100,000 square feet. During the year 2008-09, the company received initial spectrum (4.4 Mhz) in 21 telecom circles.

ANSAL PROPERTIES & INFRASTRUCTURE LTD

Established in 1967 as a family business, **Ansal API** today is among the leading Realty and Infrastructure companies of India. A widely reputed and professionally managed Organization, **Ansal API** currently operates in a range of business verticals such as Integrated Townships, Condominiums, Group Housing, Malls, Shopping Complex, Hotels, SEZs, IT Parks and Infrastructure and Utility Services.

Besides expanding the business sectors, the Company has been fast expanding the geographical presence also in the last over four decades. In line with its motto of radically improving the lifestyle standards of people through creating state-of-the-art realty and infrastructure facilities and projects, **Ansal API** is committed to take on more and more challenging tasks in its areas of operations with increased focus and dedication in the coming years.

After four decades of spectacular growth, **Ansal API** is at a stage where the company has acquired immense experience, consolidated and established assets – physical and intellectual, while at the same time retaining youthful energy and zeal. **Ansal API's** roadmap for future development envisages expanding the current areas of operation through more and more challenging projects and also foraying into related areas in infrastructure with innovative projects. Starting from a humble beginning, Mr. Sushil Ansal, Chairman, **Ansal API**, with his imagination and application has led the business blooming into almost all spheres ranging from realty development & construction to hotels, infrastructure projects and educational institutions.

Today **Ansal API** is one of the most respected and trusted names in the entire Realty-infrastructure sector. In keeping with the Government's new Housing Policy, the Company also endeavors to provide better dwelling units for the urban poor with special emphasis on improvement in environment and social forestry. **Ansal API** is committed to extend its technical and management expertise to smaller towns so that, on one hand the congestion in the metropolis could be avoided, and on the other hand the benefit of planned development with its attendant improvement in the life style could be extended to the bulk of Indian population living in smaller towns.

Ansal API is focusing on ushering in new realty and other infrastructure ventures in cities like- Bhatinda, Mohali, Amritsar, Ludhiana, Jalandhar, Jaipur, Jodhpur, Ajmer, Sonapat, Panipat, Karnal, Kurukshetra, Faridabad, Gurgaon, Greater Noida, and Ghaziabad, Meerut,

Agra, Lucknow, to name a few. With Its deep-rooted foundation of ethics and values, **Ansal API** continues to conquer new horizons, thus pioneering and identifying new vistas of growth for the realty and infrastructure sectors.

CONCLUSION

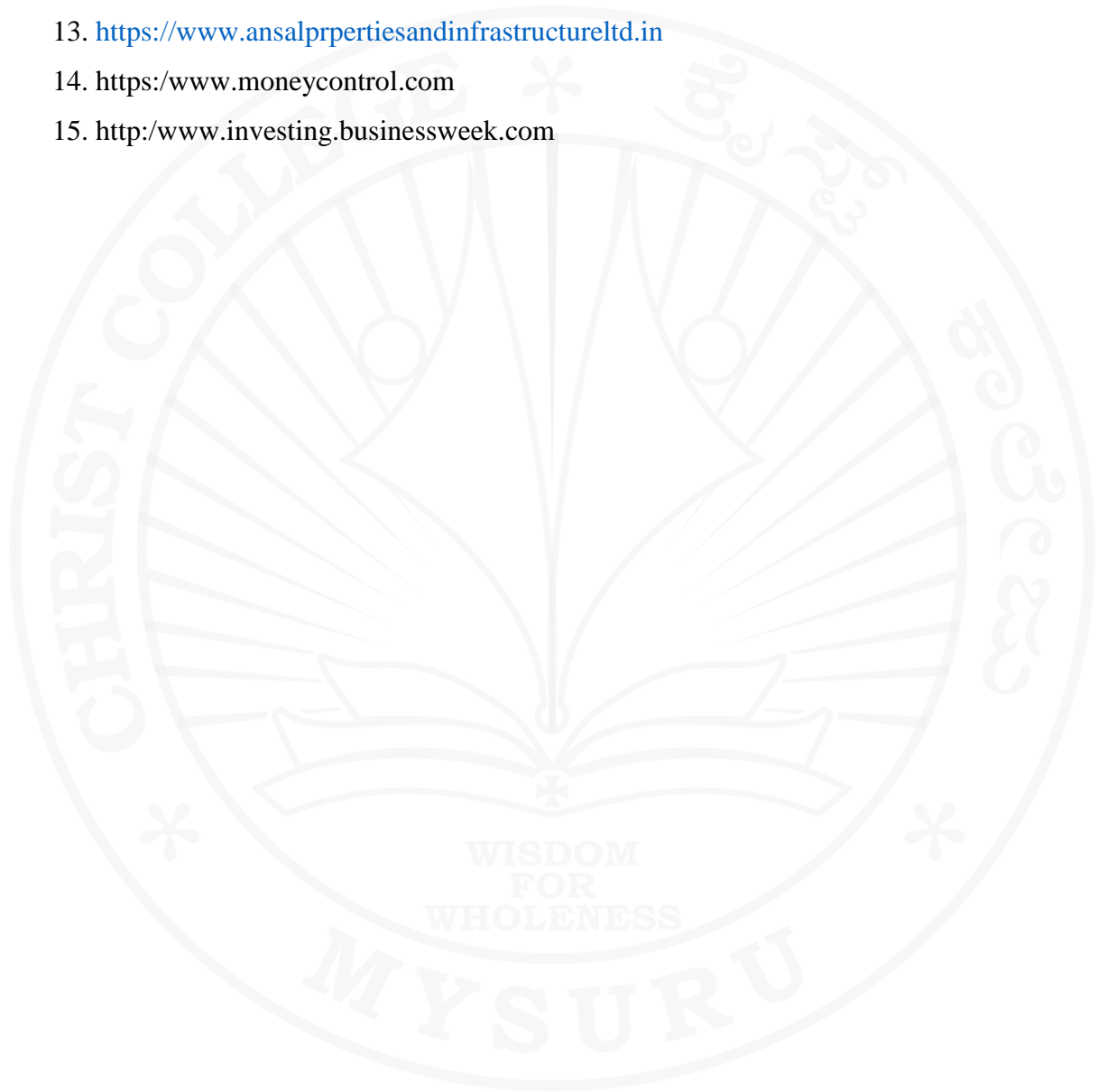
The real estate sector in India has assumed growing importance with the liberalization of the economy. The consequent increase in business opportunities and labor migration towards the urban area has led to the rising demand for real estate sector. Indian Real estate sector is one of the most thriving industries of the present times.

The boom in the sector has been so appealing that real estate has turned out to be a convincing investment as compared to other investment vehicles such as capital and debt markets and bullion market. It is attracting investors by offering a possibility of stable income yields, moderate capital appreciations, tax structuring benefits and higher security in comparison to other investment options.

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HUMAN RESOURCE ACCOUNTING – “AN OVERVIEW OF HUMAN RESOURCE ACCOUNTING PRACTICE IN INDIA”

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Abstract

India is the second largest populated country in the world with a population of approximately 1,373,196,130 which is equivalent to 17.71% of the total world population. Out of the total population 45 % can be considered as working population. This human resource is being exploited by most of the companies all over the world. Human resource play vital role in building any organisation. Every organisation's success is based on manpower, money, methods, materials & machinery. These main factors of production get utility and value only with the help of manpower. A business enterprise is not complete without people. Human Resource plays a significant role for the development of any organisation. The financial and tangible assets can be utilized effectively with manpower. Optimum utilization of other resources is possible only by human resource.

Majority of companies bring into account and value physical assets like land, building, plant, vehicles by ignoring employees. Human resources are the real 'assets' of the company. Unfortunately, human resource is not measured or valued. It is cornered in the books of accounts. Under conventional accounting system no information is made available relating to the valuation of people employed in an organization. Companies derive maximum advantage by using human capital. Instead of treating employees as an asset, companies consider expenses related to human resource like recruitment; hiring, training and development as revenue expenses under conventional accounting system. When Human assets are not evaluated properly then the total value of the firm cannot be assessed.

In order to bring accountability to Human asset great thinkers like Brummet, Flamholtz, Hekimian, Jones, Rensis linkert, Pyle have proposed various methods to valuate human resource of an organization. Human Resource accounting is a new branch of accounting which helps to disclose and report the investment made on Human assets in an

organization. It is an accounting practice which values manpower as an asset. Human Resource Accounting reports give useful data to the company's management, employees and investors. This information will help the management to take right decision. When human resource is accounted and furnished it adds to the goodwill to the firm.

In many developed countries there is a practice of assessing and accounting the human Capital. Human resource accounting is not popularised in India as there is no proper guidelines and it is not mandatory as per Indian law. Accounting managers and also the Management of the companies shows less interest to adopt Human resource Accounting. Except some public and few knowledge based private companies, majority of the Indian Companies do not follow Human accounting. There is no universally accepted accounting method for valuation of people in an organization. This paper makes an attempt to understand the need of Human resource accounting in India and throws light on the Opportunities and Challenges faced by the Indian business firms to adopt Human Resource Accounting practice. It also reviews few popular human resource accounting models which can be adopted by Indian firms.

KEYWORDS: Human Resource, Human Accounting Challenges, Employee competency asset, Competency accounting system.

INTRODUCTION

Recognizing and measuring value for human resource is not a new concept. During Medieval European period the value of human resource was practiced. In the medieval European war market price for prisoners were established. According to Frey & Buhofer (1986) in 1642 Austria and Sweden agreed upon the prices for Field Marshal -20,000, Colonel -1000, Cavalry Captain-200, Infantry Captain-150, Non-Commissioned officer 16, Private -08 and so on. Here the prisoner was considered as the general property of capturing a soldier. They used to call soldiers as 'Prisoners of War'. It was very much necessary to take immediate decision in the war field whether to kill the prisoners or to save his life. They used to compare with the cost of keeping the prisoners with his expected future income. If the state wanted to claim the ownership of the prisoners, the efficiency of the market declined and they moved back from capturing a prisoner.

The Indian History shows Emperor Akbar recognized the courtiers as nine jewels. In modern era, Mr. Narayana Murthy, Chairman of Infosys once said that – “Our assets walk out of the door each evening. We have to make sure that they come back the next morning.” In many ways what Mr. Murthy said made sense. The asset that daily moves out of the organization premises every evening is the human resource. The human element is the most important element in any corporate enterprise. Without truly determining the actual value of human resource, how can one even try to secure the same? These evidences show there is a great need for valuation of Human capital.

MEANING

Accounting means the measurement, processing and communication of financial & non-financial information about economic entities. Accounting competencies are the technical competencies of the profession that add value to the business and contribute to a prosperous society. Human resource Accounting means it is nothing but reporting the cost incurred and the investment made on the employees in an organization. It includes the expenses made for recruitment, hiring, expenses incurred for training them and paying salary and other benefits.

DEFINITION

American Association of Accountants defines Human Resource Accounting means it is a process of identifying measuring the data and communicating this to the interested users. According to Flamholtz Human Resource Accounting means accounting for people as an organisational resource. It involves measuring the costs incurred by organisations to recruit, select, hire, train and develop human assets. It also involves measuring the economic value of people to the organization.

OBJECTIVES

1. To throw light on the Challenges faced by the Indian companies to follow HRA
2. To find out the Opportunities for Indian Companies to follow HRA

LITERATURE REVIEW

Shashi Bhushan & Son Bhadra of Maghadha University conducted a study on accounting of human resource verses physical assets. In their research paper they say growth and development of any organization is comply with only the efficiency of augmented people in the right perspective. The other resources could not function effectively in the absence of human resources.

Verma and Dewe (2008) they conducted a survey to find out the perception of human resource & their practices in different organization sector in their findings say valuation of HR is significant.

Md. Shamimul Islam & Jaynob Sarkar 2016 from Bangladesh in their research say that the procedure & time is the main constraint to evaluate human resource. There should be standardised model to value human capital.

DEVELOPMENT OF HRA

First stage -1960 – 1966: During this time most people focused on deriving human resource accounting concept from other theories such as psychological theory and economic theory of capital.

Second Stage-1966 – 1971: In this stage the models covered monetary, non-monetary value & cost of human resource. These models helped the firm in managing their human resource & assessing human resource asset in a realistic manner.

Third Stage -1971 – 1976: During this period most researchers tried to evaluate how human resource accounting could be applied in businesses

Fourth Stage -1976- 1980: During this era there was minimal research in the field of human resource accounting. The other reason for slow growth in human resource accounting at this time was unwillingness among many organizations to offer sponsorship for research in this area.

Fifth stage 1980 onwards – In this period most organization began using human resource accounting as part of financial and managerial accounting practice.

HUMAN RESOURCE COSTS

1. Recruitment cost: These are the cost which is incurred to identify the employees from different sources. Eg: company's recruitment, payment of fees for employment agency.

2. Selection cost: This is the cost incurred for selecting the employees. Eg: Expenses incurred for conducting interviews

3. Hiring and placement costs: These are the expenses incurred for hiring of candidates. Eg: Traveling expenses incurred to conduct interviews from one place to another.

4. Induction & Orientation cost: It is the process of introducing a new employee to the organization. Once the candidate is appointed in order to make him familiarize for the new environment orientation programmer will be conducted. Eg: Expenses incurred for conducting orientation programmers.

5. Training costs: In order to impart training for the fresher's, company' s spend on training them for the job Eg: expenses incurred for training, Trainer's salary.

6. Development costs: In order to enhance the employee's skill and performance efficiency they have to undergo executive development programmers. Eg: Expenses incurred to conduct seminars or workshops.

METHODS OF HUMAN RESOURCE ACCOUNTING

There are two popular methods of Human Resource Accounting. They are as follows:

1. HRCA- Human Resource Cost Accounting
2. HRVA- Human Resource Value Accounting

Human Resource Cost Accounting: It is the measurement and reporting of cost incurred to acquire and develop people in an organization as resources. It takes into consideration the investment made by an organization for acquiring and developing the human resource. It accounts the replacement cost of the people who are presently employed. HRCA focuses on the accounting of the cost incurred for HR functions like recruitment, selection, placement and training. It is termed as human asset accounting because it enhances the skills of employees and there by converting them into assets. The valuation of human resource cost in terms of monetary approaches will be historical cost, replacement cost or opportunity cost.

1. Historical Cost Method: This method was first proposed by William C Pyle in 1967. Along with him R. Lee Brummet and G. Flamholtz also helped him to develop this model. This is also called as original cost method. This model records the expenses in the books of accounts which has already incurred for the recruitment, selection, training, hiring, placement is considered as acquisition cost. The expenses incurred for training and development of employees is considered as learning cost. These expenses are treated as assets and are written off over a period of time by considering that the employee will render service to the organization. In case if the employee leaves the organization or expires before his service then the unwritten off cost relating to him will be written off against the profit and loss account of a particular year.

Merits

- a) This method is simple to implement and easy to understand.
- b) It matches with traditional conventional accounting concept of matching the cost with revenue.
- c) It helps to calculate the return on investment of human assets

Demerits

- a) It does not give the correct value of human resource.
- b) It is not easy to determine the number of years of over which the capital expenditure to be written off.
- c) Employees value increases over a period of time as he gets experienced in his job but in this method the value decreases as it is written off.

2. Replacement Cost Method: This method was developed by Eric G. Flamholtz and it was proposed by Rensis Likier. This method it considered the cost to be incurred to replace the existing employees in the present condition in a particular position or job.

Merits:

- a) It more realistic and better than historical cost method as it gives the current value of the human asset.
- b) It helps the management to take right decision while replacing the existing employees position.

Demerits:

- a) A job position can be replaced. But the value of one human capital cannot be compared with another individual accurately as every human being is competing.
- b) It can be adopted for first and middle level management but for top management position this method is not suitable

3.Opportunity Cost method: This method was developed by Hekimian and Jones in 1967. It measures the value of a human asset by opportunity cost. The value of an employee is determined according to his alternative use. Here managers of different departments will bid on an employee who has special, rare or scarce skilled and acquires him by giving competitive bidding price. If the employee does not have alternative use then no value will be priced for him.

- a) It is suitable for the employees who work in the shop floor and middle level
- b) It gives importance for the people with rare skill and recognises their worth
- c) It works with the concept of demand and supply

Demerits

- a) It cannot be used for top management position
- b) It takes into consideration only employees rare skill by ignoring other employees.
- c) All the employees will not have scarce skill. It lowers the morale of the employees.

4 .Standard Cost Approach method: This method was proposed by David Watson. Here standard cost is fixed for every employee group based on the hierarchy positions and the value will be calculated. Standard cost includes recruiting, hiring and developing grade per employee, it is aggregated and it is upgraded every year for accounting purposes.

Merits:

- a) It is simple method of valuation.
- b) It helps to control costs related to human resource by analyzing the variance

Demerit:

- a) Determining the value for each employee is a not an easy job.

5. Current Purchase Power Method: This method uses the index numbers the historical cost is converted into current purchasing power.

Merits:

1. It is simple to calculate as it uses common measurement unit.
2. Easy to understand

Demerits:

- 1.The measurement of human resource cannot be measured by using index numbers like other assets.
- 2.It is difficult to select a common price measure for human assets in an organization.

HRVA - HUMAN RESOURCE VALUE ACCOUNTING

This method states that when two companies are having same type of physical assets but there will be difference in the economic value of firm. This is because of the human asset which bring difference in the future value and the present value of the firm.

There are several models which has been proposed and developed following are the few popular models. They are as follows:

1.The Lev and Schwartz Model or Present Value of Future Earnings Model: In the year 1971 Brauch Lev and Aba Schwartz developed a model to value the human resource. According to them employees of an organization is divided into different groups on the basis of age and skill. These homogeneous group's annual average earning is calculated on the age group. The total earnings of each group determined till their age of retirement. Under this method the future salaries of an employee are estimated up to the age of retirement.

Merits:

- 1.It is simple method to understand and useful
- 2.It determines whether an organization is having young labor force or aged and can compare them.

Limitations:

- 1.It is quite difficult to analyse the future earning of an employee because it may change over a period of time by gaining additional skill or qualification
- 2.If there is promotion, demotion, transfer, voluntary retirement, death or if the employee leaves an organization then future earnings cannot be calculated.
- 3.As the present value of total earning is taken there might be under or over valuation of salary which will lead to wrong calculation of human asset.

2.Flamholtz Model or Rewards Valuation Model: This model is developed by Flamholtz in the year 1971. Under this model an individual's value is determined by the period of service he will remain in the organization by playing various roles. The present value of an employee is calculated on the future services he is likely to render.

Merits:

1. It identifies the employee's various roles, position occupied
- 2.It also takes into consideration the possibility of employees getting retired death or leaving the organization earlier.

Limitations:

- 1.It is difficult consider one person's future job position
- 2.It also has the same drawbacks of Lev and Schwartz model

3.Giles and Robinson's Human Asset Multiplier Method: This model was developed by Giles and Robinson in the year 1972.Under this model the Human asset is to be valued like same other physical asset on going concern concept. It considers the individual or group of employees' remuneration in a same grade as asset. This remuneration will be multiplied by the factor determined on the basis of their contribution for the growth of the organization.

Merits:

- 1.It is very simple to calculate.
- 2.It considers employees as an asset.

Demerit

- 1.Human Asset cannot be compared like physical assets. All human resource is not same

4.Jaggi and Lau Model: This model was developed by Jaggi and Lau they suggest to value human asset as in group rather than valuing them individually. It considers the homogeneous group of employees.

Merits:

- 1.It gives more importance to group of individuals.
- 2.There is less chances of employees of a same group leaving the organization or getting transferred or retirement and death.

Limitation:

1. It is not easy to ascertain the future period of service of a group of people who are working in different departments.

5. Hermanson's Model: This model was proposed by Roger .H. Hermanson . He has given two models they are:

- a) Unpurchased goodwill Model: Here the value of human asset can be calculated by capitalizing earnings in excess of normal earnings for the industry or group of companies.
- b) Adjusted and discounted future wages model: Here it uses the present or future wages or salary as a measure to value an employee. The discounted future wage is adjusted by an efficiency ratio which is weighted on the rate of return on the investment of the firm over an economic period of five years.

Merits:

- a) Easy to understand and calculate.
- b) Uses published financial information which is existing as records.

Limitations:

- a) It is historical based. Difficult to predict future
- b) Corners the generation of normal earnings by human resource
- c) The efficiency ratio is being subjective because of arbitrary weights.
- d) It considers the economic value up to five years only.

6. Morse Model: This model was developed by Morse in the year 1973. Under this method the value of human resource is equivalent to the present value of net benefit derived by the organization from the services of its employees. It follows the following four steps

1. It is calculated on the basis of the gross value of services to be rendered in future by the employees individually or as a group.
2. The value of direct and indirect future payments to the employees is derived
3. The excess of value of future human assets over the value of future payments is derived which represents the net benefit to the organization by its employees
4. Usually the cost of capital is applied as predetermined discount rate to determine the present value.

Merit:

- a) It considers group of people for valuation.

Limitations:

- a) Determining the future value of the employees is difficult
- b) Exact future payments cannot to be determined due to external forces.

7.Pekin Ogan Model: This model was developed by Pekin Ogan in the year 1976. It is an improvement over Morse model. This model calculates the net benefit will accrue in future to the organization by taking into account the certainty. It follows the below mentioned steps:

- a) Net benefit will be derived as same as Morse model. Net benefits mean the difference between expected benefits and total cost.
- b) Deriving of the certainty factor at which the benefits will be available in future.
- c) Calculation of certainty -equivalent net benefits by multiplying the net benefits from all employees by their certainty factor.

Merit:

- a) It considers the historic future cost like wages, salary, recruitment, training cost

Limitations:

- a) The probability of employee continuing the job and rendering his service is not guaranteed.
- b) It does not take into consideration the temporary or contract basis employees.

8. Chakraborty Model: This method was proposed by Professor S. K Chakraborty in the year 1976. He was the first Indian to develop this model. He has suggested to value human resource as a group and not as individuals. He classified the employees into two groups namely managerial and non- managerial. He determines the value of employees by multiplying the average salary of the employees group with average service of the employees in that group. He has adopted long term tenure in order avoid fluctuations in the human assets every year. He suggests that the recruitment & training cost should be recorded on individual basis under the head deferred payment in case permanent exit of employee. He states that human assets should be shown under the head Investments in the balance sheet of an organization and not to be treated as fixed or current assets.

Merits:

- a) It values human resource as investment instead of taking it as Fixed or Current asset to overcome the problem of Capital loss or gain, appreciation or depreciation.
- b) It is proposed from the context of Indian Companies so it is workable.

Limitation:

- a) Limited to Indian context. Adopting for global companies may be difficult.

LEGAL PROVISION FOR HUMAN RESOURCE ACCOUNTING IN INDIA

According to Indian Companies Act of 1956 it is not mandatory to furnish the human resource accounting information in the financial reports of the companies. The Institute of Chartered Accountants of India (ICAI) which is enacted by the parliament is a sole licensing and regulatory body for the financial audit and it recommends the accounting standards to be followed by companies in India. It is the second largest professional Accounting and finance body in the world. Unfortunately ICAI remains silent in this regard without issuing any standard guidelines for following Competency Accounting for the Human Capital of an organization.

In India Companies must disclose their accounts which are mandatory according to the provision of Indian Companies Act of 1956. Under this Act there is no provision made for the disclosure of Human Resource. But all the cost pertaining to Human resource like recruitment training and development is treated as an expense and it is brought into account. Though it is not mandatory there are few Public and private sector companies which are voluntarily following Human Competency Accounting which is an appreciable job and surprisingly majority of them are Public sector enterprises. Most of the companies have adopted Lev and Schwartz Model for the valuation of HR with necessary changes.

LIST OF INDIAN COMPANIES WHO HAVE ADOPTED HUMAN RESOURCE ACCOUNTING IN INDIA

Associated Cement Companies	Metallurgical and Engineering Corporation of India
Bharath heavy electrical limited	Minerals and Metals corporation of India
Cement Corporation of India Limited	Madras refineries Limited
Canbank Financial Services Ltd	National Thermal Power Corporation of India

Electrical India Limited	Oil India Limited
Engineers India limited	Oil and Natural Gas Corporation Limited
Global tele India	Project and Equipment Corporation of India
Hindustan Machine Tools Limited	Rolta India Limited
Hindustan Petroleum Limited	Satyam Computers Limited
Hindustan shipyard limited	Southern Petro- Chemical Industries corporation
Hindustan Zinc Limited	State Trading Corporation
Indian Drugs and Pharmaceuticals Limited	Steel Authority of India
Indian oil Corporation	Tata Engineering and Locomotive limited
Infosys Technologies limited	U.P. State Cement Corporation Limited
Kochi Refineries Limited	

CHALLENGES TO ADOPT COMPETENCY HUMAN RESOURCE

ACCOUNTING BY INDIAN COMPANIES:

1.No Standard Method: Accounting is considered as a scientific way of maintaining the books of accounts & there is no scope for errors. When there is absence of standard rules it makes way for accounting errors.

2.Not Mandatory: Indian Companies Act does not provide any legal rules for companies to maintain HR accounting.

3.No Recognition: Under Indian Income tax Act or the Income rules does not recognize Human resource as assets.

4.Skill: To maintain the accounts of any company it requires a skilled accounting professional. India lacks skilled & trained professionals in the area of Competency Accounting.

5.Existing Drawbacks: Most of the valuation models suffer from many drawbacks. There is no clear cut guidelines for adoption of a particular valuation model.

6. Methods of appreciation or depreciation: Still we are in the confused state whether to consider the human beings as assets or not. If it is considered as assets then there is no proper concept to measure them under appreciating value or depreciating value.

7. Expensive: Competency accounting is expensive & hence it becomes a burden for small business concerns to adopt.

8. **Laborious:** Adoption of Competency Accounting is laborious and also lengthy procedure to maintain accounting records.

9. **Uncovered Expatriate/ Repatriate:** An expatriate is an employee who has left his native land and temporarily working and residing in Foreign country. Repatriate means an employee returning back to the native land after completing his assignments in foreign land. In this case how to measure the value of employee is a very big challenge.

10. **Forms of Business:** While maintaining accounts we either follow financial accounting for trading concerns and if it is a manufacturing concern we follow Cost Accounting. But for Competency HR Accounting though it falls under the premises of Financial accounting, but still there is no proper model suggested for Manufacturing and Non -Manufacturing industries.

11. **Different Entities:** Most of the HRA models suggest the employee as a group but there are many forms of business in India like sole trading, partnership firms, Hindu Undivided family business, Joint stock companies Etc . There is no specific model suggested for a particular type of business.

12. **Uncertainty:** The life of human beings is full of uncertainties. His life expectancy years is totally unpredictable. Adopting and creating value for a uncertainty is quite a challenging task.

13. **Work Culture:** There is lot of variation in the work culture of Indian companies when compared with that of the western countries. Most of the HRA models are profound by non- Indians. Keeping the context of their own country.

14. **Industrial Relations & Labour Union:** The concept of competency accounting is still in the crawling stage and it is difficult to understand by the accounting professionals. While adopting this the organization may face opposition from labor union and this will spoil the harmony of industrial relations in an organization because it divides them as skilled and unskilled while evaluating and it is a challenging task to make the labor category understand the concept.

15. **Negligence of Human Asset:** Under conventional Accounting system it considers the amount spent on human resource as an expense. Now converting the expenses into assets in the books of accounts cannot be adopted without the proper guidelines from Accounting Standards.

16.No Ownership: The physical assets have ownership and which can be sold. The ownership on a human asset cannot be claimed and moreover it is not treated as physical asset.

17. Asset/ Investment: Few of the behavioural scientist suggest to consider human beings as assets but others say it is an investment. While following competency accounting it creates a confusion to accounting professional whether to be considered as an asset or investment.

18. Time factor: It takes lot time to evaluate HR of a company and the value also varies considering the time factor because future association of an employee is not guaranteed. In case of death there is permanent exit of employee. In case of Industrial accident group of people may be lost Eg: Bhopal gas tragedy.

19. No Universal Policy: Though there many developed countries who follow Competency Human resource accounting but still there is no universally accepted accounting policies for all the countries across the globe.

20.Mergers/Acquisition/Takeover/Liquidation: In any of HR evaluation models so far suggested by greatest thinkers they is less or no information about how human assets have to be valued in case of Mergers, acquisition, takeovers or even during the time of liquidation.

OPPORTUNITIES TO ADOPT HUMAN RESOURCE ACCOUTING

1.Prof. S.K.Chakraborty's Model: Many behavioral scientist have suggested many models but Prof. S.K.Chakraborty's model is developed by an India keeping the Indian companies in context. This model can be adopted or any other suitable method can be followed.

2.Technological Advancement: There are many (HRIS) Human Resource Information System Software which is already been followed by many companies globally, so more suitable soft wares can be developed to practice competency accounting.

3.Job opportunities: There are hundreds of youngsters who are aiming and coming up with accounting as a career. When HRA is adopted it creates lot of job opportunities. This change will provide new job opportunities in the area of finance and Accounting.

4.Performance measurement: When Competency Accounting is adopted it helps to measure the performance of employees and management can take right decision in the area

of fixing the salary & wages, recruitment, selection, transfers, promotion, retirement benefits & also for controlling the cost related to HR activities.

5.HR manager's financial intelligence: When human capital is valued by HR managers they will be exposed to the area of accounting, valuation, measurement of HR in monetary value which in turn improves their financial intelligence.

6.MHRD: In India we have a separate ministry for Human Resource development. This ministry in association with the ICAI can frame necessary rules relating to the valuation of human assets in the companies.

7.Listed and PSU: As already many public sector and few Knowledge based private companies have already adopted competency accounting. Government at least to begin with can make HRA compulsory for all the BSE & NSE listed companies and also for Public sector companies.

8.Globalisation: Globalization has brought drastic change in the working culture of Indian companies and Indian companies who operate internationally are now adopting International accounting standards, policies & procedure while maintaining books of accounts to compete globally. When global standards are adopted even Indian companies get recognized at international level.

9.Increases Goodwill: When intangible assets and physical assets are valued even the intellectual capital can also be valued. The HR which brings utility to other assets should not be neglected. When Human capital is valued it increases the goodwill of the firm.

10.IFRS: In India there is a paradigm shift in the methods of convectional accounting system. In order to compete globally many company, follow IFRS. Accounting professionals can develop and improvise Indian Accounting standards by creating a provision for HRA

11. Research & Development: Apart from Professor S.K. Chakraborty and Professor. N.Das Guptha there is no research activity which has taken place in the area of competency human resource accounting. ICAI in association with the academicians from various Universities should take up research projects relating to develop suitable HRA models which is suitable specially for Indian Companies.

12. Amendments in Companies Act: Government of India with the mutual consent from ICAI and MHRD can make amendments in Companies Act & can include a mandatory Provision to follow Human resource Accounting.

13. HR Audit: In order to verify the books of accounts companies always gets their books audited every year and auditors acknowledges the reports. When HR accounting is adopted it makes way for HR audit where errors can be traced out easily and there by building confidence among the accounting information interested users.

CONCLUSION

India being one of the fastest growing economy in the world after China, following Human resource Accounting in India by the Indian Companies is the need of the hour. When Human resource is evaluating and measured the correct value of the firm can be obtained. When intangible assets are valued; then definitely Human assets of a company can be value. In India when Mr. Narayan Murthy of Infosys, Ratan Tata of Tata group came out of the company, after the death of Dhirubhai Ambani there was huge down fall in the stock market share prices of these companies. These few live examples will show us how much a person or human resource has value in an organization. With crores of human resource in a country like India we can at least begin with measuring the cost incurred to acquire, train and development the human resource. Determining their economic value in an organization, Accounting the correct human value in the books of Accounts and lastly disclosing the value of human resource in the financial statements of the companies. Our talented Accounting professional and the owners of the companies voluntarily should be self-motivated to adopt Competency Accounting in India. To conclude with this; The value of human resource is beautifully written by the famous poet Sir Mathew Webster Jenkinson, he says in his words,

“Though your balance sheet’s a model of what balance sheets should be,
Typed and ruled with great precision in a type that all can see;
Though the grouping of the assets is commendable and clear,
And the details which are given more than usually appear;
Though investments have been valued at the sale price of the day,
And the auditor’s certificate shows everything O.K;

One asset is omitted -and its worth I want to know,

The asset is the value of the men who run the show.”

When a poet can figure out the essence of Human Resource Accounting then definitely it is possible for an Accountant to practice Human Resource Accounting in India.

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GREEN BANKING: PROBLEMS AND PROSPECTS

(A study with reference to Mangaluru and Coorg Districts in Karnataka)

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Abstract

“Changes cannot be Explained, can be Accepted”; Likewise, going Green in Banking sector being a recent change looks as a problem in narrow site but will be fruitful for future India. Banks are a financial institution which can play an outstanding role between sustainable economic growth and environmental protection in order to prove themselves as environmentally friendly and socially accountable institution. For promoting this there is nothing but "Green Banking" which is the most talked topic in the recent banking activities and responsibilities. Green Banking refers to the banking business conducted in selected area and technique that helps the reduction of carbon emission surround the world. It is a concept where the transaction goes paperless aiming at eco-friendly movement in India. Green Banking is also popularly known as Ethical Banking. To aid the reduction of carbon emission bank should finance green technology and pollution reducing sectors. Green finance is an integral part of green banking that makes a great contribution to the transition to resource-efficient and low carbon industries. Green banking is certainly a new initiative throughout the world. The leading bankers and entrepreneurs have come forward to protect human being from environmental disasters. Problems and Prospects are like two faces of single coin which goes hand in hand. As one of the quotes states not to limit our challenges but to challenge our limits, Green Banking looks for revolution from traditional banking limits to modern banking challenges. Since many of the people are not aware of the concept and direction of usage, it is the initiative which must be taken by each and every person who is aware about the concept to teach or bring knowledge among unknowns. The main objective of green banking is to minimize filth and give importance to environment and society. This paper attempts to analyze the objectives such as the problems and prospects of green banking system and tries to bring awareness among the people to adjust with the new system of payment mode and effects of cashless transactions on local mass with different age groups (viz, youth, adults and senior citizens); on stock markets; financial institutions; various industries.

Keywords— *Green banking, Cash less transactions, Revolution, Environment.*

INTRODUCTION

During the past decade, there has been a growing awareness of wide spread environmental degradation and also complicated issue that the world is facing today is climate-change. There have been continuous endeavors across the world to measure and mitigate the risk of climate change caused by human activities. Many countries, including India, have made commitments necessary to do so. As socially responsible corporate citizens (SRCC) banks are considered environment friendly and do not impact the environment greatly through their own internal operations, the external impact on the environment through their customers activities. The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. [1] Therefore, the banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment. Green banking refers to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, banks should finance green technology and pollution reducing projects. Green banking is a new concept that considers environmental and socially responsible investing. Green banking is defined as promoting environmental-friendly practices and reducing the carbon footprint from banking activities. In simple words, green banking is a banking that benefits the environment. [2]

OBJECTIVES OF THE STUDY

The present study has been carried out with the following objectives:

- To know the problems and prospects of Green banking.
- To analyse the effects of cashless transactions among local mass.
- To ensure the awareness among the public about Green banking prospects.
- To give suggestions in developing the concept based on the findings.
- To know about the village response on cashless concept.

Research approach & methodology

The primary data for the study is collected by Sample survey of customers in Mangalore and Madikeri. The study area comprises all category people. The study highlights problems and prospects of green banking concept. The sample size is 200. Due to time and distance constraints only 200 are selected as the sample respondents. The respondents represent different age, occupation and literacy population under the present study. The primary data is collected from Sample survey and taking opinions/ suggestions by the professionals. The raw data are analyzed by using various statistical tools like average, percentage, tallies etc. They are presented in the tabular and graphical form for the better understanding

The concept of Green Banking

Green Banking is not a separate bank. Green Banking means ensuring environment friendly practices in banking sector and thereby reducing internal and external carbon footprints. Banking industry is generally not considered as polluting industry. But it impacts the environment in terms of increasing energy consumption (lighting, air conditioning), paper consumption. A broader view of this is that banking industry is linked to the external environment as it provides funds to others and hence finances their activities. Banks are a source of funds. So they can contribute to environment by ensuring environmentally responsible investment and a carefully evaluated lending. [3]

Green Banking therefore covers two aspects. The first one being judicious use of all resources, energy and reducing carbon footprints and second being encouraging and financing only environment friendly investment. So Green Banking is not only about making sustainable use of resources but also about environment friendly dispensation of credit. A proper scrutiny of all projects that are financed in terms of environment is another major element of Green Banking [4]

Methods of Green Banking

1. *Go Online:* Online banking is a developing concept; it helps in conservation of natural resources. It saves paper, energy and expenditure of natural resources. It also helps customers to save money by avoiding late payments and also save their time.
2. *Use of Green Checking Accounts:* Customers can check their accounts on ATM. They can avail services including online payment, debit cards and online statements.
3. *Use of Green Credit Card:* Some of banks use green credit cards; by using it the banks will donate funds to an environment friendly non-profit organization.

4. *Saving of Paper:* Banks should purchase recycled paper products with highest post-customer waste content. This includes monthly statements, ATM receipts, annual reports, envelopes etc.
5. *Mobile Banking:* By using it customer can check balances, transfer funds or pay bills from the phone. It also helps to save time and energy of the customers.
6. *Direct Deposits:* Most employers will give employees the option to receive their pay cheque electronically. It saves time, saves paper and lots of paper work.
7. *Online (Net) Banking:* It means customers can perform most of their banking related functions without visiting the banks personally. For this customer must possess an internet banking ID, a password provided by the bank in which customer has an account. Online banking includes use of credit cards, debit cards, online bill payment and electronic fund transfer.[5]

Benefits of Green Banking

Green banking offers the following benefits:

1. Green banking avoids paper work and makes use of online transactions such as Internet banking, SMS banking and ATM banking. Less paper work means less cutting of trees.
2. Green ethical banks adopt environmental standards for lending which would benefit future generations.
3. Green banks gives more importance to environmental friendly factors like ecological gains thus interest on loan is comparatively less.
4. Free electronic bill payment services.
5. Online account opening form for opening green account.
6. Cash back will be credited to all new customers, opening “green accounts”.

Challeneges and Problems

Green banks while adopting green banking face following challenges:

1. *Diversification Problems:* Green banks restrict their business transactions to those business entities who qualify screening process done by green banks. With limited number of customers, they will have a smaller base to support them.
2. *Start-up Face:* Many banks in green business are very new and are in start-up face, generally it takes 3 to 4 years for a bank to start making money thus it does not help banks during recession.

3. *Higher Operating Cost*: Green banks require talented, experienced staff to provide proper services to customers. Experienced loan officers are needed with additional experience in dealing with green businesses and customers.
 4. *Reputational Risk*: If banks are involved in those projects which are damaging the environment they are prone to loss of their reputations. There are also few cases where environmental management system has resulted in cost saving, increase in bond value.
 5. *Credit Risk*: Credit risks arise due to lending to those customers whose businesses are affected by the cost of pollution, changes in environmental regulations and new requirements on emissions levels. It is higher due to probability of customer default as a result of uncalculated expenses for capital investment in production facilities, loss of market shares and third party claims.
- It's a new concept and customer will take time to adopt this.
 - Green banking requires a technology which will highly costly.
 - It requires renewable and recycling technique which is costly.
 - Data protection is another challenge for the adoption of green banking.
 - Bank employees need training for all this practice.

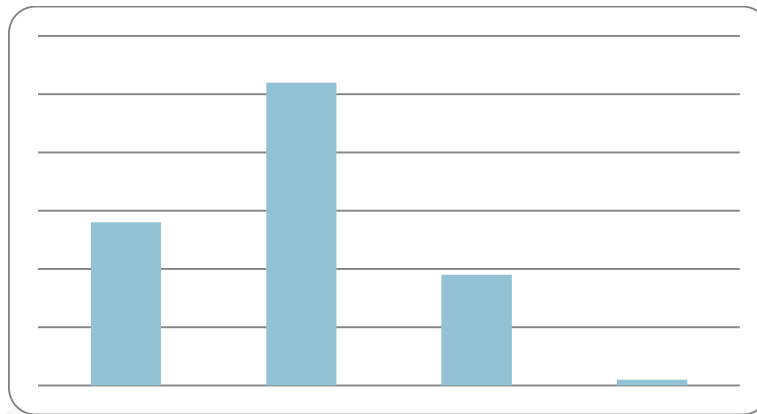
DATA ANALYSIS

TABLE 1

TABLE SHOWING THE AGE OF RESPONDENTS

AGE	PERCENTAGE (%)
15- 25	28
26- 40	52
41- 60	19
61 & above	1
Total	100

Graph 1 showing the age of respondents



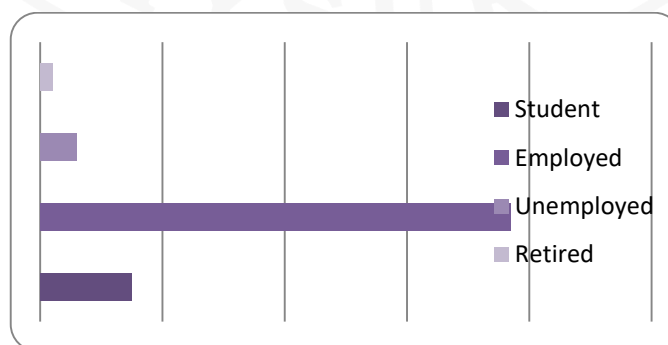
Interpretation: It is analyzed that out of given sample size there are majority of people belong to the age group of 26- 40. Hence 52% of survey opinions are based on these age group and rest of them are of middle age, youths and aged people.

TABLE 2

TABLE SHOWING STATUS OF RESPONDENTS

STATUS	PERCENTAGE (%)
Student	15
Employed	77
Unemployed	6
Retired	2
TOTAL	100

Graph 2 showing status of respondents



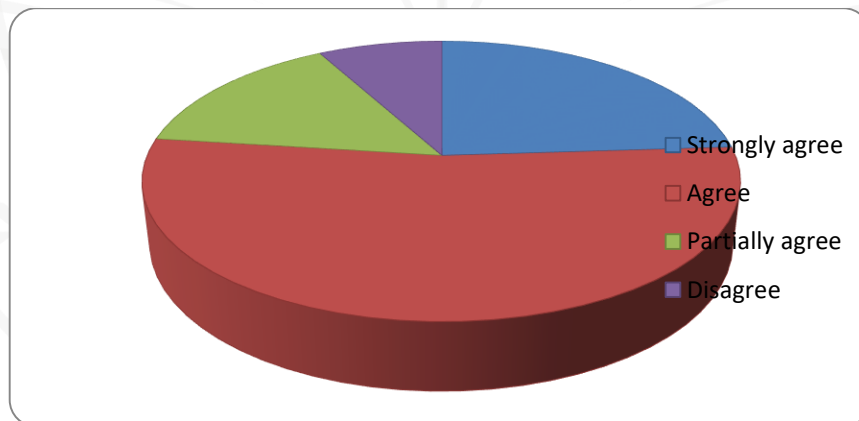
Interpretation: This shows that the majority of respondents are employed in either private or government work. That is 77% are termed to be employed however. Hence the survey is concentrated more on employed people and then students of 15% and others are less comparatively.

TABLE 3

TABLE SHOWING RESPONDENTS' COMFORTABILITY IN ACCEPTING THE CONCEPT

Comfort ability	Percentage (%)
Strongly agree	24
Agree	53
Partially agree	15
Disagree	8
TOTAL	100

Graph 3 showing comfortability in accepting the concept



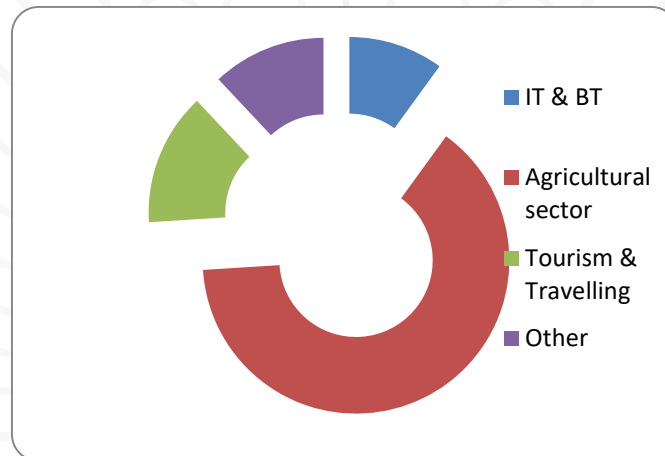
Interpretation: From the above table and graph shown it is clear that out of 200 respondents there is more number of people (53%) who just agree with the comfortability in the accepting of G-Banking concept in their day to day life.

TABLE 4

TABLE SHOWING THE MOST NEGATIVE AFFECTED SECTOR FROM THE
CONCEPT

SECTOR	PERCENTAGE (%)
IT & BT	10
Agricultural sector	64
Tourism & Travelling	14
Other	12
TOTAL	100

Graph 4 showing the most negative affected sector from the concept



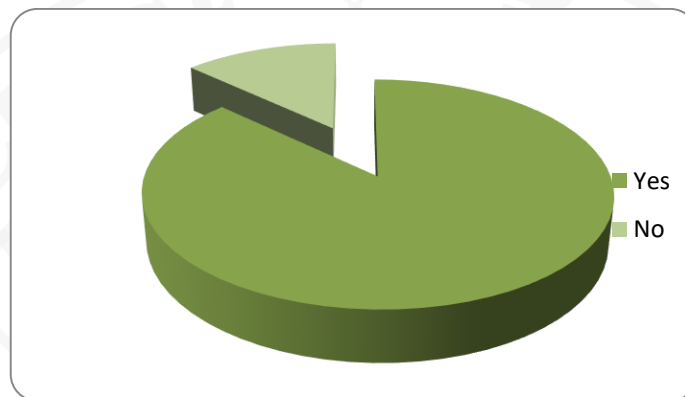
Interpretation: By analyzing the data collected it is clear from the table & graph that almost 64% respondents responded by telling agricultural sector is one of the most negatively affected region in the country by the adoption of G-Banking concept. Other sectors may get less affected when compared.

TABLE 5

TABLE SHOWING SELF BANK ACCOUNT & DEBIT CARD HOLDERS AMONG
RESPONDENTS

RESPONSE	PERCENTAGE (%)
Yes	87
No	13
Total	100

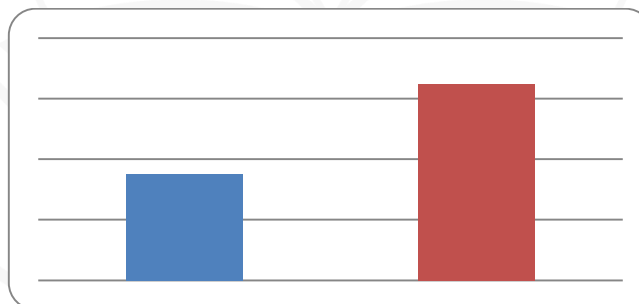
Graph 5 showing self-bank account & debit card holders among respondents



Interpretation: It can be said that the above graph and table shows people are almost having self-bank account & debit cards. But only 13% people are still backing in this process which may be due to lack of knowledge or awareness.

AMONG YES

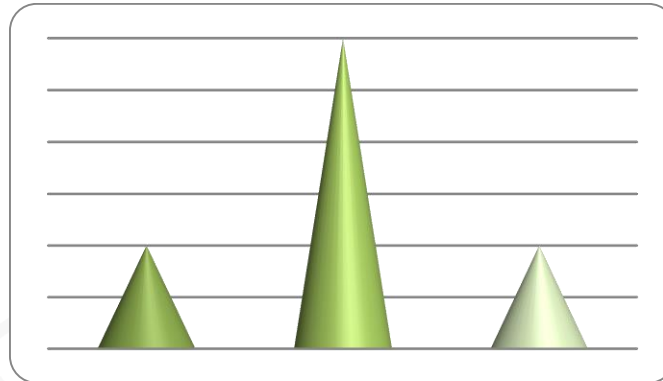
Graph 5 (a) showing how often they use card for the payment



Interpretation: Among 87% of people (respondents) who are having their own bank account and debit/credit card facility it is only a few that always use card for their payments. Hence the others should be motivated to use more of cards for their payments.

AMONG NO

Graph 5(b) showing likeness to have access to it in future



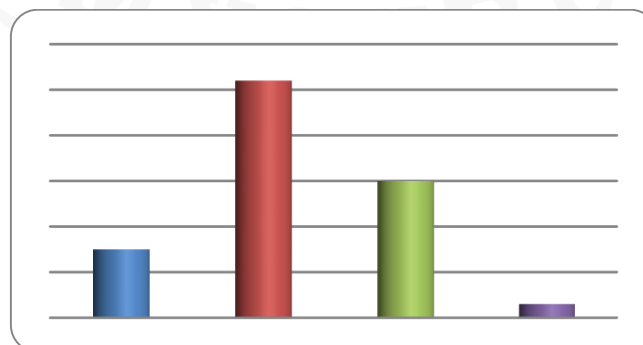
Interpretation: Among the people who are not having their own accounts and card facility most of them are still having the same opinion of not likely to be accessed for the processing of own bank account/card facility in future. This may be because of ignorance effect.

TABLE 6

TABLE SHOWING OPINION ABOUT THE STATEMENT “GREEN BANKING REDUCES COST”

Response	PERCENTAGE (%)
Strongly agree	15
Agree	52
Disagree	30
Strongly disagree	3
Total	100

Graph 6 showing opinion about the statement “green banking reduces cost”



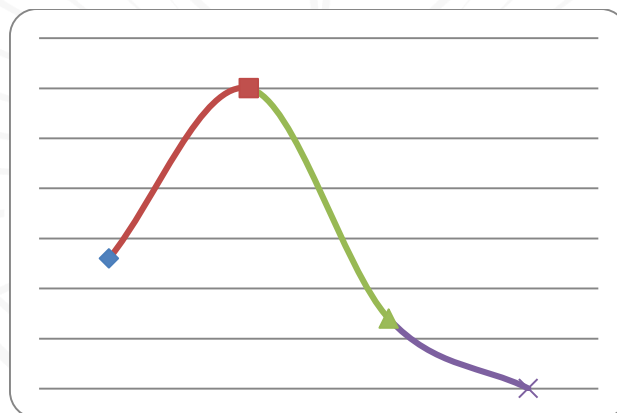
Interpretation: The statement “Green Banking reduces Cost” can be analyzed by referring the above table & graph that almost 52% of respondents agree the concept. But 30% of them are still in confusion how the green banking concept reduces cost who disagrees with the given statement.

TABLE 7

TABLE SHOWING “GREEN BANKING IS ECO FRIENDLY” OPINION

Response	PERCENTAGE (%)
Strongly agree	26
Agree	60
Disagree	14
Strongly disagree	0
Total	100

Graph 7 Opinion of showing “green banking is ecofriendly”



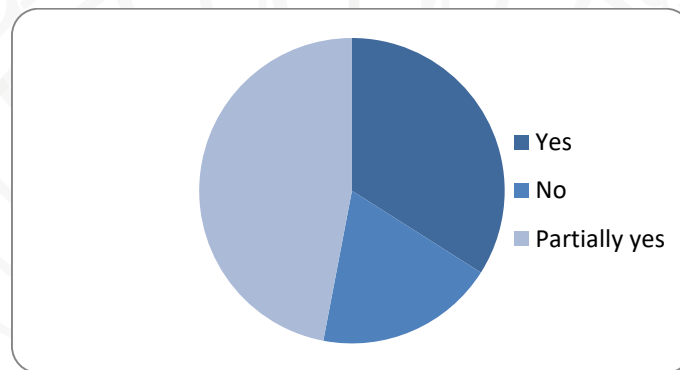
Interpretation: The statement given as “Green banking goes ecofriendly” can be analyzed by looking into the response in the above table and graph that almost 26% of respondents strongly agree with it and they feel it is ecofriendly movement. But 60% of them agree that it is an ecofriendly concept.

TABLE 8

TABLE SHOWING PROPORTION OF BENEFITS FOR THE LOCAL MASS

RESPONSE	PERCENTAGE (%)
Yes	34
No	19
Partially yes	47
Total	100

Graph 8 showing benefits for the local mass



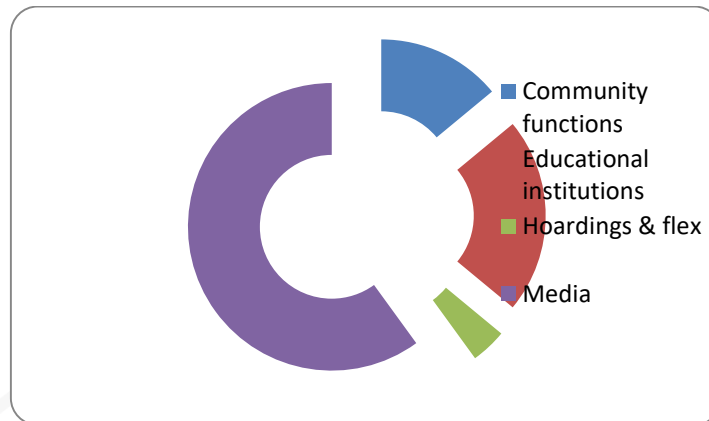
Interpretation: The above graph and table shows the analyzed way of benefits of Green Banking towards local mass. It is clear that 47% people are partially agreed that local mass will be benefited from the concept which can be said as neutral response. And 34% respondents feel that there will be benefit for local mass.

TABLE 9

TABLE SHOWING PREFERRED MODE OF PUBLICITY FOR THE CONCEPT

RESPONSE	PERCENTAGE (%)
Community functions	14
Educational institutions	22
Hoardings & flex	4
Media	60
Total	100

Graph 9 showing preferred mode of publicity for the concept



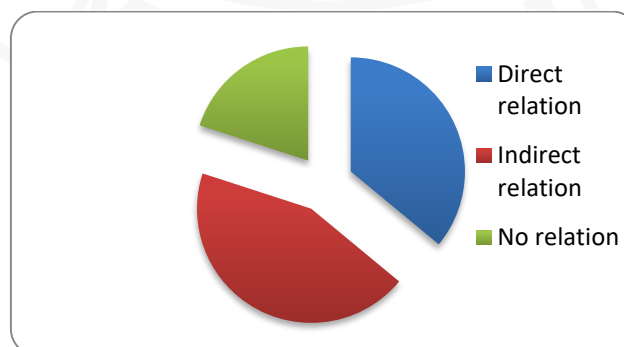
Interpretation: As the publicity of concept plays a very important role to bring the G-Banking into existence, the above pictorials represent that media will be a powerful weapon for the publicity of the concept where 60% of respondents supported it. Educational institutions can also be adopted as a part of publicity according to 22% respondents.

TABLE 10

TABLE SHOWING EFFECT OF DEMONETISATION ON G-BANKING

Response	Percentage (%)
Direct relation	36
Indirect relation	44
No relation	20
Total	100

Graph 10 showing effect of demonetization on green-banking



Interpretation: According to the analysis made in the above graph and table it is assumed that almost 44% of the respondents said that there is an indirect effect of demonetization in

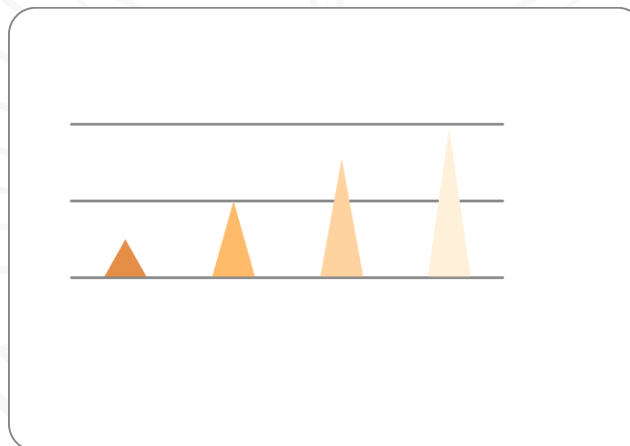
the country on Green Banking concept. But nearly to that 36% people told it has direct effect also. Hence it can be explained that it has both direct and indirect relation.

TABLE 11

TABLE SHOWING RESPONDENTS WHO SUPPORT G-BANKING CONCEPT

Response	Percentage(%)
0-25%	10
26-50%	20
51-75%	31
76-100%	39
Total	100

Graph 11 showing who support g-banking concept



Interpretation: The above table and graph shows that almost respondents support the concept for 51- 100 %. Only few support below 50% because of their inconvenience in accepting the sudden change in the routine life style

Findings

The study made on the Green banking- Problems and prospects with reference to Mangalore and Madikeri has arrived with findings by analyzing the data collected. Some of the findings of the study are as follows:

- It is found that out of given sample size of 200 respondents, there are majority of people belong to the age group of 26- 40. Hence we can tell that most of the youth-middle age people are concentrated in the survey
- It is clear that out of 200 respondents there is more number of people who just agree with the comfort ability in the accepting of G-Banking concept in their day to day life. This means that they are not strongly comfortable, but a kind of adjustable move from the people.
- It is ensured that most of the respondents responded by telling agricultural sector is one of the most negatively affected region in the country by the adoption of G-Banking concept. This is because of inconvenience in paying daily wages / Kooli to the workers.
- The survey finds that some are still do not have their own bank account and they are not likely to have an access to it in future too. This can be concluded by assuming that because of the ignorance effect and lack of knowledge about the importance of the concept.
- From the above analysis it is found that majority of people agree with the G-Banking concept goes eco friendly and also it reduces the cost.
- It is found that media is the best way for the publicity of green banking concept. This is because now a day's people believe statements and programs showed in the media than any other source of information.
- According to the study it is analyzed that the recent issue of demonetization in the Indian currency has an indirect relation with the Green banking concept. Because of which people started going bank for their transactions and took over account to account transfer facility which is nothing but green banking.
- It is found that many of them need the change in the economy but not ready to accept the sudden change.

SUGGESTIONS

After undertaking the survey many have given their suggestions regarding the concept of green banking. Some of them supported the concept by thinking the prospects while some has discouraged it by noting problems. Hence below are some of the suggestions we give after referring to all points.

- It is suggested not to charge any extra bank charges on the transactions made.

- It is told to spread this campaign mainly in village areas since they are still lacking with basic facilities.
- The government must provide a security from the account hackers. Because when the transactions are made paperless or digital it is easy for the hackers to hack bank account and get the money from that account.
- It is suggested to make this concept systematically step by step from the rural to urban.
- Educating the people regarding the basic things like transacting without cash should be done by the youths, medias and other NGOs by taking initiatives in order to make people to accept the change suddenly

CONCLUSION

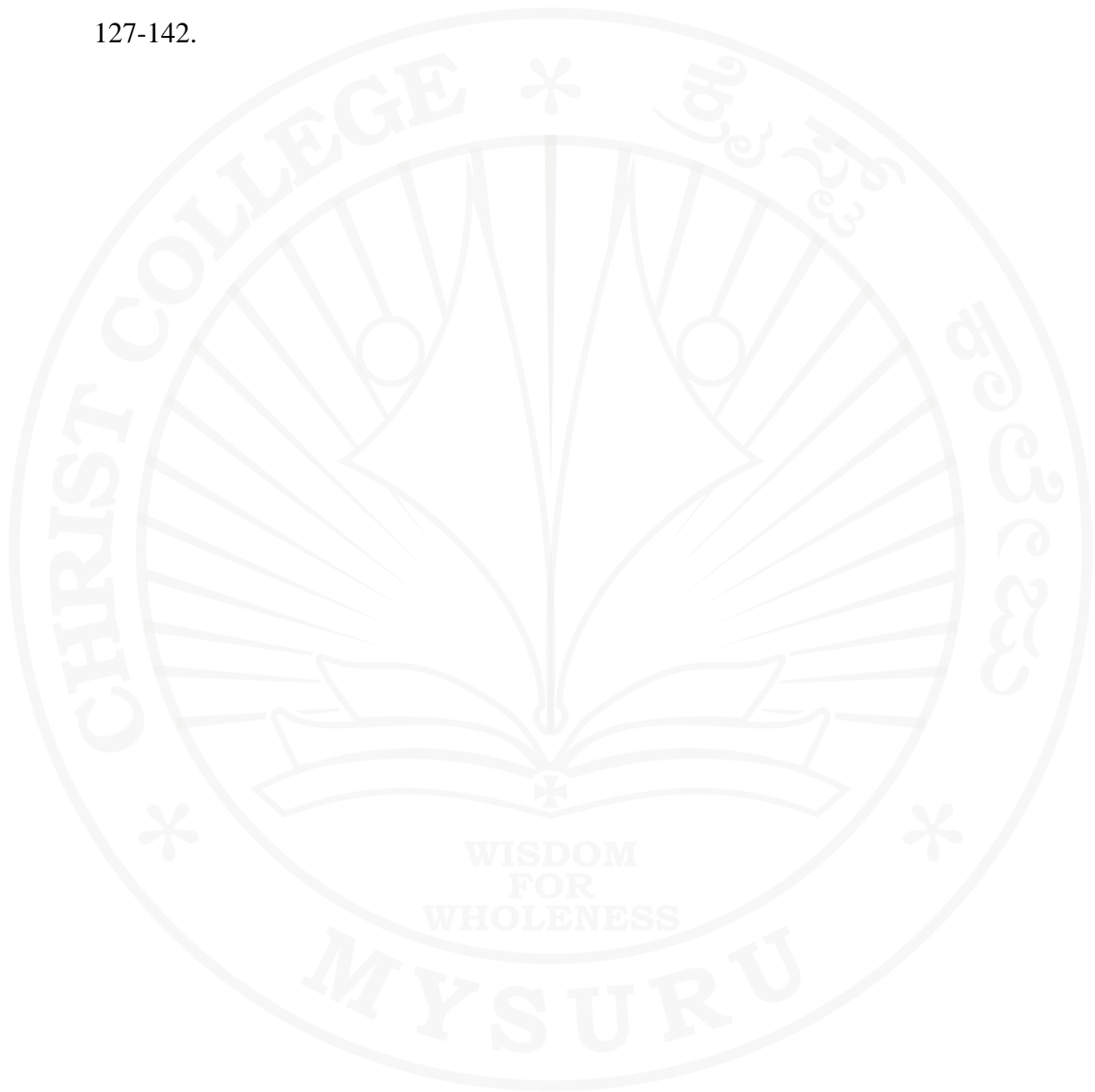
Thus the survey which is been made by referring samples from two areas for the concept Green banking: problems and prospects can be concluded by assuming that the concept of green banking has more of problems than advantages in the current status and also when it is taken personally. But when we see national growth and development, this is the powerful weapon to eradicate the corruption. Only when each one among us takes the word to disclose our transactional secret to banks by using net banking option, we can achieve this corruption less country. Since the living standard is very less people think only for their current convenience and not the future. We can conclude that the problem of G-Banking can be converted into prospects by taking initiative to educate at least two per day who are unaware of the banking transactions & help them to operate their transactions paperless. By this we can achieve the goal of the concept green banking in the nation.

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A STUDY ON THE IMPACT OF DERIVATIVES IN MANUFACTURING SECTOR

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Abstract

Derivatives playing an important role in the emerging business environment. Each Derivative as its own significance in business. Derivatives is using as hedging tool to reduce risk which involved in the transaction. Derivative which is used to hedging a risk. An option gives the Holder of the option right to take decision on his favor at the time of exercise of option right. The Holder does not have right to exercise his favor decision.

Option is type of contract between 2 persons where one grants the right to buy a specific at specific price within a specific time period. Alternatively contract gives the other person the right to sell a specific asset to specific price within a specific time period, in order to have his right the option Derivative buyer has to pay the seller the premium amount. On commodity on which option can be derived as hedging tool. Option can be explained by two main words call option and put option. By using the derivatives instruments most of the company are making good profit and also they reduced the risk Involved in their business. Especially manufacturing sectors faces more problems on the raw materials cost, by using the derivative tool they can easily reduce the risk and run the business in most profitable manner.

Derivatives play an integral role in helping companies manage risk and are likely to occupy an increasingly prominent place at firms that are seeking shelter from the volatility of the financial markets. About 83% of companies that use derivatives do so to curb the risk of foreign currencies, 76% of firms use derivatives to hedge against changes in interest rates, 56% seek to protect themselves against commodity-price fluctuations, and 34% use derivatives that are based on equity, or stock, markets. Here is our study is based on secondary data and we are studied on manufacturing company how they are using option derivative, how they reduced the risk which involved in their transaction and how they are disclosed. There are 380 manufacturing companies are listed in Indian stock market in that most of them are not using the derivatives in their business but some of the top leading companies they are using the derivatives tool and getting the favorable benefit. So we suggest that every company can use derivative in their business and they can mitigate the risk.

Keywords: *Derivatives, Option, Future, Hedging risk and Manufacturing sector*

INTRODUCTION

The past decade has witnessed a growth in use of derivatives. It was first used for financial instruments to reduce risk. As financial instrument was having high risk that risk was effecting return even initial investment. Hence to reduce risk and to motive investors' derivatives was introduced. From past decades the risk on market prices in commodity as increased. So derivatives in purchasing commodity especially in business purchasing of raw materials prices variation is reduced by derivatives most of top companies use derivatives.

Derivatives as a vital role is been played in enhancing profitability and its cheapest source of fund. Active use of derivatives instruments allows the overall business risk profile to be modified, thereby providing the possible to improve earning quality by offsetting risks. The impression is usually given that these losses arose from extreme complex and difficult to understand financial strategies. As business main motto is to make profit formulating new strategies is most important and necessity. Now a day's business as to formulate its own strategies for servility in market for long run and to give counter competition. As to make profit as simple formula is reducing cost of production. Reducing per unit cost will helps to reach goal. In accordance with reaching goal the strategies as to be formulated. In part of analyzed almost invariably it is found that the true source of losses was a basic organizational weakness or a failure to observe some simple business controls. 'Control' word in simple comparing actual performances with standard budget. As standard budget is prepared in expected of profit.

The result to this observation is that derivatives can indeed be used safely and successfully provided that a sensible control and management strategy is established and executed. Certainly, a degree of quantitative pricing and risk analysis may be needed, depending upon derivatives strategies which they incorporate. Rather, successful execution of derivatives strategy and of business risk management in general relies much more heavily on having a sound appreciation of qualitative market and industry trends and on developing a solid organization, infrastructure and controls. The objective of study is to examine how option derivatives helping business profit and how prominent role is been played by derivatives in present scenario.

LITRATURE REVIEW

In present study 10 literatures were collected and reviewed related to hedge commodity risk. Hear

there is a no study taken place only on manufacturing sector.

1. **Marlowe (2000):** argues that the emergence of the derivative market products most notably forwards, futures and options can be traced back to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. It is generally stated that regulation has an important and critical role to ensure the efficient and smooth functioning of the markets.
2. **Bose Suchismita (2006):** in their study “The Indian Derivatives Market Revisited” examined derivative as a risk management tool. It was found that Derivatives products provide certain important economic benefits such as risk management or redistribution of risk away from risk-averse investors towards those more willing and able to bear risk. Derivatives also help price discovery, i.e. the process of determining the price level for any asset based on supply and demand. These functions of derivatives help in efficient capital allocation in the economy; at the same time their misuse also poses a threat to the stability of the financial sector and the overall economy.
3. **Mark fenton, Emma Soane, Nigel Nicolson and Paul Williame (2011):** document a quantitative investigation to find difference between high and low performing traders and studied the role of intuition in the decision making process. The emotional regulation strategies adopted by experts reveals that high performing traders are qualitatively different from low performing traders as former are inclined to cope up with negative feelings and formulate effective strategies to regulate their emotions.
4. **Shanmnga Sundaram V (2011):** examined the impact of behavioral dimensions of investors in Capital market and found that investor decisions are influenced by psychological factors as well as behavioral dimensions and this psychological effect is created by the fear of losing money, sudden decline in stock indices, greed and lack of confidence about their decision making capability.
5. **Sahoo (2012):** opines “Derivatives products initially emerged, as hedging devices against fluctuation in commodity prices and the commodity-linked derivatives remained the sole form of such products for many years”. According to him the legal framework for derivatives trading is a critical part of overall regulatory framework of derivative markets. The purpose of regulation is to encourage the efficiency and competition rather than

impeding it.

6. **Supriya (2014):** reviewed derivative as a tool for managing risk which comes out of uncertainty and makes it difficult for businesses to estimate their future production cost and revenues. The NSE figures reveal that in equity derivative almost 90% of activity is due to stock futures and index futures, whereas trading in options is still limited to few stocks, partly because they are settled in cash and not the underlying stock. Further she found NSE has programmed to inform and educate brokers, dealers, traders and market personnel.

NEED FOR THE STUDY

Compare to other financial instruments, derivatives have high leverage and dynamic change in their value. Because of this unique nature it has become a challenging for the companies to take a decision on derivatives. In derivatives commodity derivatives have additional characteristics compare to other types of derivatives, thus have extra benefit for the company. But till now they face problem on using derivative instruments in manufacturing sector. There is no study which is concentrated on usage of derivative instrument in manufacturing sector. Therefore these issues as resulted in reducing the Companies confidence on these instruments. So there is a need for studying this issues which are impacting the users confidence. Because today manufacturing industry play an important role in the country development. Approximately the manufacturing industry contributing 16% for the Indian GDP. If the company uses the derivative instrument it can hedge the commodity risk and make more profit in future days. usage of derivatives in other nation is rapidly increasing, derivatives become an essential risk management tool to manage price volatility in commodities.

Hence, inadequate research has been conducted on derivatives on manufacturing sector which can be evidences from different studies which are made in the literature review.

OBJECTIVE OF STUDY

- To understand the concept of derivatives.
- To know the role of derivatives in Hedging risk.
- To know the impact of derivatives in manufacturing sector.

RESEARCH METHODOLOGY

The present study is an attempt to examine the impact of derivatives benefit in manufacturing sector. The study is based on secondary data. Annual reports of the companies are used for achieving the stated objectives including that we used various published articles, newspaper and text book publication.

SCOPE OF THE STUDY

1.7 Limitations of the study:

The present study is limited only to manufacturing sector and The sample size is also restricted to 40 stock market listed companies.

DERIVATIVES

Each and every companies work on maximizing profit. Operation of manufacturing companies mainly plans to reduce its cost of production. In course of reducing huge amount of expense will be on purchasing raw materials. Course of action in reducing production cost function of control is used. Control means comparing standard with causal performances. To fix standard the company's management face problem in detaining the price of raw materials. Determine market price of raw materials is complicated and difficult task. In process of determining the raw materials price few economic factors should be considered like supply, demand and trends. As high risk is been found in determining price of raw materials hence companies can use derivatives to reduce the risk of fluctuation of price in market.

In forward agreements for agricultural commodities have been around ancient time we can find. In time of ordering goods for sells part of amount is given as advance and according to mutual condition contract was done. The growth of financial derivatives began in United States in 1970's in Chicago Board Options Exchange. Future contract on US treasury bonds and notes began trading after 1970's. Option on stock and equity usage for trading in 1980's. This expanded to other countries. At present the derivatives, the volume of trading in these instrument now exceeds the volume of trading in these instrument now exceeds the volume of trading in physical assets. The growth of traditional exchange-traded derivatives, the design of securities with embedded options as become common. Furthermore, many fixed-income transaction that generate an income stream have been dissected and separated into layers of

priority in receiving the cash flows. These are sometimes structured as tranches. In general, the higher priority tranches have higher credit quality than the lower –priority tranches. The result to this observation is that derivatives can indeed be used safely and successfully provided that a sensible control and management strategy is established and executed. Certainly, a degree of quantitative pricing and risk analysis may be needed, depending upon derivatives strategies which they incorporate.

FUTURES DERIVATIVES

Futures markets were designed to solve the problem that exist in forward markets. A futures contract is an agreement between two parties to buy or sell an asset at a certain time in the future at a certain price. But unlike forward contract, the futures contracts are standardized and exchange traded. To facilitate liquidity in the futures contract, the exchange specifies certain standard underlying instrument, a standard quantity and quality of the underlying instrument that can be delivered, and a standard timing of such settlement. A futures contract should be offset prior to maturity by entering into an equal and opposite transaction. More than 90% of futures transactions are offset this way. A future contract is an agreement between two parties to buy or sell an asset at a certain time in the future at a certain price. Futures contracts are special types of forward contracts in the sense that former are standardized exchange-traded contracts.

The standardized items in a futures contract are:

- Quantity of the underlying assets or commodity.
- Quality of the underlying assets or commodity.
- The date and the month of delivery.
- The units of price quotation and minimum price change (any conditions if).
- Location of settlement.

Usually futures contract consists of two parties, one person expects increases in price in future days. Other person expects reduce in price in future days. Hence form contract to reduce risk.

OPTION DERIVATIVES

An option is a contract whereby one has right, but not obligation to exercise the option derivatives on or before a date mentioned. Exercise right can be purchased by paying premium if that right is with one party that is called as call option (the holder or buyer). The other party (writer or seller) has the obligation to honor the specified feature of the contract. The decision of holder will be exercise at time of maturity date mentioned in option contract. Since the option gives the buyer a right and seller an obligation, the buyer has received something of value. The amount the buyer pays the seller for option is called the option premium. Because this is a security whose value is determined by an underlying asset, it is classified as derivatives.

Participants in option derivatives are:

- Call Option
- Put Option

Call Option is contract between the buyer and the seller, where the buyer of the option has the right, but not the obligation to buy an agreed quantity of a particular commodity or financial instrument from the seller of the option at a certain time for a certain price. The seller has the obligation to sell the commodity should the buyer so decide. The buyer pays a fee called premium for this right.

Put Option is a contract between the buyer and the seller of the option which put option buyer has obligation to buy or sell according contract on maturity date. On agreed price on agreed date put option holder as to excises contract this party cannot take decision on his favor.

There are four types of participants in option market depends upon position they take

Forward Contracts:

A forward contract is a commitment to purchase at a future date a given amount of a commodity or an asset at a price agreed on today.

Forward Contract as a contract deliverable at a future date, duration of the contract being computed from spot value date at the time of transaction. Forward Contract is an agreement to exchange one currency for another currency on a specific date in future, at a pre-determined exchange rate, set at the time the contract is made. The contract locks in an exchange rate and regardless of what the exchange rate may be on the future date, the

transaction will be put through at the contracted rate. Under Forward Contract, the customer has not only the right to acquire or sell foreign currency on a future date at a pre-determined rate, but also has an obligation to meet the commitment. The Forward Contract is priced either at a premium or discount 'over the spot rate. Forward Contracts can broadly be classified as 'Fixed Date Forward Contracts' and 'Option Forward Contracts'.

Swap:

In financial markets the two parties to a swap transaction contract to exchange cash flows. A swap is a custom tailored bilateral agreement in which cash flows are determined by applying a prearranged formula on a notional principal. A swap is a derivative contract between two parties that involves the exchange of pre-agreed cash flows of two financial instruments. The cash flows are usually determined using the notional principal amount (a predetermined nominal value). Each stream of the cash flows is called a "leg."

Introduced in the late 1980s, swaps are a relatively new type of derivative. Even though relatively new, their simplicity, coupled with their extensive applications, makes them one of the most frequently traded financial contracts. Interest rate swaps currency swaps commodity swaps are the types of swaps.

ROLE OF SEBI

A series of reform of stock market between 1993 and 1996 made way for development of exchange traded equity derivatives market in India. NSE improved the efficiency and transparency of the stock markets by offering a fully automated screen based trading options and real time price dissemination. In 1995 a prohibition on trading options was lifted. In 1996 the NSE sent a proposal to SEBI for listing exchange traded derivatives. According to report L.C.Gupta Committee, setup by SEBI – self regulation by exchange with SEBI providing a supervisory and advisory role. J.R.Varma Committee in 1998 specified over operational details such as margining system.

Securities Contract Act of 1956 was amended so that derivatives. The allowed the regulatory framework for trading securities to be extended to derivatives. The act considers derivatives to be legal and valid, but only if they are traded on exchanges. A system of market determined exchange rate was adopted by India in March 1993. In Aug 1994, the rupee was made fully convertible on current account. These reform allowed increased integration

between domestic and international markets, created a need to manage currency risk. The easing of various restrictions on the free movement of interest rates resulted in the need to manage the interest rate risk.

Disclosure of commodity exposures as required under clause 9(n) of part C of schedule 5 of the SEBI listing obligations and disclosure requirements regulation, 2015.

Data Analysis & Interpretation:

Sl.No	Name of the company	Category of the company	Used derivatives	Type of derivative used	Benefited or not		
					2016	2017	2018
1	Bombay Dyeing and manufacturing company	Textiles	yes	Forward	yes	yes	yes
2	Vardhman	Textiles	yes	Forward and option	yes	No	yes
3	Sutlej Textiles & Industries Ltd	Textiles	Yes	Forward and swaps	yes	yes	yes
4	Arvind Limited	Textiles	yes	Swaps and option	yes	yes	yes
5	Reliance Textiles	Textiles	No	-	-	-	-
6	Fabindia	Textiles	Yes	Forward and swaps	yes	yes	yes
7	JCT Limited	Textiles	No	-	-	-	-
8	Lakshmi Mills	Textiles	yes	Forward and option	yes	yes	yes
9	Alok industries	Textiles	yes	Forward and option	yes	yes	yes
10	Siyaram Silk Mills Ltd.	Textiles	yes	forward and option contracts	Yes	Yes	yes
11	Nestle India Ltd	Food	yes	Forward	yes	yes	yes

				contract			
12	Parle Agro Pvt Ltd	Food	yes	Forward contract	yes	yes	yes
13	Britannia Industries Ltd	Food	yes	Forward contract	yes	yes	yes
14	LT Foods Ltd (Daawat)	Food	Yes	Forward and option	yes	yes	yes
15	Gujarat Ambuja Exports Ltd	Food	Yes	Forward and option	yes	yes	yes
16	KRBL Ltd	Food	yes	Forward contract	yes	yes	yes
17	Venkys India Ltd (VH)	Food	yes	Swaps and option	yes	yes	yes
18	KSE Ltd	Food	yes	Forward contract	yes	yes	yes
19	MTR Foods Pvt Ltd (Orkla)	Food	Yes	Forward contract	yes	yes	yes
20	REI Agro Limited	Food	No	-	-	-	-
21	ITC	tobacco & Related Products	Yes	Forward contract	yes	yes	yes
22	Godfrey Phillip	tobacco & Related Products	Yes	Forward contract	yes	yes	yes
23	Kothari Products Ltd	tobacco & Related Products	yes	Forward contract	yes	yes	yes
24	Godfrey Phillips India Ltd	tobacco & Related Products	yes	Forward contract	yes	yes	yes
25	Godrej Interio	Wood, furniture & fixtures	yes	Forward & option contract	yes	yes	yes

26	Greenply Industries Ltd	Wood, furniture & fixtures	yes	Forward & option contract	yes	yes	yes
27	Nilkamal Ltd	Wood, furniture & fixtures	yes	Forward & option contract	yes	yes	yes
28	Merino Industries Ltd	Wood, furniture & fixtures	yes	Forward & option contract	yes	yes	yes
29	Ballarpur Industries Ltd	Paper & printing	yes	Forward & option contract	yes	yes	yes
30	JK Paper Ltd	Paper & printing	yes	Forward & option contract	yes	yes	yes
31	International Paper AP PM Ltd.	Paper & printing	No	-	-	-	-
32	Seshasayee Paper & Boards Ltd	Paper & printing	yes	Forward & option contract	yes	yes	yes
33	Bata	leather	No	-	-	-	-
34	Metro Shoes Ltd	leather	yes	Forward & option contract	yes	yes	yes
35	Relaxo Footwears Ltd	leather	yes	Forward & option contract	yes	yes	yes
36	Superhouse Ltd	leather	yes	Forward & option contract	yes	yes	yes
37	L&T Construction Equipment:	Machinery	yes	Forward & option contract	yes	yes	yes

38	Volvo Construction Equipment India:	Machinery	yes	Forward & option contract	yes	yes	yes
39	Tata steel	Iron and steel	yes	Forward & option contract	yes	yes	yes
40	JSW	Iron and steel	yes	Forward & option contract	yes	yes	yes

Following are the data related to the status of using derivatives by the manufacturing companies in India.

There are 400 manufacturing companies are listed in the stock exchange, for the study we took 10% of 400 companies the sample size is 40..In this 40 companies only 5 companies are not used derivative as a hedging tool for the commodity risk. As per the above information we are

Top 10 commodities which is used in derivative transaction in India

Sl.no	Name of the commodity
1	Silver
2	Copper
3	Steel
4	Aluminum
5	Iron ore
6	Coking Coal
7	Zinc
8	Cement
9	Lead
10	All the agriculture product

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- Retrieved from <https://doi.org/10.1016/j.eneco.2016.01.016>



A STUDY ON LOAN REPAYMENT BEHAVIOR AND CREDIT SCORE THROUGH DISCRIMINANT ANALYSIS

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Abstract

A credit score is a three-digit statistical number based on a level analysis of a person's past credit history and files, to represent the credit worthiness of an individual. A person's credit score ranges from 300 to 900 based on the credit bureaus, the higher the credit scores, the more financially worthy a consumer is considered. In India, six credit bureaus is registered under SEBI and approved by Reserve Bank of India, but only four credit bureaus like TransUnion Credit Information Bureau Ltd. (CIBIL), CRIF high mark, Equifax and Experian provide Credit Information Report (CIR) of an individual collected from various sources. It is important to analyse the effectiveness of credit score system and to study the loan repayment behaviour of an individual who were granted loan based on their credit report. The main objective of the study was to find the effect of credit score and other financial aspects of an individual on his loan repayment and whether he/she had defaulted ever. Primary data was collected through a well-structured questionnaire from 210 respondents in Bengaluru city of Karnataka state. The data was collected during July-September 2019 by employing stratified sampling method. Customers of fourteen different banks with equal number of sample size were selected from each bank in and around Bengaluru. The samples from each bank were randomly selected at the time of visit of the researcher to a particular bank. Discriminant Analysis was used to find out the impact of the credit score and other financial aspects of an individual on his loan repayment behaviour. The study found that the frequency of default of the individuals who have taken personal loan from foreign banks and other banks is less than the individuals who had taken other than personal loans from foreign and other bank are probable to default more often than others. It is also found that the individuals who had availed Educational loans and Vehicle loans from Cooperative banks and Private sector

banks with more loan amount and more repayment amount were more probable to default, i.e. more than twice in a year. This research study will help to find out the factors which may affect the loan repayment of an individual and so that the financial institutions may take appropriate precautionary measures by careful scrutiny of the financial aspects of an individual before granting loan.

Keywords: *behaviour, credit rating, credit score, loan, discriminant analysis, repayment*

INTRODUCTION

A credit score is a three digit numeric summary of borrower credit history. The value ranges between 300 and 900. It is derived by using details found in the Accounts and Enquires section on borrower Credit Information Report (CIR). It indicates the probability of default of a borrower based on their credit history. In India, six credit bureaus like TransUnion Credit Information Bureau Ltd. (CIBIL), Credit Rating Information Services of India Ltd. (CRISIL), Credit Rating Agency of India Ltd. (ICRA), CRIF high mark, Equifax and Experian are registered under SEBI and approved by Reserve Bank of India, but currently only four Credit Bureau which provide credit report of an individual collected from various sources. Lenders such as banks, credit card companies, non-banking financial institution use credit scores to evaluate potential risk of consumers. It is important to analyse the effectiveness of credit score system and to study the loan repayment behaviour of an individual who were granted loan based on their credit report.

STATEMENT OF THE PROBLEM

Good Credit score is being mandatory for every individual's for the approval of loan or credit card in the bank and other financial institutions. Now-a-days banks, credit card companies and NBFC's check credit scores of the individuals before lending the credit to the individual's. Credit scores and report helps banks, credit card companies and NBFC's to decrease the doubtful debts by evaluating the credit worthiness of the individuals. Even most of the companies check credit scores before hiring the candidate to their companies. Hence it is necessary to conduct research on examining whether there is any significant association of demographic variables and loan repayment behaviour of Individual's.

REVIEW OF LITERATURE

According to Rona-Tas (2017), credit scores are developed more in retail lending which mainly used in the fields such as auto insurance assessments, residential rentals and even hiring decisions. He also mentioned credit ranks are designed in such a way to evaluate companies' securities and other financial instruments. Credit scores are generated by the Credit Bureau's based on the borrower transaction. The credit decisions of banks always left with the type of rating dimension it has adopted. Individual should maintain their account with the sufficient funds since outstanding debt has a large impact on credit scores (Jayadev, 2006). Only few research studies have been conducted in India for examining the knowledge level of public on Credit Scores System. It is essential to find out the effect of credit score and other financial aspects of an Individual on his loan repayment and whether he/she had defaulted ever.

OBJECTIVES OF THE STUDY

The present study was conducted with the following objectives:

- To study the system of credit score in India and the factors which affects the credit score.
- To analyse the impact of credit score and other determinants on the loan repayment behaviour of individuals in Bengaluru city.

RESEARCH METHODOLOGY

In order to meet the study objectives, primary data was collected through a well-structured questionnaire. Totally 300 questionnaires were distributed among public in Bengaluru city, Karnataka state by employing stratified sampling methods. The study focuses on customers of 14 different banks with equal number of sample size were selected from each bank in and around Bengaluru. The samples from each bank were randomly selected at the time of visit of the researcher to a particular bank. The data for the questionnaire were collected through offline as well as online mode using Google forms in Google Docs during the month of July-September 2019. Among all, only 210 questionnaires were complete in all aspects which are considered for the study. Bangalore city was chosen as the study area because there are lot of

different types of individuals been setup over there like businessmen, industrialists, IT employees, salaried individuals etc. With relevance to the objectives and the hypothesis framed, the statistical tools discriminant analysis was used to find out the impact of the credit score and other financial aspects of an individual on his loan repayment behaviour. In order to find out the association between the demographic variables such as educational qualification, age, gender, occupation, income, savings, residential status, marital status, number of dependents and loan repayment behaviour of individuals, chi-square test was conducted. The statistical software SPSS version 22 was used for data analysis.

CREDIT INFORMATION COMPANIES IN INDIA AND ITS FUNCTIONS

Credit Information Companies (CIC's) which also knows as 'Credit Bureau' (CB) are the specialized financial institutions that collect and maintain credit and loan related information of commercial institutions and Individuals. On the basis of their financial record, CBs create a credit score and report, which helps the lender to decide the interest rate and loan amount to the borrower. This credit report also gives lender an insight about borrower's past credit repayment history. CIC collects the financial report of a registered Individual from their respective banks, credit card companies and other financial institutions on monthly basis. These CB use the collected financial information to create a credit report. The credit report contains Individual's personal information, payment history, number and types of accounts with the lenders, default, credit transaction and outstanding loan amount.

On the basis of the credit report, credit score is given to the individuals. The credit scores usually ranges between 300 and 900 which also based on respective CICs. Credit report and score is always a reflection of individual's credit worthiness (Bev, 2019). When the individual's apply for the loan, the lenders will contact CBs and collects the respective individual's credit score and report. Lenders will approve only to lend if they are satisfied with respective individual's credit score and report. Credit score and report always play a vital role in the approval or rejection of loan and credit cards. In India, six credit bureaus like TransUnion Credit Information Bureau Ltd. (CIBIL), Credit Rating Information Services of India Ltd. (CRISIL), Credit Rating Agency of India Ltd. (ICRA), CRIF high mark, Equifax and Experian are registered under SEBI and approved by Reserve Bank of India, but

currently only four CBs which provide credit report of an individual collected from various sources to the lenders. Table 1 explains the key features of all these four bureaus.

Table 2 specifies the grade and relevant meaning for different credit score ranges. A good credit score ranges from 750 to 900. If the credit score is 750 and above, banks and other NBFC's consider consumer is credit worthy. But if a score is less than 750, banks feel risky to provide credit to the consumers. Banks and other credit card companies feel comfortable to sanction loan or other credit limit to the consumers if there credit score is 750 and more.

Table 1: Comparison Table of CIBIL, EQUIFAX, EXPERIAN and CRIF HIGHMARK

Particulars	CIBIL	EQUIFAX	EXPERIAN	CRIF HIGHMARK
Founded in	2000	In India – 2010	2006	2005
Credit score range	300-900	300-900	330-830	300-900
Cost of credit report	Free credit report once a year; Rs.550 for One month access; Rs. 800 for 6 months access; Rs.1200 for One year access	Free credit report once a year. Credit report with credit scores costs Rs.400. Only credit report costs Rs.138	Free credit report once a year. Credit report with credit scores costs Rs.399. Only credit report costs Rs.138.	Free credit report once a year. Credit report with credit scores costs Rs.399.
Duration to generate credit report	Within few minutes after successful verification of all documents	Will be despatched within 7-10 working days.	Within few minutes after successful verification of all documents	Will be mailed to registered email id after successfully verification.
Dispute resolution	Raise a dispute in online and CIBIL takes 30 days to resolve	Send filled dispute resolution form with documents to the bureau's address	Send filled dispute resolution form with documents to the	Email to credit bureau with the documents.

	the dispute.	through post, courier.	bureau's address through post, courier.	
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Source: Secondary data

Table 2: Grade and Meaning of different Credit Scores

Credit Score Range	Grade	What does it mean
750 & Above	Consumer is in great side	Approval process will be fast and low interest rate
700 – 749	Looks good	Higher interest rate
649 – 699	Fair Score	Limited alternatives with higher interest rate
600 – 649	Doubtful	Approval process will be very tough
Below 599	Some actions needed	Rejection of the credit application

Source: Secondary data

There are many factors that will affect credit scores are a) frequent defaults or late repayments of debts, b) utilization of higher credit card limit, c) high percentage of unsecured loans, d) too many credit enquires, e) opting for a settlement instead of repaying the debt and f) guarantor to other consumer loan. The credit score can be achieved by i) paying credit card bills/ loan EMI's on time, ii) avoid impulse purchase from credit cards, 3) checking the credit report periodically and iv) don't use more than 30% of credit card limit (ET Contributors, 2019).

ANALYSIS AND INTERPRETATION

Discriminant analysis was used to develop a model to predict the groups of individuals into three predefined groups of defaulters – once in a year, twice in a year and more than twice in a year. Out of 210 respondents, 187 respondents have defaulted atleast once in a year. These respondents were taken for predicting any one of the defaulting groups. There are two discriminating functions included in the study to predict three groups, two discriminant functions were loaded (Table 3). The eigenvalues shown in the table are related to the

canonical correlations and describe how much discriminating ability a function possesses. The magnitudes of the eigenvalues are indicative of the functions' discriminating abilities. In this analysis, the discriminant function accounts for 100 % of the discriminating ability of the discriminating variables. The canonical correlation explains the relationship between the predictor variables maximum credit score in last one year, sanctioned loan type, type of loan sanctioned banks, monthly repayment amount and sanctioned loan amount on frequency of default of loan repayment by an individual.

FUNCTION	EIGENVALUE	% OF VARIANCE	CUMULATIVE %	CANONICAL CORRELATION
1	.137 ^a	82.9	82.9	.347
2	.028 ^a	17.1	100.0	.165

First 2 canonical discriminant functions were used in the analysis.

Source: SPSS Output

Wilks' Lambda is one of the multivariate statistic calculated by SPSS. The Wilks' Lambda of more than 85% for both the discriminant functions also verifies that the modes are valid and statistically significant (Table 4).

Table 4: Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	Df	Sig.
1 through 2	.856	7.665	28	.048
2	.973	4.926	13	.029

Source: SPSS Output

How_frequently_you_have_been_defaulter	Function	
	1	2
More than Twice in a year	.987	.243
Yearly Twice	.119	-.213
Yearly Once	-.256	.100
• Unstandardized canonical discriminant functions evaluated at group means		

Source: SPSS Output

In Table 5, the function 1 discriminates group 1 (more than twice in a year) and group 3 (yearly once) well with a positive discriminant score predicting group 1 (more than twice in

a year) and function 2 reveals second (yearly twice) and third group (yearly once) well with a negative discriminant score predicting default twice in year.

The structure matrix Table 6 explains the order of influence of the variables on discriminant variable. Based on the table evidence, maximum credit score in last one year have more correlation, followed by personal loan, NBFC, other banks, other loan and foreign banks in the first function and Public and Private sector banks, home and vehicle loan, Repayment amount, Cooperative banks and Loan amount have been found significant in discriminating the function 1. Also, Public sector banks have more correlation, followed by education loan, home loan, monthly repayment amount, cooperative banks, sanctioned loan amount, private sector banks and vehicle loan have been found significant in discriminating the function 2.

Table 6: Structure Matrix

Financial Determinants	Function	
	1	2
Maximum_credit_score_in_last_one_year	.577*	.430
Personal_loan	.305*	.194
NBFCs	-.254*	.167
Other banks	.251*	.029
Other loans	-.217*	.076
Foreign_banks	.193*	.013
Education_loan	.191	-.516*
Public_sector_banks	-.285	.416*
Home_loan	-.142	.299*
Monthly_repayment_amount	.286	-.288*
Cooperative_banks	.070	-.203*
Sanctioned_loan_amount	.134	-.164*
Private_sector_banks	-.085	-.117*
Vehicle_loan	-.015	-.061*

Source: SPSS Output

- Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions
- Variables ordered by absolute size of correlation within function.
- Largest absolute correlation between each variable and any discriminant function

Discriminant function 1 discriminates the 1st and 3rd groups, that is, defaulting once in a year and more than twice in a year. The discriminant function may be described by the following equation (Table 6):

$$Z_1 = 0.577 * \text{Maximum Credit score} + 0.305 * \text{Personal Loan} + 0.251 * \text{Other banks} + 0.193 * \text{Foreign banks} - 0.254 * \text{NBFCs} - 0.217 * \text{Other Loans}.$$

The function centroid table (Table 5) reveals that if more is the credit score, there is more chance of less frequency of defaulting, i.e., more is credit score, he is more probable to default once in a year and less is the credit score, he is more probable to default more than twice in a year. Also, the frequency of default of the individuals who have taken personal loan from foreign banks and other banks is less than the individuals who had taken other than personal loans from foreign and other bank are probable to default more often than others. Further, the individuals who had availed other loans from NBFCs are more often defaulting in their repayment of loans.

Discriminant function 2 discriminates the 1st and 2nd groups, that is, defaulting twice in a year and more than twice in a year. The discriminant function may be described by the equation

$$Z_2 = 0.416 * \text{Public sector banks} + 0.299 * \text{Home Loan} - 0.516 * \text{Educational loan} - 0.288 * \text{Monthly Repayment amount} - 0.203 * \text{Cooperative banks} - 0.164 * \text{Sanctioned Loan amount} - 0.117 * \text{Private sector banks} - 0.061 * \text{Vehicle loans}.$$

The function centroid table reveals that if an individual who had availed Home loan from Public sector and other banks are defaulting mostly once in a year, which implies that people availing home loans are repaying their loan more promptly than the people who are availing other loans. It is also evident that the individuals who had availed Educational loans and Vehicle loans from Cooperative banks and Private sector banks with more loan amount and more repayment amount were more probable to default, i.e. more than twice in a year.

Table 7. Classification Results^{a,c}

How_frequently_you_have_been_defaulter			Predicted Group Membership			Total
			More than Twice in a year	Yearly Twice	Yearly Once	
Original	Count	More than Twice in a year	3	5	10	18
		Yearly Twice	3	13	52	68
		Yearly Once	0	11	90	101
	%	More than Twice in a year	16.7	27.8	55.6	100.0
		Yearly Twice	4.4	19.1	76.5	100.0
		Yearly Once	0	10.9	89.1	100.0
Cross-validated ^b	Count	More than Twice in a year	0	6	12	18
		Yearly Twice	5	7	56	68
		Yearly Once	1	18	82	101
	%	More than Twice in a year	.0	33.3	66.7	100.0
		Yearly Twice	7.4	10.3	82.4	100.0
		Yearly Once	1.0	17.8	81.2	100.0

Source: SPSS Output

- 56.7% of original grouped cases correctly classified.
- Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.
- 47.6% of cross-validated grouped cases correctly classified.

The classification Table 7 shows that the two discriminant functions classify 56.7% of the samples are correctly which is well ahead by around 25% of chance (33%) and verifies that the discriminant model predicted by the software is valid.

Conclusion

The frequency of default of the individuals who have taken personal loan from foreign banks and other banks is less than the individuals who had taken other than personal loans from foreign and other bank are probable to default more often than others. Further, the individuals who had availed other loans from NBFCs are more often defaulting in their repayment of loans. It is also evident that the individuals who had availed Educational loans and Vehicle loans from Cooperative banks and Private sector banks with more loan amount and more repayment amount were more probable to default, i.e. more than twice in a year. Hence, the financial institutions may take appropriate precautionary measures by careful scrutiny of the financial aspects of an individual before granting loan. It also helps the bank to avoid default in loan repayment by their customers. The study also suggests that the financial institutions like credit information agencies and governments should take necessary efforts to improve the knowledge on credit score among the individuals through various programmes and social media. Once the individuals get more knowledge on the system of credit score, it will enhance the financial management by repaying their loan in time and further make them eligible for other loans also. Further research may be conducted among public on credit score system in various regions in India and the study can be made to analyse the effectiveness of different credit bureaus functioning in India.

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A STUDY ON ENTREPRENEURIAL FINANCE

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Abstract

Entrepreneurship is the process of designing, launching, and running a new business and people who create these businesses are called Entrepreneurs. Entrepreneurship is defined as, “capacity and willingness to develop, organize, and manage a business venture along with any of its risks to make a profit”. The entrepreneur is able to recognize the commercial potential of the invention and organize the capital, talent, and other resources that turn an invention into a commercially viable innovation. So this paper develops a study of entrepreneur finance by analyzing and finding how an entrepreneurial company maintains their finance in the competitive field of world economy with an example. By this information, it helps to evaluate what the plans, business models, challenges, and completion leads to maintain the economic growth of the company.

KEYWORDS: *Entrepreneurship, entrepreneurs, business, profit*

INTRODUCTION

Today, in this competitive world it is highly risk involved to maintain and control a private sector or company by private people than the public company which are under control of Government. Because the major objective of a private entrepreneurial company is the capacity and willingness to develop, organize, and manage a business venture with risks under motive of profit. The concept of profit making in the field of economics to an entrepreneur as an entity which has ability to find and act upon opportunities to translate inventions or technologies into product and services. So the term entrepreneurship captures innovative activities on the part of established firms, in addition to similar activities on the part of new businesses. Here we can analysis how an entrepreneurial company maintain their finances in the competitive field of economy.

ENTREPRENEUR

Someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced. An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture.

FINANCE

Finance is a broad term that describes activities associated with banking, leverage or debt, credit, capital markets, money, and investments. Basically, finance represents money management and the process of acquiring needed funds. Finance also encompasses the oversight, creation, and study of money, banking, credit, investments, assets, and liabilities that make up financial systems. Many of the basic concepts in finance originate from micro and macroeconomic theories. One of the most fundamental theories is the time value of money, which essentially states that a dollar today is worth more than a dollar in the future. Since individuals, businesses, and government entities all need funding to operate, the finance field includes three main sub-categories: personal finance, corporate finance, and public (government) finance.

ENTRENEURIAL FINANCE

It is the study of value and resource allocation applied to new ventures. It addresses key questions which challenge all entrepreneurs as like how much money can and should it be raised ad from whom; what is reasonable valuation of the startup and how should funding contracts and exit decisions be structured.

McDonald's CORPORATION

- _McDonald's, world largest fast food chain known for hamburgers.
- Headquarters at Oak Brook, Illinois in America.

HISTORY

- Started by Maurice (Mac) and Richard McDonald (brothers) of McDonald's restaurant, California in 1948.
- They buy their need appliances from their small hamburger restaurant from salesman Ray Kroc of eight malt and shake mixers.

- In 1954, Kroc visited to see their developments; he changed a simple and efficient format to produce huge quantities at low price.

15 cents (1 hamburger) = ½ amount

- Eliminate waiters and waitresses and introduce self-service that customer to directly received food.
- In 1955, introduce franchising program and opened first McDonald's franchise and in same year McDonald's Corporation.
- In 1965, company's stock began trading publically the chain continued to expand domestically and internationally extending to Canada in 1967 and reaching total 1000 restaurants by 1988.
- By 21st century 100 countries operating more than 35000 outlets.

BUSINESS MODEL

- McDonald's makes money by leveraging its product, fast food to franchisees who have to lease properties.
- As report in 2018, 35085 (82% revenue) of 37855 restaurants were franchised with McDonald's operating the remaining 2770 (16% revenue) restaurants.
- So, 93% of total capacity are franchises which still below McDonald's long term goal of 95%.
- The advantage in revenue stream of the company is far more stable, and most importantly predictable to measure easier path to profitability.
- Through this model McDonald's can leverage its market position to negotiate deals.
- McDonald's differentiates four markets:
 - ❖ **U.S** – largest segment with \$7.666 billion (36.5% revenues)
 - ❖ **INTERNATIONAL LEAD MARKETS** – growth reached segment with \$7.6 billion (36% revenues), countries like Australia, Canada, France, Germany, U.K, etc.
 - ❖ **HIGH GROWTH MARKETS** – still developing segment with \$3.989 billion (19% revenues), countries like Italy, Russia, Spain, China, Poland, Korea, etc.
 - ❖ **FOUNDATIONAL MARKET AND CORPORATE** – started growing segment with \$1.77 billion (8.4% revenues)

(HINT: According to 2018 report)

- Revenue from franchised restaurants (rent, royalties, initial fees) was \$11.01 billion, which is over 50% of McDonald's total revenues and 2% operating income than previous year.
- In 2018, full year dividend of \$4.19 per share reflects quarterly dividend paid for first three quarters of \$1.01 per share, with an increase to \$1.16 per share paid fourth quarters shows ongoing strength and reliability of cash flow validation.

FUTURE PLANS

- The Velocity Growth Plan introduced in 2017, is McDonald's customer-centric strategy that focuses on the key drivers of the business, namely food, value and customer experience.
 - ✓ Retaining existing customers (IEO – Informal Eating Out)
 - ✓ Regaining customers who visit less often
 - ✓ Converting casual to committed customers
 - ✓ Experience of the future (EOTF)
 - ✓ Digital
 - ✓ Delivery

KEY CHALLENGES

- McDonald's has to face main competitors like Burger King, Wendy's, Kentucky Fried Chicken, etc.
- But the major challenge might be consumer who demands healthier, organic menu choices coupled with fast food convenience.
- "Fast-casual differs from fast food" in that their aim to provide consumer healthier selections with fast food convenience at a slightly higher price made willing them to pay.
- The growing consumption trend for food that is healthy, economical and available with minimal wait times has begun to eat into market share of leading QUICK SERVICE RESTAURANT (QSR).

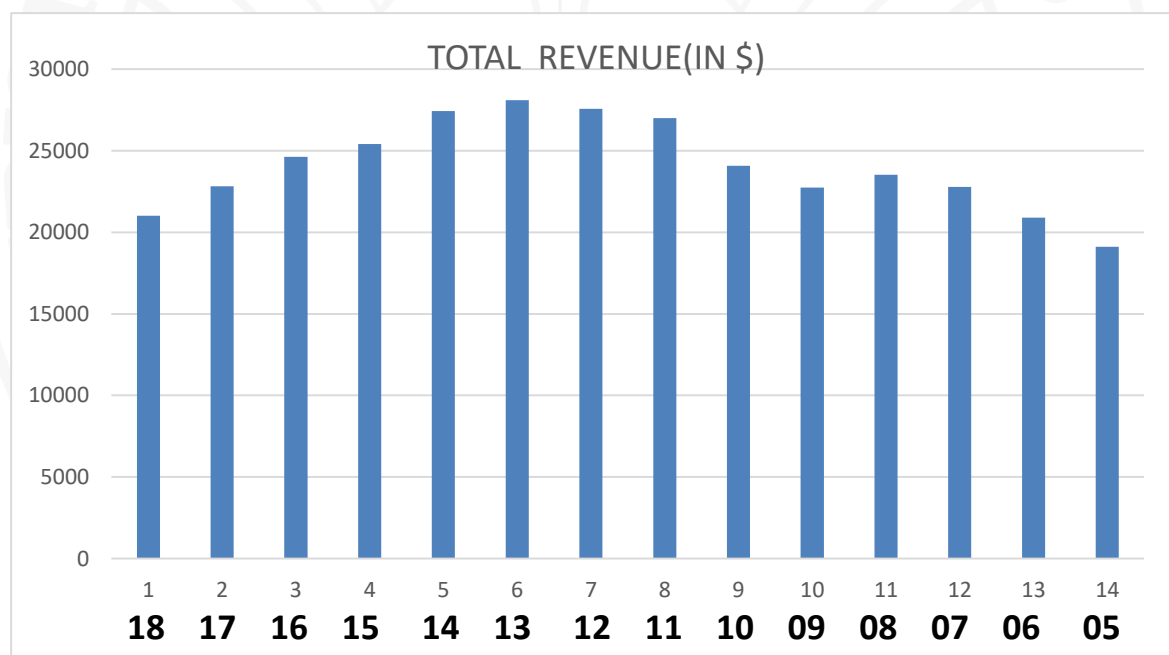
OPERATION STRATEGY

- In McDonald's the business strategy for the company is to make food fast available to its customers at a very low competitive price but to get profit as well by reducing the cost of the product and expanding the business in world.

- In 2001, they have started to investing money in improvements of point to sale ordering system and improvement of electronic payment system as possible for easy transaction.
- To reduce the cost of operation, they used to buy vegetables directly from farmers use less amount of oil for food and use less electricity consumption method.
- They provide everything for staff to do job efficiently and save their health with safety method.
- It is aware that if it compromises on its quality then it will make very much easier for the new entrant to attract these customers with better quality of its food products.

ANALYSIS

Here is the analysis of McDonald's company's performance from 2005-2018:



- Over last thirteen fiscal years, McDonald's revenue achieved its peak in 2013 at 28.11 billion U.S dollars. Since this peak revenue has decreased annually over last three years, hitting 21.03 billion U.S dollars in 2018.

8 THINGS McDonald's CAN TEACH FOR BUSINESS SUCCESS ARE:

- Maintain consistency
- Establish a brand presence
- Take risks
- Adapt to customer changing tastes
- Perfect the art of the cross-sell
- Learn how to work with people
- Spot and grow talent
- Realize the importance of philanthropy (charities, scholarship, fundraisers, mentorship programs-humanity)

CONCLUSION

- McDonald's is a very established organization and its success is completely based on extensive research of internal and external market forces over 119 countries and itself more than 68 million customers daily.
- It has done research on the people behavior of specific country, their culture, buying power and social issues.
- They have paid special attention on location of business, its interior and exterior outlook and types of technologies use to get maximum production in short time.
- They also focused on quality and market forces directly affects business.
- It takes to improve customer metrics by which it can follow and decided what are changes in the customer needs and wants, how they can satisfy these issues.

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“Supply Chain Management: Challenges Faced by Women Working in Logistics Operation”

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ABSTRACT

Women empowerment; an importance to be given in creating a positive economic and also develop social policies that would make the women realise their full potential. Women has a crucial role to play in balancing work and life. Logistics in India is vast and diverse, which holds major valuable monuments of country's economy. And from an economic research survey done in 2017-18; in we have around 22-millions of livelihoods from Indian Logistics sector. Though Women accessibility in this field is very less till date, and is always seen as male dominated sector. Its always seen from the male sector, as logistics filed has more physical works to be done too. Why is there a misconception about women is not suited for blue-collared work! This is the main reason for the diverse difference in Women empowerment and men in logistics field. The percentage of women working in logistics is less than one third of total empowered population in logistics. In India, the Women play important role in society, but still there are increase in women employees in logistics sector. And the main reason is there a misconception created that women are not suited for blue-collared as its more of masculinity. Women are reaching all the sectors as they are more powerful with knowledge and education in each and every sector. On the other hand, logistics has more of physical works, considering all issues, what are the challenges faced by women in logistics, why is there as misconception, what are the gaps to be filled against challenges faced by women's working in logistics field. In this paper we are trying to understand the ground level challenges faced by women's in logistics field.

Keywords: *Women Empowerment, Logistics, Blue-collared, Challenges.*

INTRODUCTION

Logistics Industry in India is male centric/dominated; but logistics company now are breaking this stereotype of gender and creating opportunities for Women in Logistics sector. This is a starting step for success, to make the ratio of empowerment of both the genders equal in Logistics.

There is an increase in women empowerment in logistics industry to 4% in the year 2017, there are lot of opportunities for women to dwell up their career path successfully in the logistics industry. And also, government is concentrating to double the empowerment in logistics which would be a great opportunity. This would make the women stronger both financially and be successful in career.

And from an economic research survey done in 2017-18; in we have around 22-millions of livelihoods from Indian Logistics sector. Though Women accessibility in this field is very less till date, and is always seen as male dominated sector. Its always seen from the male sector, as logistics filed has more physical works to be done too. Why is there a misconception about women is not suited for blue-collared work! This is the main reason for the diverse difference in Women empowerment and men in logistics field. The percentage of women working in logistics is less than one third of total empowered population in logistics. In India, the Women play important role in society, but still there are increase in women employees in logistics sector. And the main reason is there a misconception created that women are not suited for blue-collared as its more of masculinity.

The main challenges that women come across in logistics industry is safety and security concerns; and majorly work life balance. This paper aims in understanding the challenges faced by women's in logistics operations.

LITERATURE REVIEW

1. Lalith E, et al., (2015), in their study they aim to enhance the women in L&T industry i.e. logistics and transportation. As per the collected statistical secondary data available, industry in having lots of opportunities and trends, but lacks in equality in hiring women in this field. It concludes that women empowerment to be increased in this sector by increasing the awareness and education sector.

2. Hokey Min, et al., (2014), aimed in understanding the challenges faced in standardisation in logistics industry with respect to culture, infrastructure, customs of business and policies of government. This study revealed that lack of standardization is main reason for the various challenges faced in logistics filed.
3. Jodi G, et al., 2019, in their study concentrated on how to retain a woman in transportation field and also how to attract and promote this industry to increase the career interest in women for transportation sectors. This paper came up with a multifaceted holistic approach which aimed in understanding the perception and change it in positive way with respective to career in transportation field. It concludes that there should be a flexible and encouraging culture for women to attract and retain them in transportation sector. And also, to concentrate on motivating factors that would help in promotion as well.

OBJECTIVES AND METHODOLOGY

The main objective of the paper is to study the challenges faced by women's in Logistics operation and also to understand how to attract women in logistics field. The main source of data was Primary-data that was collected by Personal interview - Semi-structured from the women's working in logistics operation a well-known logistics company, Karnataka. The secondary source of data was collected from various other sources such as the newspaper, journals, articles, company website, internet etc. The limitations of this study are the company names were not revealed, as it is confidential and only the experiences of the women's were considered.

CHALLENGES FACED BY WOMEN'S IN LOGISTICS OPERATION

INTRODUCTION

Logistics Industry in India is male centric/dominated; but logistics company now are breaking this stereotype of gender and creating opportunities for Women in Logistics sector. This is a starting step for success, to make the ratio of empowerment of both the genders equal in Logistics.

There is an increase in women empowerment in logistics industry to 4% in the year 2017,

there are lot of opportunities for women to dwell up their career path successfully in the logistics industry. And also, government is concentrating to double the empowerment in logistics which would be a great opportunity. This would make the women stronger both financially and be successful in career.

On the other hand, logistics has more of physical works, considering all issues, what are the challenges faced by women in logistics, why is there as misconception, what are the gaps to be filled against challenges faced by women's working in logistics field. In this paper we are trying to understand the ground level challenges faced by women's in logistics field.

OPPORTUNITIES

There is an increase in women empowerment in logistics industry to 4% in the year 2017, there are lot of opportunities for women to dwell up their career path successfully in the logistics industry. And also, government is concentrating to double the empowerment in

Logistics which would be a great opportunity. This would make the women stronger both financially and be successful in career.

And from an economic research survey done in 2017-18; in we have around 22-millions of livelihoods from Indian Logistics sector.

SKILLS SETS REQUIRED

The skill sets required for women's working in logistics are;

- The way of organising shipments, work area, consumable stocks, waste management etc.
- Communicating without gaps and coordinating with the vehicle loads information for timely delivery of shipments to customers.
- Aiming in cost management, stock management etc
- Analysis skills required for improving customer experience and performance.
- Handling technical related issues.
- Managing staffs and shifts with their roles and responsibility to be equally shared.

- Most importantly Is ensuring the Employee Health and Safety.
- Interpersonal skills: that is to manage and motivate your peer.
- Creative thinking, Logical thinking that helps in solving the problems.
- Time management and to manage the uncertainty.

CHALLENGES

Based on the Semi-structured conducted, we could probe lots of challenges that is been faced by women in Last Mile Logistics company, Listed below factors have been considered as main challenges been faced by women in Logistics.

- **Mobility** – Means the Travelling Time to be considered. Since the Logistics Warehouse are usually located at the outskirts of City/Town. The main reason is that the Loading and Unloading of goods. Region required for maintaining logistics is huge which cannot be possibly located near residential area. Considering those factors, Logistics Last mile are usually located in Outskirts.
- **Dealing With Employees** – There are usually different level of Employees, Meeting ground level requirements by properly communicating it with the higher Level for resolution within given time period. People management is very important by giving them adequate information about process, training them, encouraging and motivating, finally properly reorganization and rewards to be planned well.
- **Self-Confident** – It is main attribute required for a leader to manage a Team well. This would be gained by acquiring knowledge of the process and taking proper decision during any kind of situation to resolve the problem.
- **Working Hours** - Logistics is a process oriented company. Working hours is based on shift basis.
- **Infrastructure** – Logistics Last Mile is handling of goods or consignments received from manufactures/sellers and distributing it to the end customers. This requires a flat ground floor region which helps in loading and unloading of goods and consignments.
- **Security Concerns** - Standard Women Safety Norms Implemented by companies.
- **Comfortability** – Adjusting to the environment and peer colleagues in organisation at last mile with major male dominance.

- **Family Work Life Balance** – Here while considering the work life balance. Respondents had 2 point of view that is Married Women and Unmarried Women. The respondents were unmarried, and as per their response the work life balance is less but manageable as they do not have much family responsibility when compared to married women. The same respondents shared that, the work life balance would be very difficult after marriage.

ANALYSIS:

The below table shows the Conceptual framework based on challenges faced women working in logistics – Last mile.

Factors	As Perceived by Women working in Logistics
<ul style="list-style-type: none"> • Mobility – Difficulty level 	No – not really Reason – Office Location is nearby to resident. No Field Job in JD/JR.
<ul style="list-style-type: none"> • Dealing with Employees Easier – Ground Level 	No – not really Reason – Male Dominance
<ul style="list-style-type: none"> • Self Confidence 	Yes – to great extent Reason – Process Oriented, Well trained, Problem Solving Techniques used in different situations.
<ul style="list-style-type: none"> • Flexible working hours 	No Reason – Operations at Logistics – Varying Timings
<ul style="list-style-type: none"> • Infrastructure was lacking 	Yes – to some extent Reason – Last Mile Logistics
<ul style="list-style-type: none"> • Family Support – Single Women 	Yes – some extent to great extent Reason – Unmarried, Family commitments and self- satisfaction.
<ul style="list-style-type: none"> • Family Support – Married 	No Reason – Difficult in Work Life Balance due to more family responsibility.
<ul style="list-style-type: none"> • Security Concerns 	No – Not really Reason – Standard Women Safety Norms Implemented by companies.

<ul style="list-style-type: none"> • Fear of Social Attitude 	No Reason – See this as Great Opportunity
<ul style="list-style-type: none"> • Family – Work Life Balance easier 	No Reason - Last Mile Logistics, No Flexible Working Hours.
<ul style="list-style-type: none"> • Comfortability 	Yes – to some extent Reason – Male Dominance

Table 1: Conceptual framework based on challenges faced by women working in logistics.

SUGGESTIONS AND CONCLUSION

To succeed business in long run, we have to concentrate on diversifying the group of talent. This means it's time to on-board women. Proven that, Women are said to be a very great leader especially in disruptive changes. This is due to their nature, and their willingness to listen and engage. This is very essential for the future leaders in logistics. As mentioned in the Vedas, "Every Place where women are treated with respect, there God Himself dwells". Considering the various factors with respect to challenges faced by women in logistics, it's important to close these gaps and focus on increasing the ratio of women empowerment in Logistics Last mile.

Here are some list of suggestions that would be feasible to implement in a logistics company to attract and retain the women at last mile operations and helps great support in productivity, innovations and creativity.

- Mainly the masculinity nature of work job – considering better productivity and increase in women empowerment ; Logistics industry can introduce advanced technology such as Automation/Robotics Implementation with respect to Process and Goods Management.
- Companies should also highlight in increasing the visibility of successful women in logistics; this will have a huge impact on recruitment and retention of women employees. This would encourage the coming generations to consider Logistics as their career path too.
- Diversity would also help in strengthening the decisions during business plans.

- Women Treated Well with stable earning and safety equipment would be more loyal and would reach higher level in long term with company.
- Companies such as DHL-Group have developed women management; This is specially designed to women that offers them flexible working hours, specialized trainings with other benefits.
- Also by encouraging students to consider Logistics as career path.
- “Representation is powerful because it inspires hope for a future,”

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“TO STUDY THE FACTORS THAT INFLUENCE RISK PERCEPTION AMONGST AIRBNB’S HOST IN DISTRICT OF DARJEELING”

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ABSTRACT

Shared Economy is undoubtedly the biggest phenomenon in the business world of today turning entire business landscapes in many industries around the world. With the changes in the spending habits of the newer generation coupled with the massive acceptance of technology to aid all aspects of our lives, shared economy (or collaborative consumption as it is also called) has penetrated to many different vistas of business as well. In India, the main three industries where collaborative consumption has widely spread are transport, accommodation as well as food & beverages. Peer to Peer Accommodation (Shared Economy for Accommodation) is comparatively less widespread than the other two but it is fast catching up. Airbnb (founded in 2008) was one of the pioneers for peer to peer accommodation in the world. Airbnb started their operations in India in 2012 and though the growth has been slower as compared to other countries, it still is growing at a good rate. There are a lot of factors that contribute to this comparative slower growth rate in India. Broadly they can be classified as Risk factors which include psychological, financial, safety & security, political, financial as well as service risks etc while the other major categorisation includes factors like religion, values & beliefs, culture, food habits, other geographical indicators etc for both the hosts and the users.

This paper aims to study the perceived risk factors that influence the hosts of Airbnb in the district of Darjeeling. The risk factors that were studied in this paper are psychological, financial, safety & security, political, financial as well as service risks etc. A questionnaire was prepared and a survey was conducted on 150 Airbnb hosts located in the district of Darjeeling. The District of Darjeeling is situated in the northern most part of the state of West Bengal. It is located in the Himalayan foothills. The district is famous worldwide for its tea estates and various hill stations in the district. The major towns in the district are

Darjeeling, Siliguri, Mirik and Kurseong, all of which are major tourist locations not only in the state of West Bengal but also in India. According to some estimates, there are more than 1000 Airbnb hosts registered in the district, hence the district of Darjeeling was chosen as the location of the study. A conceptual model was proposed and evaluated through structural equation modelling method. The study revealed that the hosts' satisfaction perception is inversely affected by safety & security as well as financial risks, recommendation of this business model is inversely affected by political risks while on the other hand psychological risk actually leads to increase in satisfaction as well as recommendation of this business model. This study attempts to highlight the factors that impact the risk perception amongst Airbnb's Hosts in Bangalore so as to act as a guideline for all and potential businesses in the peer to peer accommodation industry.

KEYWORDS: *Airbnb, Shared Economy, Peer to Peer Accommodation, Collaborative Economy, Risk Perception, Host, Users.*

INTRODUCTION

The advent of shared economy or collaborative consumption in recent times have emboldened individuals throughout the world to become entrepreneurs themselves by actually being able to earn from idle and spare assets in their own leisure time. Shared economy has set an unbelievable and unprecedented rate of growth which in turn has led to the advent of newer economic and social interactions (Sundararajan, 2016). Researchers and practitioners worldwide have appreciated the benefits of collaborative consumption with aspects like increase in interaction, widening economic ecosphere as well as the ability to make business more sustainable and environmentally feasible in the market ((Botsman & Rogers, 2010) (Hamari, Sjöklint, & Ukkonen, 2015) (Hellwig, Morhart, Girardin, & Hauser, 2015; Hellwig, Morhart, Girardin, & Hauser, 2015)). Disruption is quite an inherent characteristic of these type of business platforms. Hospitality and Accommodation is one of the most highly disrupted by shared economy. To take advantage of this phenomenon, Airbnb was founded in 2008. Airbnb now has become the number one company providing home sharing service as a much more exciting alternate to hotels, hostels etc ((Guttentag, Smith, Potwarka , & Havitz, 2017) (Oskam & Boswijk , 2016)). Airbnb is present in over 191 countries with more than 35000 cities. Airbnb actually broke into profit in 2016 proving that

their business model of home sharing is prevalent globally as well (Stone & Zaleski, 2017). In USA, the largest market in accommodation is held by Airbnb.

According to a PEW survey conducted in 2016, 11% of citizens of America had one or the other time used Airbnb or other similar home sharing services (Smith, 2016). Though it goes without saying that there exists a clear-cut differentiation based on demographics of the users and non-users of online peer to peer accommodation service like Airbnb. Undoubtedly, the extraordinary volume of listings and steep exponential growth in number of guests has made Airbnb the foremost “disruptor” in the accommodation industry (Guttentag D. , 2015). According to a recent survey conducted by Smith Travel Research (STR), Airbnb's market share was found to range between 2% and 9% in top accommodation market places in the world (Haywood, Mayock, Freitag, Owoo, & Fiorilla, Airbnb & Hotel Performance, 2017). Airbnb's room supply dynamics are much more flexible than those of conventional hotel accommodations; thus, such a large supply might create a substantial threat to the hotel industry, now and into the future (Haywood, Mayock, Freitag, Owoo, & Fiorilla, Airbnb & Hotel Performance, 2017). The hotel industry, however, has mainly shrugged off the threat of the sharing economy, highlighting that it is a fundamentally different business model, serving a whole new set of customers and thus not directly competing with the hotel industry (Trejos, 2016); (Varma, Jukic, Pestek, Shultz, & Nestorov, 2016). Similarly, Airbnb founder Brian Chesky has argued that the company does not directly compete with the hotel industry and that Airbnb guests are not typical hotel customers, but rather those who belong to alternative market segments, such as travellers visiting friends and family (Business Insider Intelligence, 2017). However, other critics of peer-to-peer accommodations (P2P) providers have argued that if Airbnb and other sharing economy platforms did not exist, or if hosts were to operate by the same rules that conventional hotel companies do, most if not all, room nights would be booked in conventional hotels (Dogru, Mody, & Suess, 2017). Researchers have attempted to assess the impact of Airbnb on the performance of the hotel industry. However, the results of these studies have been inconclusive.

Although, Airbnb is a disruptive and an extreme innovation in the accommodation industry, the transactional process has created a huge dilemma and possible regulatory headache for authorities worldwide. (Cohen & Sundararajan, 2015). Also, the way people perceive Airbnb transactions in a much more complex method due to the anonymity between the hosts and the guests (Han, Wen, Feng, Wu, & Ren, 2016). Airbnb is only a mediator between hosts and

guest and does not have any process to ensure transparency and trust between the involved parties. It has been asserted by Mohlmann that not only cost saving and utility but familiarity as well as overall trust also plays an important role in P2P accommodation's success. Airbnb usually does not claim any liability for any kind of regulations, placing the onus on the hosts and the guests. Risks are widely studied in the context of consumer behaviour. Concept of perceived risk have been studied in order to better understand the phenomenon of consumer purchase decisions (Bauer, 1960). But still, very few studies have been done on the in-depth analysis of perceived risks. Even Airbnb has realized the importance of perceived risks in its business (Airbnb, 2018). It is believed that the perception of perceived risks would influence customers' satisfaction which would lead to reuse of the p2p accommodation services as well as further recommendations (Pappas, Pateli, Giannakos, & Chrissikopoulos, 2014).

In many researches related to online shopping, it has been found that attitude towards perceived risks have led to customers' satisfaction as well as intentions to repurchase (Li & Zhang, 2002). This paper is to address the same phenomenon's existence in the P2P Accommodation industry by assessing the Airbnb hosts' perception of risks as well as its implications to try and help policy makers in formulating appropriate regulations. The aim of this paper is to contribute towards the understanding of perceived risks that would impact hosts as well as to develop a mechanism that would harmonise both the relevant parties. Airbnb has been growing by leaps and bounds due to many factors including internet penetration, increasing disposable incomes as well as growth of international tourism. This brings an immensely urgent requirement of proper and suitable regulations which can only be formulated by investigating as well as understanding various vistas of the phenomenon of perceived risks relating to the p2p accommodation industry. Our paper aims to fill this gap and contribute to the industry.

LITERATURE REVIEW

Most of the existing literature for online shopping has been focussed around the factors like financial, performance, physical, psychological, social and time loss (Jacoby & Kaplan, 1972).

Financial Risk	Probability of losing money due to currency fluctuations	(Franzetti, 2015) (Krisvoy, 2017)
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	and concerns involved in online transactions.	
Service Risk	Possibility of mismatching facilities provided by the host with guest's expectations.	(Kahneman & Tversky, 1979)
Safety & Security Risk	Possibility of damage to the property.	(Lieber, 2014)
Political Risk	Host's dislike of certain countries for political reasons or guest's concerns about criminal and terrorist activities and/or risk of potential conflict with the guest because of political reasons.	(GBTA, 2017)
Psychological Risk	The risk of psychological stress stemming from being a host	(Finley, 2013)

Table 1: Perceived Risk Factors Studied in The Paper

CONCEPTUAL MODEL

The conceptual model has been developed based on the factors identified in the literature review. Most of the existing literature for online shopping has been focussed around the factors like financial, performance, physical, psychological, social and time loss (Jacoby & Kaplan, 1972). The factors that were identified were Financial Risk, Service Risk, Safety & Security Risk, Political Risk as well as Psychological Risk.

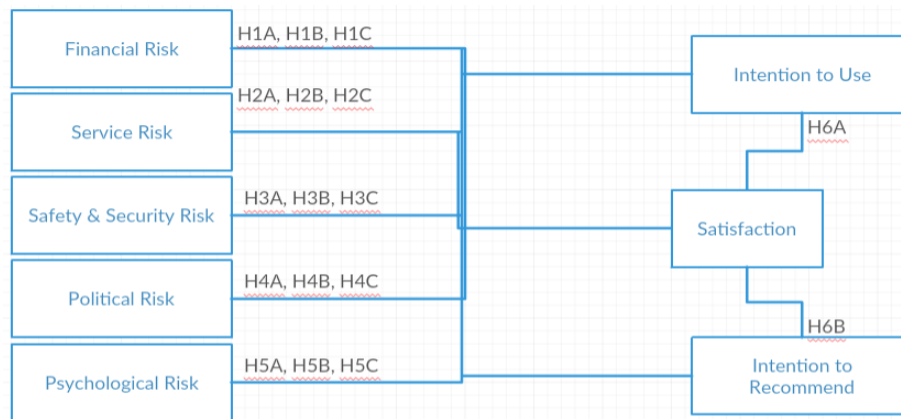


Figure 1: Conceptual Model

HYPOTHESIS

The hypothesis has been developed based on the conceptual model as follows:

H1A: Financial risk has a negative relationship with the host's satisfaction.

H1B: Financial risk has a negative relationship with the host's intention to use.

H1C: Financial risk has a negative relationship with the host's intention to recommend

H2A: Service risk has a negative relationship with the host's satisfaction.

H2B: Service risk has a negative relationship with the host's intention to use.

H2C: Service risk has a negative relationship with the host's intention to recommend

H3A: Safety and security risk has a negative relationship with the host's satisfaction.

H3B: Safety and security risk has a negative relationship with the host's intention to use.

H3C: Safety and security risk has a negative relationship with the host's intention to recommend

H4A: Political risk has a negative relationship with the host's satisfaction.

H4B: Political risk has a negative relationship with the host's intention to use.

H4C: Political risk has a negative relationship with the host's intention to recommend

H5A: Psychological risk has a negative relationship with the host's satisfaction.

H5B: Psychological risk has a negative relationship with the host's intention to use.

H5C: Psychological risk has a negative relationship with the host's intention to recommend

H6A: Satisfaction has a positive relationship with the host's intention to use.

H6B: Satisfaction has a positive relationship with the host's intention to recommend.

RESEARCH METHODOLOGY

This paper aims to study the perceived risk factors that influence the hosts of Airbnb in the district of Darjeeling. The risk factors that were studied in this paper are psychological, financial, safety & security, political, financial as well as service risks etc. A questionnaire was prepared and a survey was conducted on 150 Airbnb hosts located in the district of Darjeeling. The District of Darjeeling is situated in the northern most part of the state of West Bengal. It is located in the Himalayan foothills. The district is famous worldwide for its tea estates and various hill stations in the district. The major towns in the district are Darjeeling, Siliguri, Mirik and Kurseong, all of which are major tourist locations not only in the state of West Bengal but also in India. According to some estimates, there are more than 1000 Airbnb hosts registered in the district, hence the district of Darjeeling was chosen as the location of the study. Prior to the main survey, a pilot test with 30 particular respondents was done to infer the questionnaire and validity the clarity and understandability of the scale items. The questionnaire was distributed amongst potential respondents through the use of google forms. Snowball Sampling was used in which a relevant number of people were first contact by the researchers who are then used to contact other similar potential respondents.

DATA FINDINGS & ANALYSIS

Most respondents were in the 25-30 age group (30.2%) followed by 30-35 (22.8%), 40-45 (20.8%) and so on. Females constituted 67.3% in the study which was nearly twice the number of males (32.7%). There were more married participants (62.9%) than compared to unmarried participants (37.2%). On the basis of education qualification most respondents were at least graduate (45%) followed by post graduate degree (38.7%). Remaining respondents had various educational levels.

Scale items	Alpha (α)	Mean	Std Dev
Intention to Use	0.904	5.206	1.659
Intention to Recommend	0.934	5.366	1.596
Service Risk	0.823	3.742	1.762
Satisfaction	0.886	5.384	1.667
Financial Risk	0.888	4.327	1.738
Safety & Security Risk	0.943	3.649	1.860

Psychological Risk	0.739	3.563	1.717
Political Risk	0.875	3.547	1.904

Table 2: Results of measurement model testing

HYPOTHESIS TESTING

The results of hypotheses testing showed that service risk, political risk as well as psychological risk did not have any mediating effect on either intention to use or intention to recommend. It also showed that financial risk as well as safety and security risk had a mediating effect on the intention to use as well as intention to recommend. The data is as shown in the following table

Mediating Effect	β	Bootstrap Std Error	95% CI	Mediating Effect
Financial Satisfaction Intention to Use	-0.139	0.037	-0.224, -0.077	Yes
Financial Satisfaction Intention to Recommend	-0.187	0.043	-0.280, -0.108	Yes
Service Satisfaction Intention to Use	0.011	0.033	-0.072, 0.071	No
Service Satisfaction Intention to Recommend	0.015	0.045	-0.059, 0.103	No
Safety & Security Satisfaction Intention to Use	-0.074	0.040	-0.162, -0.005	Yes
Safety & Security Intention to Use	-0.099	0.051	-0.208, -0.005	Yes

Satisfaction – Intention to Recommend				
Political – Satisfaction – Intention to Use	-0.036	0.042	-0.123, 0.041	No
Political – Satisfaction – Intention to Recommend	-0.048	0.056	-0.164, 0.054	No
Psychological – Satisfaction – Intention to Use	0.064	0.044	-0.019, 0.154	No
Psychological – Satisfaction – Intention to Recommend	0.086	0.056	-0.029, 0.192	No

Table 3: Results of the mediation effect of satisfaction.

It can also be inferred that satisfaction has role of mediation on the relation between risk factors like financial and safety & security risks proportional to the intention to recommend. On the other hand, satisfaction does not play a role of mediation between risk factors like service, psychological and political risks as well as intention to recommend and intention to use of the Airbnb users.

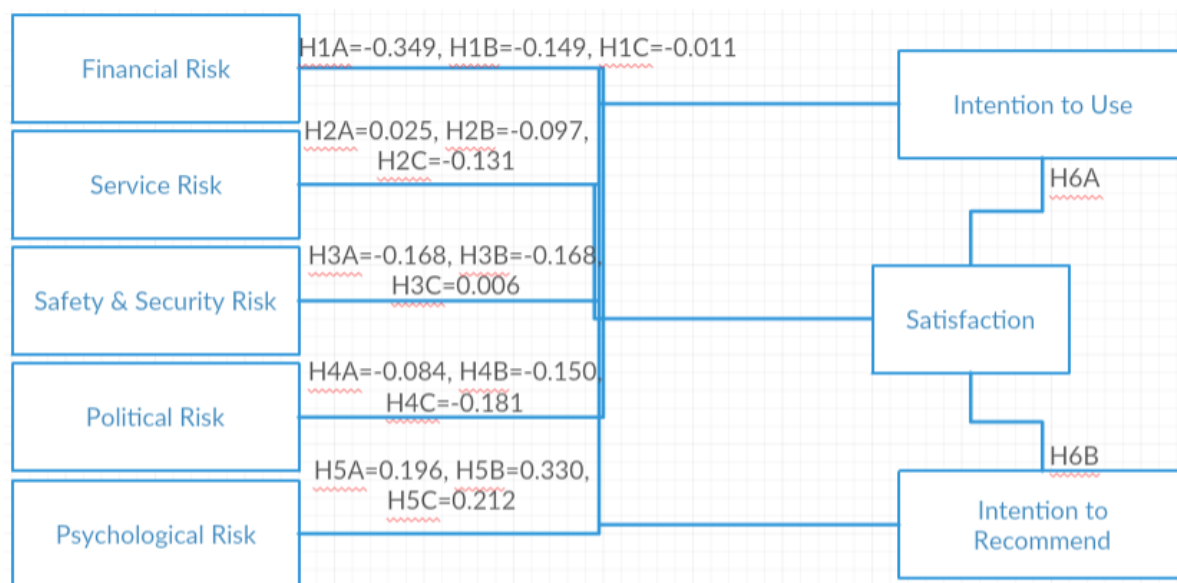


Figure 2: Revised Conceptual Model.

CONCLUSION

This paper was done to study the perceived risks of the Airbnb users that would govern as well as dictate their satisfaction levels, intention to use and intention to recommend to others. All previous studies have always focussed on the consumers perspective towards perceived risks that lead to intentions to purchase or repurchase. These studies have always focussed on the demand side i.e. on the consumers / tourists. Not only in India but even in the world, studies based on the hosts side i.e. the producers (hosts) perspective towards perceived risks have not been widely researched. This paper contributes to the existing research by evaluating the relationships between perceived risks like financial, service, safety & security, political, psychological as well as satisfaction, intention to use and intention to recommend the business to people.

MANAGERIAL IMPLICATION

The study indicates that generally service risk, psychological risk as well as political risk do not influence a host's satisfaction levels, intention to recommend and intention to use the service. Financial risks reduce the hosts intention to use and recommend as well as satisfaction levels. Although, this result may be due to their tendency of not sharing their

financial perceptions. Safety and security risks also impede hosts' satisfaction levels as well as the intention to use the service and recommend it to others. One of the major attractions of sharing economy is actually social interaction and friendship. This also means that the psychological risk would also lead to satisfaction for the hosts. Hence, business like these would also help in reducing loneliness. About political risks, although it does not have much effect on hosts satisfaction, but it does reduce intention to use the business and recommend it to others. The researchers found out during the study that most of the regulations and laws in the country are to protect the demand side and there is an urgent need to highlight the need for regulations to be made for the supply side so as to overcome the challenges of perceived risks before negativities start to creep in.

LIMITATIONS & FUTURE SCOPE OF THE STUDY

Although our study gives a lot of insight into the phenomenon of peer to peer accommodation, it also has its limitations as well as scope for future research. Firstly, the study was conducted in the district of Darjeeling. Therefore, many of the characteristics would be related to the local culture as well as characteristics of the region which might be different from characteristics globally. Secondly, the researchers believe that using a mixed methods design would have been better to capture other factors like anxiety as well. Thirdly, only five perceived risk had been investigated. In future, other risk factors as well as emotions could also be studied in accordance. Lastly, there was no segregation made between the types of properties owned by the hosts. Future studies could be based on multi group analysis of hosts owning different types of accommodation facilities.

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“A STUDY ON MARKETING AUTOMATION WITH REFERENCE TO KARNATAKA”

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ABSTRACT

Marketing Automation integrates a software platform that lets you reach out to your target audience across multiple marketing avenues such as; web registration, social customer relationship management (CRM), e-mail, and social media by automating and streamlining marketing activities and work flows to bring in more leads and revenue. The advantage commonly attribute to automation include higher production rates and increased productivity, more efficient use of materials, better product quality, improved safety, shorter work weeks for labours, and reduces factory lead times. Worker safety is important reason for automating an industrial operation. It also benefits marketers the ability to create consistent, one-on-one cross- channel journeys that deliver a consistent, connected customer experience. One of its primary purpose is to deliver the right content, at the right time, to the right customers, in turn nurturing their trust for the brand. Further the findings indicates that Marketing Automation has both positive and negative effects on customer experience. Some of the suggested positive effects are personalised and timely customer interactions and increased trust and intimacy of customer relationships. Some of the negative effects are primary risks and in accuracy of customer data.

The objective of this article is to provide a guide and information source for customers when they are evaluating the benefits and possible implements of marketing automation platform. The main sought of automate is to develop, evaluate and demonstrate the “TeamMate” concept. This article defines the factor and processes which influence an effective course of action taken as part of Marketing Automation. Because the concept of Marketing Automation is a completely new reality; it is giving up communication based on mass distribution of uniform contents for really personalised individual and fully automated communication. This is completely new idea, a kind of coexistence, in which both sales

department and a marketing department cooperate with each other closely to achieve the best result. It is also a situation in which marketing can definitely confirm its contribution to income generated by customer. But Marketing Automation also means a huge analytical possibilities and real increase of a company's value.

The introduction of Marketing Automation system alters not only the current functioning of marketing department, but also markets themselves. In fact, everything that marketing automation services provides, including primary accumulated unique knowledge of the client, is also a critical marketing value of every modern enterprise.

KeyWords: *Marketing Automation, Customer Relationship Management, Marketing Communication, Teammate concept.*

EXPLORING MARKETING AUTOMATION:

Online marketing is new trend in this developing era. At present where consumers are attracted towards web-savvy, especially affection towards mobile. Most of them spend time being online rather preferring reading magazines or articles and watching TV. This radical change in consumer behaviour has impact on changing face of marketing. In a nutshell, it is referred as software which automates market for you. It is designed technology brought to existence for more effective market work on online channel. It is benefited among many employees, consultants for the outcomes of tasks and process interpreted which is stored and then executed by the software; which leads in the increases efficiency of work and reduces human errors. This has come up with broad range of automation especially In-bound Marketing. This is well known for cost-effective way for converting strangers to customers, to promote the business. As it gains the attention of consumers even before they think of purchasing it.

Automation with reference to Consumer Relationship Management is the process which benefits the sales team to manage their efforts with current and prospective customer. It is used for data entry, contact update, communication details etc. it reduces the burden and provides time for strategic work. It provides basis for decision making and also connects sales and marketing which is essential for every business.

OBJECTIVES

The objective of this article is to provide a guide and information source for customers when they are evaluating the benefits and possible implements of marketing automation platform.

METHODOLOGY

Methodology used for this study are;

- Primary data
- Secondary data

Primary data

- The study has been conducted and analyzed on the basis of primary data.
- Questionnaires were sent through online mode to respondents.
- Data analysis and interpretation is based on 60 respondents.

Secondary data:

- Some of general information is collected from secondary sources.
- Some of articles from various website.

SCOPE

- This is to the people in the region of Karnataka.
- The awareness of Marketing Automation.

LIMITATION

- Since this is a new topic people were unaware of it.
- They had lot of doubts regarding the topic so they had lot of questions regarding it.

ANALYSIS OF THE STUDY

1. What type of market technology do you often use?

Response	Respondents	Percentage of
e-mail marketing	9	14.75
Social media Marketing	43	70.49
Marketing automation	9	14.75

The above chart represents the market technology used by people. It was found that 9 people preferred e-mail marketing; another 9 people used marketing automation and majority of them used social media marketing

2. Are you aware of market automation?

Response	Respondents	Percentage of
Yes	42	68.85
No	19	31.15

The above chart represents the response of respondents on awareness of market automation. It is seen that majority of people are aware of market automation.

3. If you are aware; do you plan to implement marketing automation software?

Response	Respondents	Percentage of response
No	10	16.95
Yes	20	33.90
Not sure	29	49.15
No answer	2	1.2

The above chart shows the response of respondents when asked about implement marketing automation software 20 people agreed to it , 10 people had no plan and 29 people were not sure and 2 people had no response.

4. Majority of users think marketing automation is worth the price

Response	Respondents	Percentage of response
Inexpensive	6	9.84
Pricely, but worth	52	85.25
Too expensive	3	4.92

The above chart shows the response of people about cost of market automation 6 people feel it is inexpensive, 52 people feel it is worth the price and 3 people feel that it is too expensive

5. In your view what benefits market automation

Response	Respondents	Percentage of Response
Better quality leads	32	52.46
Getting more leads	13	21.31
Better profit	16	26.23

The above chart represents the view about the benefits of market automation. Majority of 32 people feel that it has better quality, 13 people feel that it is getting more leads and 16 people feel that it has better profit

6. Biggest benefit you can make out from marketing automation

Response	Respondents	Percentage of response
Saving time	42	67.74
Customer retention	15	24.19
Increase in revenue	3	4.84
None of these	2	3.23

The above chart shows the response of benefit of market automation majority of 42 people feel that it saves time, 15 people feel that it benefits customer retention, 3 people feel that it increases revenue and 2 people don't agree with anything

6. According to your thought will marketing automation effect GDP(Gross Domestic product)

Response	Respondents	Percentage of
Yes	48	77.42
No	11	17.74
Other answers	3	4.84

The above chart shows the responses of the respondents on their effect of marketing automation on GDP majority of 48 people agree with the statement, 11 people disagree with it while 3 people are confused

7. Are you aware of Toyota Mobility teammate concept

Response	Respondents	Percentage of response
Yes	24	38.71
No	38	61.29

The above chart shows the awareness of Toyota mobility teammate concept among the respondents 24 people are aware of it and majority of 38 students are unaware of it.

ADVANTAGES:

Marketing Automation commonly attribute to automation which come up with high efficiency of products, improved safety, and reduces the burden of labour. The two biggest reason that is total outcome and increased productivity make justify automation. Also, proper efficient use of materials results in less scrap. It safeguards the workers against hazards in factory by reducing workers in workplace. Automation plays a significant role in reduction of hours worked by labours. It allows to be executed at high level of accuracy. It is cost

saving process which increase the energy efficiency and the use of raw materials; so the cost associated with supply and stocks reduce. It performs the task which is been impossible to carry out manually that is why it has more flexible production. It may raise to competitive advantage as in shorter time it may produce large quantity of products with effective quality at less price on the demand of consumer

DISADVANTAGES

Automated equipments need high capital expenditure to invest on, and it also costs for design and fabrication and most important for maintenance of it. Automation leads to the worker displacement, as many work of employees will be grabbed by machines so workers will be relocated or transferred. This will impact emotional stress on employees. The possibility arises of humans being slaves for automation as privacy of humans will be invaded by computers and the dependence of work and society becomes dependent on automation for its economic growth.

TEAMMATE CONCEPT

The concept of dynamic situation of dependent which enhances the safety by using strength of automation and human driver. This is studied and designed as the driver's companion or Teammate. It explains how the driver and automation who are considered as team members who share the driving task and both are held responsible for safety of driving. The design is not just automation but the complete driver automation team. This create highly reliable automated driving system which can understand, trust, accept, and eventually regularly will use. Example to this is Mobility Teammate Concept of Toyota company.

TOYOTA MOBILITY TEAMMATE CONCEPT

Toyota's overall development philosophy for automated driving technology is the Mobility Teammate Concept (MTC), an approach built on the belief people and vehicles can work together in the service of safe, convenient, and efficient mobility.

The MTC combines all of Toyota's research in automated driving capacity – the ability of human driver and driving environment difficulty – and merges them into a vision in which

people and vehicle “team up” to monitor and help each other whenever necessary in the near term this approach capitalizes on the different skills that humans and machines bring to the challenge of safe driving. In deed thanks to the power of connected systems and cloud-based technology this sharing of responsibilities means intelligent vehicle will improve continually, with every car and truck benefiting from the experience of each driver. As technology advances, MTC will allow for vehicle to adapt and expand their support based on the capabilities of individual drivers including those who might otherwise unable to drive safely. So it is has been testing a new automated driving test vehicle called Highway Teammate.

FINDIN GS

- Since most of them were not aware of the topic as there was lack of knowledge.
- There was no proper support from respondents.
- And very few were curious to know the topic and its benefits.
- It lead us to explain the concept of Marketing Automation to them during survey

SUGGESTION

- It is necessary to know Marketing Automation as in some of the cases it benefits humans by reduction of working hours in workplace.
- Even it is more important to know because the use of Marketing Automation also has some limitations which may make human to be slave of automation and it leads to unemployment.

SUMMARY

Marketing automation is a whole new concept. It has both positive and negative effects. It all lies in the hands of the users and the way we use it. It is platform which includes the system for customer relationship management. It is theory or change where the whole spectrum of marketing channels and strategies ranging from e-mail marketing and telemarketing to the efforts that tap into the potential of social media and content management. As it is new technology, marketing automation software can be exploited for deceitful marketing

practices, ex: spamming. The software greatly enhances business approach to marketing, streamlining its process and facilitating demand generation, lead capture and prospect nurturing. When matter of companies it can be easily publish and manage content across online platforms and multiple social presence, it makes simpler, faster and cheaper to attract and engage with prospects. This leads will be nurtured through buying process, guided via enhanced, positive, interactions with the brand, and ultimately converting into sales.

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A STUDY ON CONSUMER BEHAVIOUR WITH SPECIAL REFERENCE TO MARKETING THROUGH MUSIC

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Abstract

The marketing mix of a company or firm plays a huge role in attracting customers. Different companies use different strategies to reach out to different kinds of people. This is a piece of anaphora we are all familiar with, but sometimes we tend to be ignorant of the major factors that effect our buying behavior, due to the immense focus on customer relationship, banners, prices, layouts and so on. One such factor that isn't given the credit it deserves, is music. There have been a myriad of takes on " Marketing music " , " Music Business " or " Music Commercialization" , but an analysis on " Marketing techniques through music " or " Marketing through music " has been a rarity. Especially among millennials and Generation Z, music has been influencing millions of purchases, be it a product or service. " Come up with a catchy jingle and with you the customer shall mingle " , has become the working phrase for almost every top brand today. What began as a marketing trend a few years after channels started broadcasting advertisements, music has now become the " M " of marketing.

This paper shall include the detail, analysis of data, and the impact of music on purchases of products or services, be it in the food-chain industry, events industry, film industry, advertising industry, retail industry etc. The data has been collected , analyzed, and forecasted after gaining experience and exposure as a musician and a commerce student who specializes in consumer behavior. Startups and marketers can experiment on the various musical marketing strategies which have worked for similar companies and whose impacts have been discussed about and analyzed in this paper.

Keywords: *Consumer Behaviour, Marketing, Music, Startups*

INTRODUCTION

Start-ups and relatively new companies have a hard time gaining traction from potential customers, the primary reasons being lack of awareness of an individual of the brand and a bleak image of the brand. Music can solve both these problems for a company. Today, almost every top brand or company that advertises itself has a jingle that can be called its own. Just how a brand pays so much attention to the colour, style and representation of its logo, the storyline behind its advertisement and other aspects, it has become necessary for it to have an appealing jingle, which can prove to be far more effective than the parameters mentioned formerly. Moreover, with music being so accessible unlike the past, the company must exploit this opportunity. There probably isn't any other large-scale marketing technique which is effective as well as affordable even by a start-up. The application of music as a marketing tool is applicable to a wide range of industries, be it the transportation industry, corporate industry, food-chain industry, matrimony industry, entertainment industry and clothing industry. Apart from having a catchy jingle for their advertisements, the company can host live concerts, public musical events at various locations, and even choose a famous singer or musician as their brand ambassador. Contrary to solely analysing statistics, we must look into the psychological characteristics, reactions to stimuli, and behavioural outcomes considering music as an input to understand how powerful a marketing tool music can be today.

STATEMENT OF PROBLEM

The study is conducted to understand how top brands have deployed music marketing techniques and have found success in it. How music can create an image of a brand in the minds of buyers will also be analysed. An attempt shall be made to come up with a genre vs personality framework.

OBJECTIVES

The primary objective of the research is to understand the effect of different genres of music on purchasing trends of customers based on their age, gender, preferences etc. This also helps us understand how companies use music in a “bits and pieces” form as a part of their

marketing strategy. Since there haven't been too many papers published on "Marketing through music", this article may help companies take something home after going through the article and experiment on a thing or two.

Various industries have found immense success by including music as a major element in their marketing plan. It is important to study these implementations by top brands carefully, make valid inferences and come to conclusions. The food chain industry, marriage industry, events industry and advertisement industry to name a few, depend on quality music to make a mark in the minds of customers.

Different people react differently to different forms of music. Several determinants like their lifestyles, attitudes and personalities play a role in music influencing the purchase. An attempt shall be made to analyse the extent to which these determinants come into play.

RESEARCH METHODOLOGY

A lot of data has been observational and has been collected during live shows and concerts. Music theory has also been used significantly to figure out the right combination of notes that can make a mark in the minds of the customer.

Source of data: Based on primary and secondary data.

Population and sample size: Population is infinite and sample size is indefinite as the study has been done over a long period of time.

Area of study: Bangalore and the digital world

Research design: Descriptive analysis

LIMITATIONS OF THE STUDY

- No definite sample size.
- Results may be subjective as various cultures become subjects of marketing through music

REVIEW OF LITERATURE

“Just the other day my friend said whenever he heard the song “Mouthful of Diamonds” by Phantogram, all he could think of was the Gillette commercial. That speaks volumes of the importance music has in advertising and branding. “- Luke Suggs (2017)

“Take John Lewis, for example, whose Christmas adverts are just as well known for their sentimental song choice as their storylines? There’s also Vodafone which, in the early noughties, catapulted The Dandy Warhol’s ‘Bohemian like You’ into the UK’s top five (when it had previously failed to chart). “- Nikkie Gilliland

“Whether for background noise or as the main feature, Challenger Brands can use music in a wide variety of ways. The right song can provide your ad with the boost it needs to go from ordinary to spectacular. “- Gumus Advertising

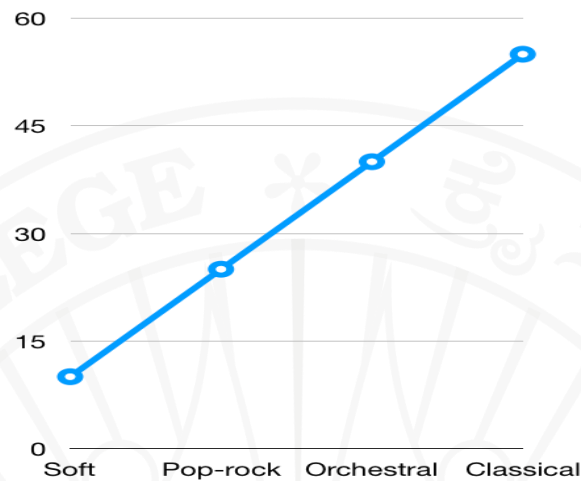
"Music brings value to a brand in three ways: identity, engagement, currency. Specifically, using music to establish an emotional connection with a brand, increases brand recognition, creates excitement and buzz beyond the brand’s core products or services, and can empower consumers, giving them valuable content to discover and share. Music creates the value that brands need to win the war for attention and develop a genuine connection with their consumers. When used correctly, music not only creates loyalty, but true advocacy.” - Alex White, Co-Founder, Next Big Sound

DATA ANALYSIS

Most products are targeted towards a certain age group. So it must be made sure the theme music they choose appeals to that certain age-group. Until Kids turn 10, soft and simple music like rhymes appeal to them. Kellogg’s Chocos is a perfect example for the same. Their brain hasn’t developed enough to get exposure to heavier forms of music. Pop and Rock forms of music get most attention from people aged 12-25. Bikes, soft-drinks and sporting brands use this genre. When in 30s, people prefer something between Heavy and light music, which slowly transitions into orchestral. Car advertisements are the best example to this, since most people are ready to invest for a car in their 30s. People lean towards light classical

and devotional music by the time they turn 50. Agarbatthi advertisements target this age group.

Genre-transition vs Age-group Graph



Interpretations

Music genre vs brand image: When a brand wants to advertise through music, it has to make a decision regarding the style of music based on its target audience. After observation and analysis, the following table has been prepared

Genre of Music	Brand Image	Brand Examples
Soft pop/acoustic	Light Hearted, Happy-go-lucky, Joy	Dairy Milk Silk, McDonald's
Rock, Metal	Aggression, Rugged, Adventure	Yamaha Bikes, Mountain Dew
Pop-rock/Disco	Motivation, Game-changing, life-changing	DLF IPL, ICC CWCs
Indian Classical	Traditional, Indigenous, Veteran	MP Birla Cement, Kesari Imperial Blue
Orchestral	Grand, Rich, Sophistication	Dark Fantasy, Mango Slice, Apple, One-plus

Soft songs which use instruments like an acoustic guitar or a piano give a stress-free indication. Dairy Milk Silk's "Kiss me, close your eyes" has a single acoustic guitar with the vocals with simple, but catchy lyrics. The tune has made a remarkable mark in the mind of consumers so much so that the first thing that hits the mind of a person when he wants to gift something to his partner is Silk. Such is the power of melody. McDonald's short but effective "I'm Loving it" theme shows us that the length of a piece of music doesn't matter as long as it is catchy.

Products like bikes and soft-drinks are targeted towards late teens and early adults, somewhere around the age group of 16-25. Most teenagers want to exhibit their macho, due to the high rush of adrenaline. Rock music appeals to them.

The role of theme music and theme songs of big sporting events like cricket and football World Cups is humongous. In fact, probably no sporting event has taken a risk of eliminating the theme song/music. Motivational music is what brings people together. Songs like "Wavin' flag" and "Waka Waka" are still very popular. The first thing IPL releases is its theme song. IPL teams have their own team songs to attract supporters. I know of people who support teams just because their song is appealing. One brand that wasn't a sporting brand to put out a song which made a huge motivational mark was Hero. AR Rahman composed "Hum mai hai Hero" for the brand, that became a huge hit.

Classical music in advertisements indicates patriotism and appeals through its "Indianness." This is usually targeted towards the emotions of Indians.

Orchestral music may be light or heavy. It may include several stringed instruments like Violins, Cellos etc. with a choral vocal in the background. Strings have always symbolised richness. The Dark Fantasy terms itself "Rich with chocolate". There has always been something between the word 'rich' and dark chocolate. The same applies to Slice, since Mango is considered a rich fruit. Apple and One-ads make use of a black background with light orchestral music to showcase their richness.

Findings from Live Music

Live music plays a huge role in marketing of restaurants and in flea-markets. Restaurants and bars are starting to replace recorded music with live music to attract more customers. The logic behind this is that a performing human can trigger the emotional being of a spectator.

This is not possible through recorded music. The social media pages of restaurants are flooded with posters that include the name and picture of the artist or band performing on a particular day. When the diners are enjoying the music, they will want to stay in the restaurant for longer. The duration of their presence is directly proportional to the amount they order. The amount ordered increases exponentially when it comes to alcohol. Alcohol triggers the pleasure centres of the brain. Studies have shown that when tipsy, the brain breaks down the music with much more detail. Alcohol also triggers the cerebellum, which is the part of the brain controls muscle movement. This explains why one wants to dance to music when high. Commercial live music is booming in Bangalore and Goa , which are known as party centres of India.

Most flea markets happen on weekends, and most people enter a flea market just for entertainment. Unlike a bar, it is not compulsory for a person to make a purchase. But what music does is make the potential customer stay within the market for longer. This customer is different from that of a diner. He/she would want to take a refreshing walk around the flea market and this is when a product catches his eye. If he feels it is affordable, he makes the purchase. When outdoors, most people prefer a snack, and so the customer buys a snack to go with live music.

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