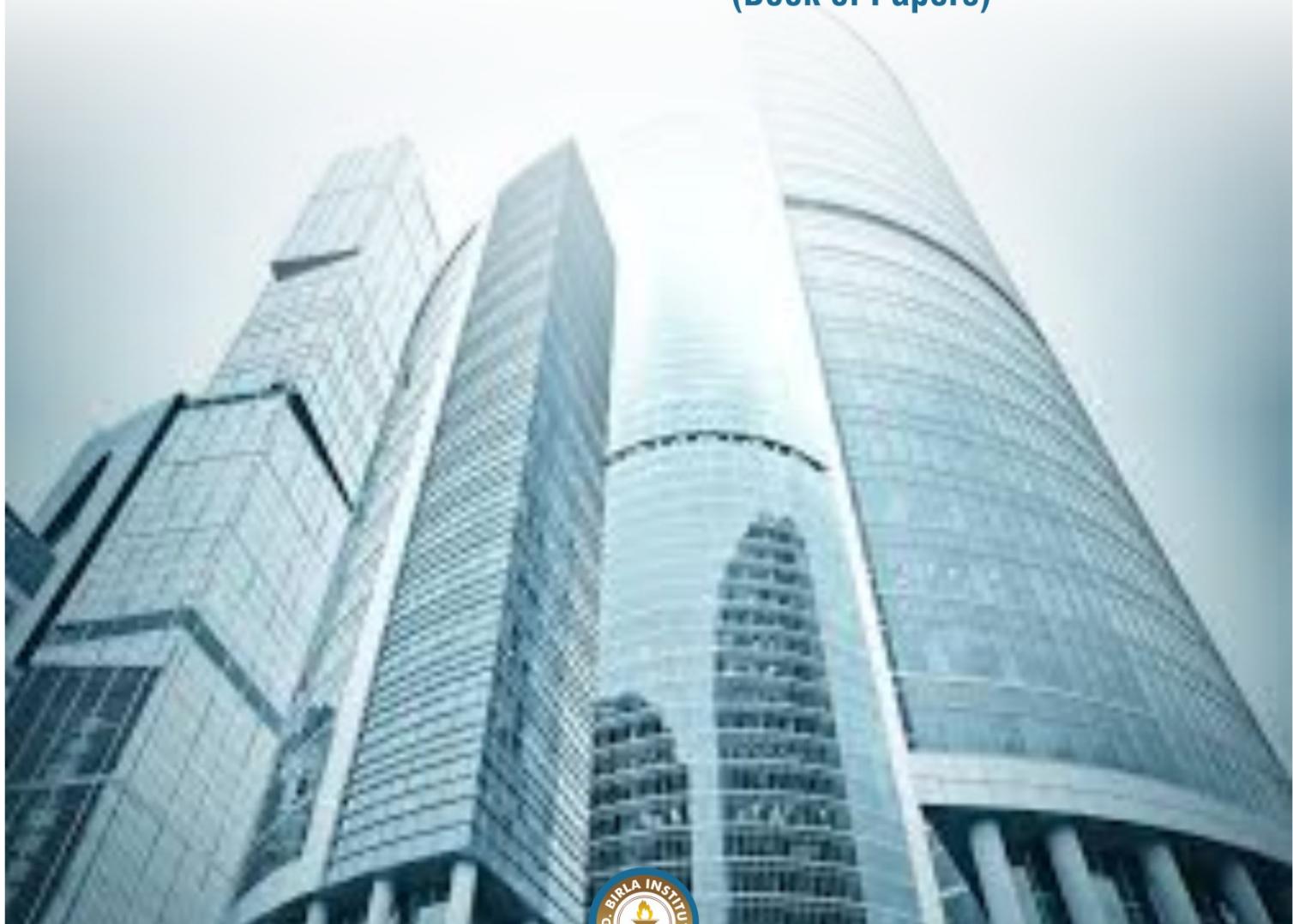


2013-15

# COMQUEST

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# A Comparative Study of the Indian and Chinese Economy on the Basis of Selected Human Development Index

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## Abstract

*Both India and China, by virtue of their sheer size, have the potential to be dominant forces in the international economy. But nowadays mere economic performance cannot be used to determine a country's overall development. Human beings are the real end of all activities and development must be centered on enhancing their achievements, freedoms and capabilities. Human Development Index (HDI) was developed by Pakistani economist Mahbubul Haq and Amartya Sen in 1990 and was published by United Nations Development Programme (UNDP). The HDI is a summary measure of average achievement in key dimensions of human development: health, education and income. According to the Human Development Report 2014 published by UNDP, India's HDI value for 2013 is 0.586 - positioning the country at 135 out of 187 countries and territories and China's HDI value for 2013 is 0.719 - positioning the country at 91 out of 187 countries and territories. At India's present rate of progress on human development, it may take some 15 years for India to get to where China is today, (in the High development category, with an index of 0.719). Improvements in policies and proper implementation of the same will lead India and China to be the superpowers in the world.*

**Keywords:** Education Index, Human Development Index, Income Index

## Introduction

Human beings are the real end of all activities and development must be centered on enhancing their achievements, freedoms and capabilities. Therefore Human Development approach values capabilities related to health, nutrition and basic education as ends in themselves and income only as a means to achieve these.<sup>[1]</sup>

Human Development Index (HDI) was developed by Pakistani economist Mahbubul Haq, is anchored in the Nobel laureate Amartya Sen's work on human capabilities and was published by the United Nations Development Programme (UNDP).

The HDI is a summary measure of average achievement in key dimensions of human development – health, education and income. The health dimension is assessed by life expectancy at birth component of the HDI is calculated using a minimum value of 20 years and maximum value of 85 years.<sup>[5]</sup> The education component is measured by mean of years of schooling for adults aged 25 years and expected years of schooling for children of school entering age. The indicators are normalized using a minimum value of zero and maximum aspirational values of 15 and 18 years respectively. The two indices are combined into an education index using arithmetic mean. The standard of living dimension is measured by gross national income per

capita. The goalpost for minimum income is \$100 (PPP) and the maximum is \$75,000 (PPP).

The performance in each dimension is expressed by the following formula:-

$$\text{Dimension Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. It follows that HDI lies between zero and one and countries are ranked according to how close their HDI is to one. Currently, there are four groupings: countries with very high human development (HDI 0.800 and above), high human development (HDI 0.700 – 0.799), medium human development (HDI 0.550 – 0.699) and low human development (HDI below 0.549) (United Nations Development Programme, 2000).

China and India, as the fastest-growing of the 'BRIC' economies, occupy a special place in the imagination of observers in the OECD and elsewhere. Despite their low incomes, their sheer size combined with rapid growth means that they make a substantial and rapidly growing contribution to world output. The success or failure of each country to maintain their rapid growth into the future will have a tremendous impact not only on their own economies but on the world economy as a whole.<sup>[2]</sup>

## Methodology

The research methodology followed in this paper is of analytical type. The data has been collected from the UNDP published reports. The collected data is compiled and projected into line charts and a correlation and simple regression analysis is conducted for the purpose of the study.

## Results and Discussions

The Planning Commission - UNDP Programme “Strengthening State Plans for Human Development” (2004-2009) aimed at developing capacities at sub-national level for making planning and policy human development oriented.

Living in a resource poor country with high population density, planners recognized that population stabilization is essential pre-requisite for sustainable development. During the Fifth Five-Year Plan (1974-79), maternal health, child health, and nutrition services were integrated with family planning services.

Delivery at home is the prime reason for maternal mortality. India's Maternal Mortality Ratio (MMR) has declined from 254 per 1,00,000 in 2005 to 167 per 1,00,000 in 2013, which is a good achievement – as the planners in the health sector (in the 12<sup>th</sup> five year plan) aimed to reduce MMR to 147 per 1,00,000 by 2015. India's Infant Mortality Rate (IMR) has declined from 58 per 1000 live births in 2005 to 40 per 1000 live births in 2013, which is again keeping India in track according to the aim of the 12<sup>th</sup> plan, that is, to reduce IMR to 38 per 1000 births.

India has made progress in terms of increasing the primary education attendance rate and expanding literacy to approximately three-quarters of the population in the 7-10 age group, by 2011. As per the Annual Status of Education Report (ASER) 2012, 96.5% of all rural children between the ages of 6-14 were enrolled in school. India's HDI value for 2013 is 0.586 – which is a medium human development category – positioning the country at 135 out of 187 countries and territories.

Table 1: India's Progress in Each of the HDI Indicators from 2005 To 2013

Year	Health index	Education index	Income index	HDI
2005	0.678	0.409	0.528	0.527
2006	0.683	0.42	0.54	0.537
2007	0.688	0.43	0.552	0.547
2008	0.693	0.442	0.556	0.554
2009	0.698	0.445	0.566	0.56
2010	0.702	0.456	0.578	0.57
2011	0.706	0.473	0.586	0.581
2012	0.71	0.473	0.591	0.583
2013	0.714	0.473	0.595	0.586

Source: *Human Development Report 2014 Published by UNDP*

In the table given below a correlation between HDI and its three components has been conducted:-

Table 2: Simple Regression Analysis of India's HDI and Its Health Index

Regression Statistics	
Multiple R	0.993117484
R Square	0.986282336
Adjusted R Square	0.98432267
Standard Error	0.002643597
Observations	9
Intercept / Health Index	Coefficients
Intercept	-0.62326618
Health Index	1.698723792

$$Y = a + bX$$

Where

$Y$  = Dependent variable

$X$  = Independent variables

$b$  = Coefficients

$a$  = Intercept between the regression lines

In the above table ‘Multiple R’ represents the correlation between the dependent and the independent variables. We can see that HDI and the health index are highly correlated, that is, almost equal to 1.

Again in the above table ‘R square’ is the coefficient of determination. It expresses the proportion of the variation in  $y$  which is explained by variation in  $x$ . Therefore we can see that 98% changes in HDI are affected due to health indices. According to the Human Development Report 2014 the average health index indicating a high development in health in a country is 0.838.

If India with its current HDI of 0.586, which is a medium development level, wants to achieve in future a high human development then its HDI

will be (using the simple regression equation  $Y = a + bX$ ):-

$$HDI = -0.632 + 1.698 \times 0.838 = 0.799$$

Therefore India's HDI value would increase by 36.35% if it can achieve a growth of 17.37% in health index positioning it in the high human development category.

Table 3: Simple Regression Analysis of India's HDI and Its Education Index

Regression Statistics	
Multiple R	0.996801234
R Square	0.993612701
Adjusted R Square	0.992700229
Standard Error	0.001803906
Observations	9

We can see that HDI and Education index is positively correlated and 99.3% changes in HDI are due to the education index. According to the Human Development Report 2014 the average education index indicating a high development in education in a country is 0.642.

If India wants to achieve a high human development in the country keeping education in view then HDI will be (using the simple regression equation  $Y = a + bX$ ):-

$$HDI = 0.168 + 0.878 \times 0.642 = 0.732$$

Hence India's HDI value would increase by 24.91% if it can achieve a growth of 35.73% in education index (which has been constant for the past three years) positioning it in the high human development category.

Table 4: Simple Regression Analysis of India's HDI and Its Income Index

Regression Statistics	
Multiple R	0.997832671
R Square	0.995670039
Adjusted R Square	0.995051474
Standard Error	0.001485242
Observations	9
Intercept / Income Index	Coefficients
Intercept	0.053770374
Income Index	0.89573186

We can see that HDI and income index is positively

correlated and 99.5 % changes in HDI are due to the income index. According to the Human Development Report 2014 the average income index indicating a high development in income in a country is 0.738.

If India wants to achieve a high human development in the country keeping income in view then HDI will be (using the simple regression equation  $Y = a + bX$ ):-

$$HDI = 0.054 + 0.896 \times 0.738 = 0.715$$

Hence India's HDI value would increase by 22.01% if it can achieve a growth of 24.03% in income index positioning it in the high human development category.

### Human Development in China

China is the world's most populated country; indeed it has 20 per cent of the total world's population. From 1978 to 2012, China's urbanization rate has increased from 17.9 percent to 52.6 percent, with an average annual addition at 1.02 percentage points. Urbanization has provided space for industrialization, changed the population distribution and industrial structure of China. China's 12th Five-Year Plan (2011 – 2015) underscore a determination to embrace more balanced development of urban and rural areas and the living standards of citizens can be improved.

China's Maternal Mortality Ratio (MMR) has declined from 50 per 1,00,000 in 2005 to 32 per 1,00,000 in 2013, which is a 24% decrease in 9 years. China's Infant Mortality Rate (IMR) has declined from 20 per 1000 live births in 2005 to 11 per 1000 live births in 2013, which is again a reduction by 55% in 9 years.

Before 1949, about 80% of China's population was illiterate. Enrollment rate was below 20% for elementary school and about 6% of junior secondary school. Today, Chinese youth (15-24 years) have a 99% literacy rate. According to data from China's Ministry of Education, China has a 99% attendance rate for primary school. This is mainly because of the law of nine year compulsory education on Chinese citizens and the primary school in China is tuition free.

China did not have any private schools until the early 1980's. Presently, there are over 70,000 private schools in China of all levels and type. China's HDI value for 2013 is 0.719 — which is in the high

human development category — positioning the country at 91 out of 187 countries and territories.

Table 5: China's Progress in Each of the HDI Indicators from 2005 to 2013

Year	Health index	Education index	Income index	HDI
2005	0.832	0.531	0.606	0.645
2006	0.835	0.544	0.624	0.657
2007	0.837	0.561	0.644	0.671
2008	0.84	0.575	0.658	0.682
2009	0.842	0.59	0.669	0.693
2010	0.844	0.599	0.683	0.701
2011	0.847	0.61	0.695	0.71
2012	0.849	0.61	0.706	0.715
2013	0.851	0.61	0.716	0.719

Source: Human Development Report 2014 published by UNDP

After plotting the indices in a scatter diagram, joining them we can see that the indices take a linear form. In the table given below we have conducted a correlation between HDI and its three components.

Table 6: Simple Regression Analysis of China's HDI and Health Index

Regression Statistics	
Multiple R	0.990118038
R Square	0.980333729
Adjusted R Square	0.977524261
Standard Error	0.003931944
Observations	9

As said earlier simple regression assumes the form:-

$$Y = a + bX$$

From the above table we can see that Multiple R for China is 99%. This means that health index and HDI are highly correlated. R Square for Chinas 98%.

According to the Human Development Report 2014 the average health index indicating a high development in education in a country is 0.838 .In this context China already has a health index of 0.851 which a higher than the above mentioned average. Hence China is already ahead in health perspective with regard to other countries.

Table 7: Simple Regression Analysis of China's HDI and Education Index

Regression Statistics	
Multiple R	0.994138944
R Square	0.988312241
Adjusted R Square	0.986642561
Standard Error	0.003031182
Observations	9
Intercept / Education Index	Coefficients
Intercept	0.184209506
Education Index	0.867134693

From the above table we can see that HDI and education index is positively correlated. Moreover the education index affects 98% of the variation in HDI.

According to the Human Development Report 2014 the average education index indicating a high development in education in a country is 0.642.

If China wants to achieve a higher human development in the country keeping education in view then HDI will be (using the simple regression equation -  $Y = a + bX$ ):-

$$HDI = 0.184 + 0.867 \times 0.642 = 0.741$$

Hence China's HDI value would increase by 3.06 % if it can achieve a growth of 5.25 % in education index, which has been constant for the past three years.

Table 8: Simple Regression Analysis of China's HDI and Income Index

Regression Statistics	
Multiple R	0.996897045
R Square	0.993803719
Adjusted R Square	0.992918536
Standard Error	0.002207049
Observations	9
Intercept / Income Index	Coefficients
Intercept	0.221047602
Income Index	0.700478517

China's HDI and income index are highly correlated and its HDI is affected up to 99 % by the income index. According to the Human Development Report 2014 the average income indices indicating a high development in income in a country are 0.738.

If China wants to achieve a higher human development in the country keeping income in view then HDI will be (using the simple regression equation  $Y = a + bX$ ):-

$$HDI = 0.221 + 0.7 \times 0.738 = 0.738$$

Hence China's HDI value would increase by 2.64 % if it can achieve a growth of 3.07% in income index, increasing its rank in the high human development category.

We conducted a trend analysis and a simple correlation regression analysis on the HDI index and its three factors – health, education and income index of India and China and found that:-

Both India's and China's HDI values are effected most by their income index, followed by education and health indices. China's HDI value for 2013 is 0.719— which is in the high human development category—positioning the country at 91 out of 187 countries and territories. Between 2005 and 2013, China's HDI value increased from 0.645 to 0.719, an increase of 11.47 percent or an average annual increase of about 1.27 percent.

India's HDI value for 2013 is 0.586— which is in the medium human development category— positioning the country at 135 out of 187 countries and territories. Between 2005 and 2013, India's HDI value increased from 0.527 to 0.586, an increase of 11.19 percent or an average annual increase of about 1.24 percent.

So we can see that China has achieved a higher growth over the same period than India. This is because of mainly two reasons. Firstly China has decreased its MMR and IMR to a great extent than India. Secondly China has achieved almost 99% literacy rate whereas India has achieved only 73% literacy rate. Moreover the school dropout ratio in China is almost nil and that of India is 19%, this again indicates that China has a stronger human capital resource than India.

For India - by using the current average indices of the HDI components of high human development category and the results of the simple regression analysis for individual components, India can achieve a HDI of 0.799, 0.732 and 0.715 for health, education and income indices respectively. Thus we can see India can achieve a better HDI if it improves the education and health condition of the people of its country.

Following the same for China—it can achieve a HDI of 0.741 and 0.738for education and income indices respectively. We did not calculate HDI for the health index as China already has a better health index, 0.851, than the average of the high human development category countries which is 0.838.

Thus China still needs to improve its education structure and income level to get a higher rank in HDI.

On a comparative note firstly we can say that both India and China need to improve its education structure and level first, as educated people can earn more and have proper knowledge about maintenance of health of a human being which will ultimately lead to a better HDI. Education index is also one of the main reasons why India is lagging behind China in HDI. Secondly India needs to improve its health structure which greatly influences the HDI. At India's present rate of progress on human development, it may take some 15 years for India to get to where China is today, (in the High development category, with an index of 0.719).

## Conclusion

From the study made in this report we can see the necessity of linking growth of a country with human development, as mere economic growth is not sufficient for achieving sustained social development. The growth also has to address the larger question of establishing socio-economic equality .Moreover health and education of the people hold an important place in the overall development of a country. If people are having a healthy long life then they can pursue proper education, get better jobs, earn good income and raise their standard of living. This will also lead to higher savings and investment in a country. Therefore there will be a continuous chain reaction regarding development of a country.<sup>[3]</sup>

Women's empowerment can contribute greatly towards reducing MMR. This can be achieved by ensuring higher levels of schooling for girls, increase in female participants in the employment sector and higher age at marriage as well as higher maternal age at the birth of the first child. Reduce Child labour which will lead to increase in enrollment ratio in schools and reduce dropout ratio. Annual employment surveys should be conducted for analysis and policy-making. Further, studies also need to be conducted for assessing the impact of outsourcing, a result of the liberalisation process in India.<sup>[4]</sup>

China has to strike a fine balance between the speed and quality of urbanization. China has already changed its birth control policy to have a younger working population.

About 80% of China's health resources are concentrated in urban areas with large hospitals accounting for two-thirds of the total. Reduce disparities in health services between rural and urban areas, thereby reducing MMR and IMR.

China should continue to invest in its human capital, improve average educational level of its people and properly adjust the age structure of the population in order to increase the growth rate of the child population.

Poverty alleviation policies should be taken up & implemented effectively to reduce regional disparities.

As China continues to take up policies for reducing employment pressure, it should also look into improving the working conditions and vocational training.

As successive Human Development Reports (HDRs) have shown, most people in most countries have been doing steadily better in human development.

Advances in technology, education and incomes hold ever-greater promise for longer, healthier, more secure lives. Improvements in policies and proper implementation of the same will lead India and China to the Superpowers in the world.

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# **Capital Structure Determinants of Indian Cement Industry :- An Empirical Study**

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## **Abstract**

*A firm funds its operation with capital raised from varied sources. A mix of these various sources is generally referred to as capital structure. Hence, it is the proportion of debt and equity used to finance the assets of a business concern. The blend of debt and equity is likely to have an impact on the overall value of the business firm. The capital structure is an unsolved problem, which has attracted both academics and practitioners as the objective of financial management is to maximize shareholder's wealth. India is the world's second largest cement producer after China and it is the home to a number of top cement companies. The cement industry in India is growing at a great pace these days due to the increasing infrastructure and housing project and road networks. The present study focuses on finding the factors which influences the leverage decisions of Indian Cement Companies. The present study is envisaged to be predominantly empirical in nature and is based on secondary data. The paper explores the relationship between the leverage and other capital structure determinants such as tangibility, non-debt tax shield, profitability, size, business risk and growth by applying correlation and regression analysis. In the present study, sample of five cement companies, ACC Ltd., Ambuja Cements, Binani Cement, J.K. Cement and Ultratech Cement, were taken. The study significantly reveals that tangibility, non-debt tax shield, growth opportunities and profitability of the firm are the main determinants of capital structure of Indian Cement Industries where as the business risk and size of the firm have no impact on capital structure related decisions for Indian Cement Companies.*

**Keywords:** Capital Structure, Corporate Leverage

## **Introduction**

Capital structure of a firm plays a vital role in the development of a business. The term 'structure' comes from engineering science indicating the arrangements of the various parts of a building or some construction. In case of corporate enterprises they arrange the capital from diverse sources like the issue of shares, debentures, long term loans, ploughing back and short term loans.<sup>[2]</sup> A Firm's "Capital Structure" generally refers to the mix of liabilities and owner's equity. Hence, it is the proportion of debt and equity used to finance the assets of a business concern. The blend of debt and equity is likely to have an impact on the overall value of the business firm.<sup>[1]</sup> Thus, firms prefer to opt for such a financing decision that equates debt and equity in a way that amplifies the value of the firm i.e. an optimum capital structure. The main objective of a firm is to minimize cost and maximize the shareholder's wealth. It could be achieved through a proper mix of debt and equity, i.e. capital structure. An optimal capital structure is reached where the overall cost of capital (WACC) is at the minimum. Finance personnel must decide when, where and how to acquire funds to meet the investment needs of the firm.<sup>[5]</sup> The central issue before the finance personnel is to determine the proportion of debt and equity with

the effects of financial and operating risk factors. A combination of debt and equity is the capital structure of the firm, hence, the finance personnel must strive to obtain the best financing combinations, or the optimum capital structure of the firm.<sup>[4]</sup>

India, world's second largest cement producer after China, is the home to a number of top cement companies. As various infrastructure projects, road networks and housing projects are coming up, many of which are backed by the government, the cement industry in India is growing at a great pace these days. With the capacity of 151.2 Million Tons (MT), the Indian Cement Industry is truly big in size and hence accommodates a number of cement companies in the market. India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, from both Indian and foreign investors, making it the second largest in the world. The industry is currently in a turnaround phase, trying to achieve global standards in production, safety, and energy-efficiency. India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected

to largely benefit from it. Some of the recent major government initiatives such as development of 100 smart cities are expected to provide a major boost to the sector. The cement market in India is expected to grow at a compound annual growth rate (CAGR) of 8.96 percent during the period 2014-2019.

In India, the housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at nine per cent. The top 20 cement companies account for almost 70 per cent of the total cement production of the country out of which five companies have been taken for this empirical study.

## **Methodology**

The present study is envisaged to be predominantly empirical in nature and based on secondary data. The relevant data are collected from secondary sources like financial website moneycontrol.com, audited balance sheets and profit and loss account, annual reports of respective companies, economic survey and annual survey of Industries. To facilitate the comparative study five major cement industries namely ACC Ltd., Ambuja Cements, Binani Cement, J.K. Cement and Ultratech Cement are taken. The design of the present study is descriptive and analytical in nature and covers the period for nine years, from 2006 to 2014.

Correlation coefficient is used to find out the relationship between leverage and individual variables. The variables used in the study are quantitative variables.

Regression analysis is used as a method to find out which of the independent variables (tangibility, non-debt tax shield, profitability, size, business risk and growth opportunity) affecting the dependent variable leverage of capital structure are significant with respect to predicting the most influential capital structure determinants. Regression analysis is conducted to reveal the linear relationship between leverage and other independent variables of the company. The variables (ratios) are retained in the regression model on the basis of high t value ( $|t|>2$ ) and low p-value ( $p<0.05$ ).

## **Foundation of Hypothesis**

Keeping in view the objective of the study the following hypotheses are formulated:-

1. H1: There is significant positive relation between leverage and tangibility.
2. H1: There is significant positive relation between leverage and non-debt tax shield.
3. H1: There is significant positive relation between leverage and profitability.
4. H1: There is significant positive relation between leverage and size.
5. H1: There is significant negative relation between leverage and business risk.
6. H1: There is significant positive relation between leverage and growth opportunity.

## **Variables and Their Definition**

The study examines the determinants of capital structure of the Indian Cement Industries. For examining the various factors that affect the capital structure of the companies in the present study considers leverage as a dependent variable and the following six factors have been taken as independent variables in the present study.

### **Leverage**

In the present paper total debt to total debt with shareholders' equity is used as proxy for measuring leverage in the capital structure of the sample companies and this variable is used as dependent variable.

$$\text{Leverage} = \frac{\text{Total debt}}{\text{Total Debt} + \text{Share holders' Equity}}$$

### **Tangibility**

Capital Structure Theories generally state that tangibility is positively related to leverage. However, the more tangible the firm's assets are, the more these can be used as collateral. Tangibility of fixed assets is defined as fixed assets to total assets. This is used to show how much fixed tangible assets the companies have under the study to provide the same as collateral security to pay back the debt at the right time. Tangibility is calculated as follows:

$$\text{Tangibility} = \frac{\text{Total Assets}}{\text{Fixed Assets}}$$

### **Non-Debt Tax Shield**

Tax has an immense relationship with the capital structure of a firm. A firm has high non-debt tax shield is expected to possess low amount of debt content in its capital structure. It helps to reduce the business risk in long-term. Firm may use depreciation as non-debt tax shield to reduce the

corporate tax burden. Thus, it can be said that it shares a negative relationship with the leverage because it reduces the potential tax benefit. In the present study non-debt tax shield can be calculated with the help of the following formula:

$$\text{Non debt tax shield} = \frac{\text{Total depreciation on charges}}{\text{Total assets}}$$

### **Profitability**

In the present paper profitability is calculated by dividing earnings before interest and tax to total assets. A profitable firm always prefers to finance its projects using their internal finance rather than external. This implies that profitable firms will have less amount of debt in their capital structure. The following formula is used to calculate profitability:

$$\text{Profitability} = \frac{\text{Earnings before Interest and Tax (EBIT)}}{\text{Total Assets}}$$

### **Size of the Company**

The firm size has been one of the most common variables used in explaining company's level of debt. There is considerable evidence that the size of a firm plays an important role in the capital structure decisions. According to the study of Marsh (1982) large firms are able to take the advantages of economies of scale in issuing long term debt because of its bargaining power. Generally, large companies prefer to have long term debt in their capital structure. Large companies are more diversified, thus, less exposed to the risk of bankruptcy. The size of the companies can be calculated either by log of sale or by log of assets. In the present paper the size of the company is calculated with the following formula:

$$\text{Size of the Company} = \text{Log} (\text{Sales})$$

### **Business Risk**

Business risk refers to the risk associated with the future operation of the firm. Companies experience a greater risk of financial distress while it possesses greater proportion of debt in their capital structure. In the present study business risk is measured with standard deviation of earnings before interest and tax (EBIT) by mean of EBIT.

$$\text{Business Risk} = \frac{\text{Standard Deviation of EBIT}}{\text{Mean of EBIT}}$$

### **Growth Opportunity**

The expected relation between growth and leverage is ambiguous. Several studies suggest that firms with higher growth can expect to have lower amount of leverage in their capital structure. There are two ways to measure growth either by change in total sales or by change in total assets.<sup>[3]</sup> High-growth companies may hold more real options for future investment than low-growth companies. If high-growth companies need extra equity financing to exercise the options in future, a firm with outstanding debt may forgo this opportunity because such an investment effectively transfers wealth from stockholders to debt holders. In the present study the percentage changes in the total assets are taken to determine the growth opportunity.

$$\text{Growth Opportunity} = \text{Percentage change in Total Assets}$$

### **Results and Discussion**

The data are analyzed in the present study Microsoft Excel 2007 and SPSS 17.0 is used to conduct the correlation and regression analysis.

Table 1 shows the correlation among the different variable (determinants) in the study. The variable leverage shares a significant positive correlation with tangibility ( $r = 0.605$ ,  $\text{sig} = 0.054$ ), non-debt tax shield ( $r = 0.813$ ,  $\text{sig} = 0.008$ ), profitability ( $r = 0.652$ ,  $\text{sig} = 0.057$ ) and growth opportunity ( $r = 0.717$ ,  $\text{sig} = 0.030$ ). Business risk ( $r = -0.123$ ,  $\text{sig} = 0.753$ ) and size ( $r = 0.490$ ,  $\text{sig} = 0.180$ ), both the variables are showing negative and positive relation with the leverage which are not significant.

The above estimated correlation equation indicates that tangibility is positively related with leverage as is evident from the positive value of its coefficient (0.605).

Similarly, non-debt tax shield and profitability is also positively related to the leverage as the coefficient for the non-debt tax shield and profitability is positive (0.813) and (0.652) respectively. The business risk is negatively related with the leverage as its coefficient is negative (-0.123). The growth opportunity is positively related with the leverage as its coefficient is positive (0.717). The size is also positively related to the leverage as the as the coefficient for the size is positive (0.490).

The results indicate that if tangibility goes up by 1 unit, the leverage will also go up by 0.605 units, while keeping the other variables constant. If non-debt tax shield goes up by 1 unit, the leverage will go up by .813 units, while keeping the other variables constant. If profitability goes up by 1 unit, the leverage will go up by 0.652 units, while keeping the other variables constant. If business risk goes up by 1 unit, the leverage will go down by 0.123 units, while keeping the other variables constant. If growth opportunities go up by 1 unit, the leverage will go up by 0.717 units, while keeping the other variables constant. If size goes up by 1 unit, the leverage will go up by 0.490 units, while keeping the other variables constant.

### Hypothesis Testing

H0: There is not significant positive relation between leverage and tangibility.

H1: There is significant positive relation between leverage and tangibility.

Table 1: Regression Analysis of Leverage and Tangibility

Variable	R Square	Adjusted R Square	Correlation (Beta)	t-Value
Tangibility	0.3661	0.2755	0.6051	2.0106
Anova Table				
Model	df	SS	MS	F
Regression	1	0.2709	0.2709	4.0427
Residual	7	0.4692	0.0670	
Total	8	0.7401		
a. Predictors (Constant) : Tangibility				
b. Dependent Variable : Leverage				

In this case both the variables leverage and tangibility are continuous variables. At the significant level of 0.05, we found that  $|t|$ -value  $> 2$  (t-value 2.0106) and p-value=.05. Hence, we can reject the null hypothesis and accept that there is significant positive relation between leverage and tangibility in the selected sample companies.

### Hypothesis Testing

H0: There is no significant positive relation between leverage and non debt tax shield.

H1: There is significant positive relation between leverage and non debt tax shield.

Table 2: Regression Analysis of Leverage and Non-Debt Tax Shield

Variable	R Square	Adjusted R Square	Correlation (Beta)	t-Value
NDTS	0.6604	0.6119	0.8127	3.6897
Anova Table				
Model	df	SS	MS	F
Regression	1	0.4888	0.4888	13.614
Residual	7	0.2513	0.0359	
Total	8	0.7401		
a. Predictors (Constant) : Non-Debt Tax Shield				
b. Dependent Variable : Leverage				

In this case both the variables leverage and non-debt tax shield are continuous variables. At the significance level of 0.05, we found that  $|t|$ -value  $> 2$  (t-value 3.6897) and p-value=.008. Hence, we can reject the null hypothesis and accept that there is significant positive relation between non-debt tax shield and leverage in the selected sample companies.

### Hypothesis Testing

H0: There is no significant positive relation between leverage and profitability.

H1: There is significant positive relation between leverage and profitability.

Table 3: Regression Analysis of Leverage and Profitability

Variable	R Square	Adjusted R Square	Correlation (Beta)	t-Value
Profitability	0.4252	0.3431	0.6521	2.2756
Anova Table				
Model	df	SS	MS	F
Regression	1	0.3147	0.3147	5.1784
Residual	7	0.4254	0.0608	
Total	8	0.7401		
a. Predictors (Constant) : Profitability				
b. Dependent Variable : Leverage				

In this case both the variables leverage and profitability are continuous variables. At the significance level of 0.05, we found that  $|t|$ -value  $> 2$  (t-value 2.2756) and p-value=0.05. Hence, we cannot accept the null hypothesis in this case on the basis of significance level.

Therefore, it can be said that there is a significant positive relation between profitability and leverage in the selected sample companies.

### Hypothesis Testing

- H0: There is no significant negative relation between leverage and business risk.
- H1: There is significant negative relation between leverage and business risk.

Table 4: Regression Analysis of Leverage and Business Risk

Variable	R Square	Adjusted R Square	Correlation (Beta)	t-Value	
Business Risk	0.0143	-0.1265	-0.1196	-0.3187	
Anova Table					
Model	df	SS	MS	F	Sig.
Regression	1	0.0106	0.0106	0.1016	0.753
Residual	7	0.7295	0.1042		
Total	8	0.7401			
a. Predictors (Constant) : Business Risk					
b. Dependent Variable : Leverage					

In this case both the variables leverage and profitability are continuous variables. At the significance level of 0.05, we found that  $|t|$ -value > 2 (t-value -.3187) and p-value=.753. Hence, we can accept the null hypothesis in this case on the basis of significance level because p-value exceeds the significance level of 0.05. Therefore, it can be said that there is no significant negative relation between business risk and leverage in the selected sample companies of the present study.

### Hypothesis Testing

- H0: There is no significant positive relation between leverage and growth opportunity.
- H1: There is significant positive relation between leverage and growth opportunity.

Table 5: Regression Analysis of Leverage and Growth Opportunity

t-Value	R Square	Adjusted R square	Correlation (Beta)	t-Value	
Growth Opportunity	0.5142	0.4447	0.7170	2.7217	
Anova Table					
Model	df	SS	MS	F	Sig.
Regression	1	0.3805	0.3805	7.4079	0.030
Residual	7	0.3596	0.0514		
Total	8	0.7401			
a. Predictors (Constant) : Growth Opportunity					
b. Dependent Variable : Leverage					

In this case both the variables leverage and growth opportunities are continuous variables. At the significant level of 0.05, we found that  $|t|$ -value > 2 (t-value 2.7217) and p-value=.030 which is less than 0.05. Hence, we can reject the null hypothesis and accept that there is significant positive relation between leverage and growth opportunity in the selected sample companies.

### Hypothesis Testing

- H0: There is no significant positive relation between leverage and size.
- H1: There is significant positive relation between leverage and size.

Table 6: Regression Analysis of Leverage and Size

Variable	R Square	Adjusted R Square	Correlation (Beta)	t-Value	
Size	0.2404	0.1319	0.4903	1.4886	
Anova Table					
Model	df	SS	MS	F	Sig.
Regression	1	0.1779	0.1779	2.2158	0.180
Residual	7	0.5622	0.0803		
Total	8	0.7401			
a. Predictors (Constant) : Size					
b. Dependent Variable : Leverage					

In this case both the variables leverage and size are continuous variables. At the significant level of 0.05, we found that  $|t|$ -value < 2 (t-value 1.4886) and p-value=.180. Hence, we can accept the null hypothesis and conclude that there is no significant positive relation between size of the firm and leverage in the selected sample companies.

Table 7: Findings of the Study

Independent Variable	Dependent Variable	Relationship with the Dependent Variable
Tangibility	Leverage	Significant Positive Relation
Non- Debt Tax Shield		Significant Positive Relation
Profitability		Significant Positive Relation
Business Risk		No Significant Negative Relation
Growth		Significant Positive Relation
Size		No Significant Positive Relation

## **Conclusion**

The primary objective of the study is to determine the relationship between the dependent variable (leverage) and other independent variables (tangibility, non-debt tax shield, profitability, growth, business risk and size). In the present study, sample of five cement companies were taken to analyze the capital structure determinants of the Indian Cement Industry by applying correlation and regression analysis. With the help of the regression and correlation analysis, it is found that the tangibility, non-debt tax shield, growth opportunities and profitability significantly influences the leverage as they have a positive relation with it, whereas the impact of other variables is insignificant. Thus we can say that tangibility, non-debt tax shield growth opportunities and profitability of the firm are the determinants of capital structure of Indian Cement Industries and the business risk and size of the firm have no effect on capital structure decisions for Indian Cement Companies.

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# **Effects of Promotional Strategy on Consumer Buying Behaviour in the Telecom Sector**

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## **Abstract**

*The mobile telecommunication technology is evolving rapidly in the world as more people demand mobile services with longer bandwidth and new innovative services like connectivity anywhere, anytime. India has the world's second-largest mobile phone user base with over 929.37 million users as of May 2012. Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behaviour. On the road of globalization, India is far ahead when compared to its neighboring countries. The main objective of this study was to identify the market of Airtel, Idea and Reliance Communications and compare various parameters of promotional strategies and customer buying behaviour. The mobile phone industry has matured to the point where companies have to take immediate steps to shift their emphasis from facilities growth and product enhancement to customer retention. As far as the performances of the cellular service providers are concerned, the performance of Airtel was found to be satisfactory whereas the performances of idea and reliance were found to be overall dissatisfactory by their users. Moreover, if we see the secondary data, Idea had a positive trend on its sales and profit related to promotion in comparison to both Airtel and Reliance.*

**Keywords:** Consumer Behaviour, Promotional Strategy, Telecom Sector

## **Introduction**

The Indian telecommunications network is the second largest in the world with 860.9 million telephone connections based on the total number of telephone users (both fixed and mobile phone). Telecommunication in India has greatly been supported by the INSAT system of the country, one of the largest domestic satellite systems in the world. It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. Major sectors of the Indian telecommunication industry are telephone, Internet, and television broadcasting. India possesses a diversified communications system, which links all parts of the country by telephone, Internet, radio, television and satellite. Indian telecom industry underwent a high pace of market liberalization and growth since 1990s. India has the world's second-largest mobile phone user base with over 929.37 million users as of May 2012. It has the world's third-largest Internet user-base with over 137 million as of June 2012. It studied that in order to boost communication for business, new modes of communication are now being introduced in various cities of the country.<sup>[2]</sup>

Telecommunication has supported the socioeconomic development of India and has played a significant

role to narrow down the rural-urban digital divide to some extent. India's telecommunications have undergone a steady liberalization since 1994 when the Indian government first sought private investment in the sector. More significant liberalization followed in 1996 with the licensing of new local fixed line and mobile service providers.

However, it has been the government's New Telecom Policy (1999) that has had the most radical impact on the development of GSM services. 'The policy's mission statement is 'affordable communications for all'; There is a genuine commitment to creating a modern and efficient communications infrastructure that takes account of the convergence of telecom, IT and media.

In addition, the policy places significant emphasis on greater competition for both fixed and mobile services.' Indian telecom sector has already achieved 100 million lines. Indian handset segment could be between US \$13 billion and US \$15 billion by 2016 (Associated Chambers of commerce and Industry of India 2005).<sup>[1]</sup> India has more than 40 networks, which cover the seven largest cities, over 7000 towns and several lacs villages. According to them, cell phones, based on Global System for Mobile Communication (GSM) standard require less

investment as compared to fixed lines. The telecom revolution is propelling the growth of India as an economic powerhouse while bridging the developed and the developing economies.<sup>[3]</sup>

The basic classification of the promotional tools is the four way division into sales promotion, advertising, personal selling and public relations. When put together, they are referred to as the promotional mix. Each element of the promotion mix has different abilities to communicate and achieve different objectives. Word of mouth recommendation supplements the elements of the promotion mix because it is the most effective form of marketing communication. It is one of the strongest marketing communication tools.<sup>[4]</sup>

Promotion is an important part of a company's total communication function. Promotion aims to influence to persuade and to inform actual and potential customers. Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behaviour. A satisfied customer often stays loyal longer, and is likely to patronize the firm in future. Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of his or her experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date.<sup>[5]</sup>

Developing countries- like India have realized the importance of communication in the later part of 20th century. Today Indian Telecommunication Sector is one of the fastest growing telecom sectors and it has become the second largest network in the world, next to China. The Government of India really has encouraged the telecom sector to penetrate in the new markets across the country by adopting appropriate policies.

Therefore this sector is found to be in a growing path and with its potential will continue to do so in the future also. It can be concluded that the growth and development of Telecom sector of India has made it a key contributor in India's economic and social up gradation. Every functional division and service

provider of Telecom Sector of the country is trying to provide world class telecom infrastructure in its area of operation to give services to its customers and so, helping the country to progress in the global scenario.<sup>[2]</sup>

The phenomenal growth of the Indian telecom industry during the past few years has been backed by a confluence of factors such as progressive regulatory regime, favorable demographic features and conducive business environment. Besides the low tariff levels, connectivity, signal strength, various data service and a host of innovative value-added services are likely to determine the performance of the telecom players in future. Improved service quality, faster roll out of services in rural and remote areas, significant reduction in initial set up cost, increased consideration in infrastructure sharing, introduction of newer technologies such as 3G and WiMax, the acceptance of value-added services will all lead to increased acceptance of telecom services driving the future growth of telecom industry.

On the road of globalization, India is far ahead when compared to its neighboring countries. To a certain extent the credit goes to one of the most upcoming infrastructure sectors-Telecommunication. Sales Promotion is a key ingredient consists in marketing campaigns, consist of a collection of incentive tools, mostly short term designed to stimulate quicker or grate purchase of particular products or service by consumers or the trade. The term " sales promotion" has been used to represent at least three different concepts: (1) the entire marketing mix, (2) marketing communications, (3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories. Manufacturers continue to spend a large amount from their communication budget on sales promotion.<sup>[4]</sup>

## **Methodology**

**Research Design:** Descriptive method is used for the purpose of conducting research. Data is gathered from customers of Airtel, idea and reliance for the purpose of the study.

**Source of the data:** The proposed research requires both primary and secondary data. Primary data is collected through a structured questionnaire from the customers of selected telecom companies. Around 50 sample respondents from Kolkata city are selected for the purpose of the study. The data obtained in the present study was analyzed using statistical tools. The secondary data is extracted from

the annual reports of all the three companies for the years 2010-14. Net Sales, Net Profit and advertising and marketing expenses are retrieved from all the three private telecom companies- Airtel, Idea, and Reliance. Correlation is used for analysis.

## Results and Discussions

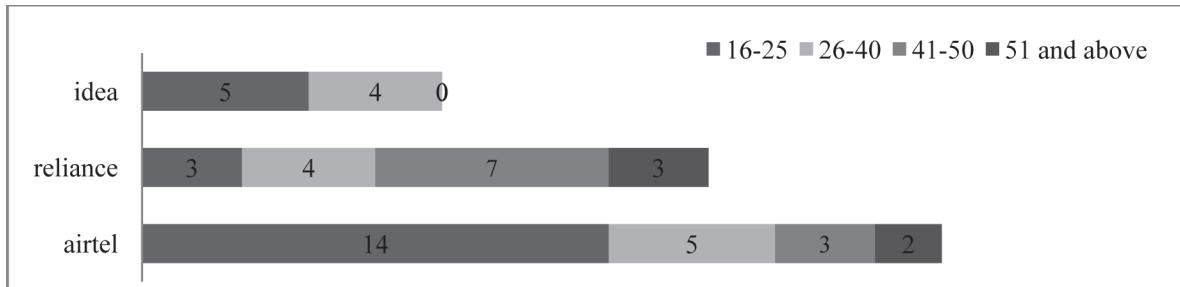


Figure 1: Consumers Preference as per Age Group

The above bar graph shows that Airtel is most popular among telecom users rather than Reliance and Idea. As we can see age group between 16-25

and 26-40 prefers Airtel whereas 41-50 and 51 above go for Reliance. Idea is still behind the other two companies in both aspects.

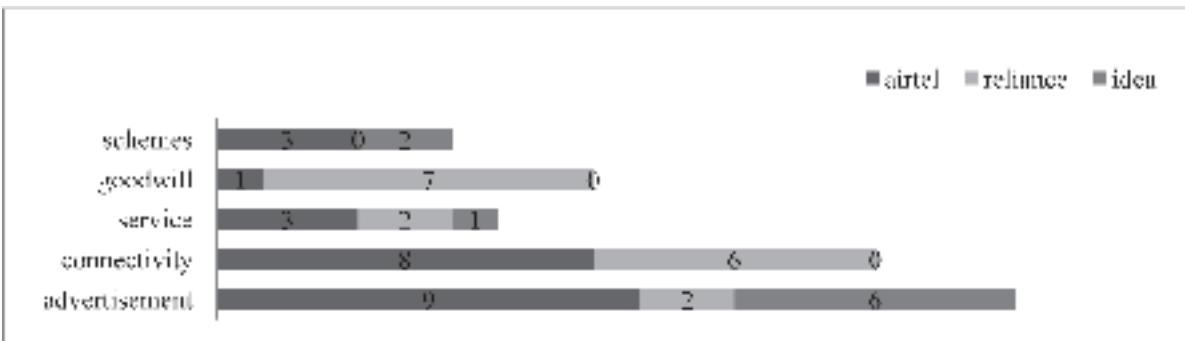


Figure 2: Consumers Preference as per Advertisement

As we can see users prefer Airtel because of their latest innovative advertisements, good connectivity, and top class services. Reliance users prefer because of their strong goodwill, and good connectivity, reliance highly lack in the latest schemes department.

If we see Idea they give a good competition to Airtel in the advertisement department and also have new schemes for users but they have poor connectivity as well as low goodwill.

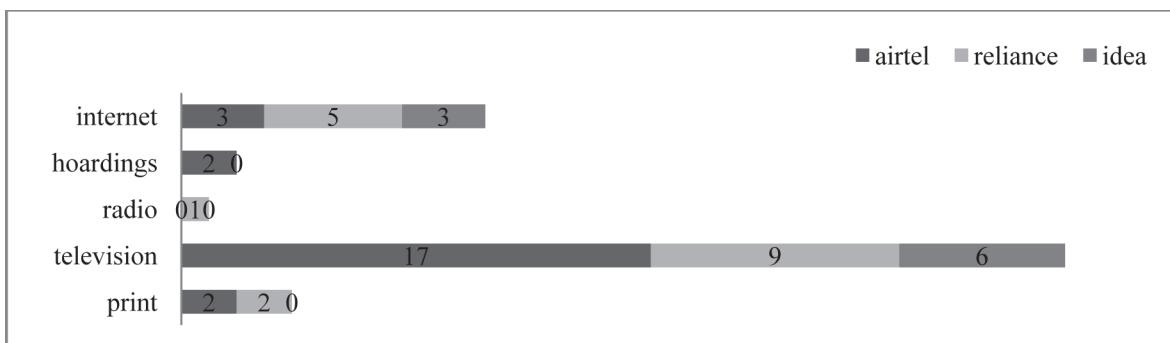


Figure 3: Major Players in the Market as per Promotional Tools

It is clearly showing in the above graph that television is the major player in the media market today followed by internet. Print, hoardings and radio are lacking far behind. If we see Airtel, users

mostly follow their ads on television rather than others. Idea users only prefer either their ads on television or on the internet, other media options are not creating any impact on the users. Reliance

users have similar liking in the media department. We can say people are affected by electronic media more rather than print or radio. If we see Airtel users have mostly voted for data plans, top ups and talk times, whereas in Reliance users have maximum votes to talk time which maybe because of their free talk time plan of R2R, other schemes are also preferred but only by a few users. In Idea, users have preferred only a few schemes which consist of data plans and talk time, which is not good for the company in the long run. They should increase their promotion in the other aspects like hello tunes or cricket updates.

Correlation was used for analysis in the secondary data. It is a statistical measure that indicates the extent to which two or more variables fluctuate

together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Table 1: Correlation Analysis (Rs. in Crores)

Year	Airtel		Idea		Reliance	
	Net Sales	Advertising and Marketing	Net Sales	Advertisement and Promotional Expenditure	Net Sales	Advertising and Marketing
2014	49918.5	607.4	26110.4	461.65	11176	275
2013	45350.9	599.3	22043.4	453.56	11267	126
2012	41603.8	558.3	19275.3	421	11110	241
2011	38017.7	721.5	15332.8	384.83	12130	258.39
2010	34609.5	550.8	11850.2	406.69	13554.6	275.44
Correlation	-0.02661		0.872446		0.413017787	

As we can see in the above table it is clearly showing that in Airtel net sales are negatively correlated with advertising and marketing, as well as the value is too close to 0 which indicates that they have minimum correlation and can be called completely random. In idea the net sales and advertising and promotional expenses have a positive correlation with the value near +1 which indicates high correlation coefficient. If we see reliance the net sales and advertising and marketing have a positive correlation just like idea but it's not close to +1 or 0 which implies that both factors affect each other to a minimum extend.

## Conclusion

It can be concluded that the promotional strategies of Telecom sector of India has made it a key contributor in India's economic and social up gradation. As a result of the liberalization, privatization, and initiatives taken by the government of India, the telecom sector is experiencing a historical growth. The trend is expected to continue in the segment, as prices are falling as a result of competition in

the segment. The beneficiaries of the competition are the consumers, who are given a wide variety of services. In the years to come the country is predicted to witness a communication revolution, which would increase the subscriber base to match that of the developed world. The need of the time is a new revolution in telecom services and it is imperative that service providers work towards the same and make it a reality. An important contribution of this study is how marketing strategy is developed and sustained over different target market in telecommunication sector. The future commitment of the customers to organization depends on perceived marketing element. The issue and challenges is therefore increasingly recognized as a critical success factor in the emerging scenario.

Companies that want to grow their businesses must continue to invest aggressively in customer acquisition programs, as well as implement new and creative initiatives to retain their existing ones. It is challenging for enterprises to listen to their

customers' issues and respond appropriately and on a timely basis. The mobile phone industry has matured to the point where companies have to take immediate steps to shift their emphasis from facilities growth and product enhancement to customer retention. As far as the performances of the cellular service providers are concerned, the performance of Airtel was found to be satisfactory whereas the performances of idea and reliance were found to be overall dissatisfactory by their users. Moreover, if we see the secondary data, Idea had a positive trend on its sales and profit related to promotion in comparison to both Airtel and Reliance.

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# A Study on Consumer Buying Behaviour Towards Sony LED Television

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## Abstract

An understanding of purchase behaviour of consumers towards durable goods is essential as it reflects the influence of brands, price, quality, quantity, mode of purchase, etc. The success of the market or the failure depends on the purchase behaviour of consumers. Consumer is nerve centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India's consumer market is riding the crest of the country's economic boom. Television (TV) is a telecommunication medium for transmitting and receiving moving images that can be monochrome (black-and-white) or colored, with or without accompanying sound. "Television" may also refer specifically to a television set, television programming, or television transmission. Televisions sets are one of the common products used by the public. These are various manufacturers producing TV in India and they are fulfilling the needs of the consumer. Many new companies which have an established in the field of business also engage in manufacture of new brands of TV with various models for examples: LCD, LED, Plasma etc.

**Keywords:** Consumer Behaviour, Consumers Marketing Mix, Sony LED TV

## Introduction

The economic strength of a country lies in the ability to employ all its available resources gainfully. This would be possible, when there is a steady and effective demand for goods and services ,the precondition for which is the ability and willingness of the people to purchase or pay for such goods and services. Ultimately, consumption function is the centre of all economic activities, which is largely influenced by consumer behaviour.

All marketing starts with the consumer. So consumer is very important to a marketer. Consumer decides what to purchase, for whom to purchase, why to purchase, from where to purchase, and how much to purchase. In order to become a successful marketer, they must know the liking or disliking of the customers. Marketers must also know the time and the quantity of goods and services, a consumer may purchase, so that he may store the goods or provide the services according to the likings of the consumers. Days are gone when the concept of market was let the buyer's beware or when the market was mainly the seller's market. Now the whole concept of consumer's sovereignty prevails. The manufacturers produce and the sellers sell whatever the consumer likes as consumer is the supreme in the market. Consumer behaviour may be defined as the acts of individuals who are directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts. A study of consumer behaviour is very

complex because it embraces psychological, social and physical behaviour of all potential consumers as they become aware of evaluation, consume and tell others about products and services. Consumer behaviour is to do with the activities of individuals in obtaining and using the goods and services.<sup>[2]</sup> A huge population of consumers was spending large sum of money on goods and services. Besides this, consumer preferences were shifting and becoming highly diversified. The process of buying starts in the minds of the consumer, which leads to finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision –making for purchase and using the goods, and then the post purchase behaviour which is also very important, because it gives a clue to marketers whether his product has been a success or not. Therefore, the term consumer behaviour defines as, state "the behaviour of consumers in deciding to buy or use or not to buy or use or dispose or not to dispose of the products which satisfy their needs."<sup>[3]</sup>

India has a vast middle class population, and with an increasingly economic development the electronic industry has become very dynamic. The industries have seen an increasing growth because of the boom in the real estate and economy. Thus due to the changing trend and due to the increase in income of people they are now turning towards LED televisions for a better experience. There is

lot of competition in the market as many companies have introduced LED televisions at almost same prices.<sup>[1]</sup>

“According to the FICCI’s survey on consumer durables industry of India, there is a shift in the consumer preference for higher technology and advance products has become very discernable. The shift has come because of the availability of foreign products in India due to low import duties and new government policies.

An LED-backlit LCD display is a flat panel display which uses LED backlighting instead of the cathode fluorescent (CCFL) backlighting used by most other LCDs. LED-backlit LCD TVs use the same TFT LCD(thin film transistor liquid crystal display) technologies as CCFL-backlit LCD TVs. Picture quality is primarily based on TFT LCD technology, independent of backlight type. While not an LED Display, a television using this display is called an “LED TVs” by some manufacturers and suppliers.

### History of Sony Industry

With a operating income of 794 million U.S. Dollar (96.9 yen) in first quarter June 30,2015,Sony Corporation commonly termed as Sony was founded by two eminent personalities namely Akio Morita & Masaru Ibuka on May 7,1946. It is a Japanese multinational conglomerate with its head quarters in Tokyo. It is the Third largest television manufacturer in the world. Sony launched the first home video recorder (1964) and solid-state condenser microphone (1965). Its 1968 introduction of the Trinitron colour TV tube began another decade of explosive growth.

It is also one of the leading manufacturers of professional electronic products.

Sony India Ltd has a wide range of products for Indian markets. It deals with Panels, Home Theatres, DVD Players, Play Stations, Projectors, Mobile Phones and Mp3 Players. Sony Pictures Entertainment & Sony Music Entertainment and other big services provided by the company in Indian markets. Sony has its contribution in making Blockbuster Hits e.g. Spider Man, the Karate Kid etc. [4] Sony has kept the competition alive with its new technologies in Televisions. The present technology ‘Triluminous Display’ is a mark above the others in the market.

Today, the company focuses on supplying electronic devices for user entertainment, and the associated content and services that enhance the functionality of these hardware products.

The Product market strategy of Sony is striving to strengthen the core electronic business by applying information technologies to product design, production, distribution, and sales. The belief is that this will strengthen the value of Sony’s music, pictures, game, and financial services businesses, as they become available over networks. Thus, Sony is now releasing network-focused products in four categories: digital TVs and set-top boxes, VAIO home-use PCs, PlayStation 2, and mobile devices.

Several studies have been done on this particular topic with different angle and view point. The review of literature has been presented in a summarized and precise manner.

### Data Source

The present study is based purely on primary data. Primary Data are data that were previously unknown and which have been obtained directly by the researcher for particular research project. Primary data are original and relevant to the topic of the research study so the degree of accuracy is high. Primary data can be collected from a number of ways like interviews, telephone surveys, questionnaires, focus groups etc. Primary data is current and it can better give a realistic view to the researcher about the topic under consideration. Reliability of primary data is very high because these are collected by the concerned and reliable party.

Secondary data are the data collected by a party not related to the research study but collected these data for some other purpose and at a different time in the past. These may be available in written, typed or in electronic forms. The primary advantage of secondary data is that it is cheaper and faster to access. It saves time, efforts and money and adds to the value of the research study. These are used in combination to give proper coverage to the topic.

**Data collection method:** Questionnaire.

**Area of study:** The study was undertaken in Kolkata city.

**Sample size:** 45 respondents.

**Sampling method:** For the purpose of the study the respondents were selected from different places of the Kolkata city from different occupations, educational level, income and age groups. Convenience

sampling technique was followed for collecting response from the respondents.

**Tools for Analysis:** The statistical tools used for the purpose of this study are ranking method and simple correlation.

## Methodology

The process of selecting a sample from a population is called sampling. In sampling, a representative sample or portion of elements of a population or process is selected and analyzed. Based on sample results, called sample statistics, statistical inferences are made about population characteristics. Therefore, sampling is the subset of the population to represent the whole population.

### Convenience Sampling

This is probably the most common of all sampling techniques. With convenience sampling; the samples are selected because they are accessible. In this procedure, units to be included in the sample are selected at the convenience of the investigator rather than by any pre-specified or known probabilities of being selected.

Advantages of convenience sampling:

1. It is easy to carry out with few rules governing how the sample should be collected.
2. The relative cost and time required to carry out a convenience sample are small in comparison to probability sampling techniques. This enables you to achieve the sample size you want in relatively fast and inexpensive way.
3. Disadvantages of convenience sampling:
4. The convenience sample often suffers from biases from the number of biases.

### Random Sampling

Random sampling is perhaps the most well known of all sampling strategies. A simple random sample is one which each unit (e.g., persons, cases) in the accessible population has an equal chance of being included in the sample, and the probability of a unit being selected is not affected by the selection of other units from the accessible population (i.e., the selections are made independently). Simple random sample selection may be accomplished in several ways including drawing names or numbers out of a box or using a computer program to generate a sample using random numbers that start with a “seeded” number based on the program’s start time.

## Ranking Method

A ranking system is a non-quantitative method of comparing different alternatives. A ranking list is developed showing the better variants for a specific problem.

## Simple Correlation

A statistical technique that is used to analyse the strength and direction of the relationship between two quantitative variables, is called correlation analysis. The coefficient of correlation is a number that indicates the strength (magnitude) and direction of statistical relationship between two variables.

## Results and Discussion

**Respondents Influenced By Brand Preference:** From the correlation analysis between age and brand preference of the respondents, Sony stands out to be highly correlated as compared to any other brand. LG is preferred next followed by Panasonic. Brand preference plays an important part in customer satisfaction and in buying decision.

Table 1: Respondents Influenced by Pricing Strategies

Gender	Very high	High	Average	Low	Very Low	Total
Male	11	2	10	0	0	23
Female	9	10	1	1	1	22
Total	20	12	11	1	1	45

## Conclusion

It was made clear that the Sony Television is the market leader. Sony Television has to come up with more innovative promotional campaigns in order to gain more consumers. Since, most of the respondents are expressed a position note on factors like company image, price and perfection. It is indeed the manufacturer’s duty to maintain the above factors at the same time with a view to retain the top of the market. Because all the electronic products are in need of above three qualifications to survive in the market. Sony Television is having above three with a good reputation. We hope that Sony will make it. Customer satisfaction index is a good tool to make improvements in the products and services of the company and therefore should utilize carefully and kept as confidential as possible.

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# **Consumer Behaviour Towards Sales Promotion of Colgate Tooth Paste**

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## **Abstract**

*The main aim and objective of the study is to find out the behavior of the Colgate Toothpaste users and to measure the satisfaction level through opinions, attitudes and perceptions of the consumers using Colgate Toothpaste. The study aims at analyzing the motivational factors to buy the Colgate Toothpaste, brand in Colgate which attracts the consumers, factors that influences the customers to switch the brand and to know whether Sales Promotion increases the sales of the product. The study also aims to obtain information regarding the consumer behavior towards various brands offered by Colgate Toothpaste, focuses on the views of the consumer with the performance of Colgate Toothpaste and to give suitable reaction to enrich the consumer behavior of Colgate Toothpaste. The study also focuses on the several features of the Colgate Toothpaste and to know the suggestions of the users which may help the company in further development of the Colgate Toothpaste.*

**Keywords:** Colgate Brand, Consumer Behaviour, Sales Promotion

## **Introduction**

In the recent times, it has become a common phenomenon for organizations to bombard consumers with all forms of sales promotions on a daily basis by means of print or electronic media. This is applicable to manufacturing sector, banking sectors and even the mobile telecommunications industry. This trend has led people to develop some kind of interest in sales promotion adverts which will run on the organization's goods or services they are interested in order to take advantage of the price off, trade bonus, cash discounts, gifts and even free trials.<sup>[3]</sup> During the sales promotion, customers tend to ask for free gifts even before receiving the goods paid for. The organization understands how consumers are important in developing effective strategies, not only for sales promotion but for other elements of the marketing communication.<sup>[4]</sup>

The American Marketing Association defines marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."<sup>[2]</sup>

## **Comparison of Promotional Strategies**

**between Colgate, Pepsodent and Close- Up:** Colgate-Palmolive informs its customers about its new products as well as the product that is being used by the customers. Colgate-Palmolive persuades and convinces its new as well as old customers to purchase its new product. Adopting a good promotional strategy Colgate has succeeded to retain its customers and image.

Pepsodent connects directly with kids and their parents. Pepsodent has always worked in the direction of an overall awareness of dental health. There launch campaign in October 2003 widened the context to "sweet and sticky" food and leveraged the truth that children do not rinse their mouths every time they eat, demonstrating that this makes their teeth vulnerable to germ attack.

Promotion for Close Up is done through various modes of media. There is advertisement telecasted on television, especially on the youth oriented channels like MTV. There are also promotional activities on radio, and outdoor media like banners and hoardings. Close Up also conducts promotional activities in colleges all over the world to increase their sale. They have recent tied up with online gaming company Zapak.<sup>[5]</sup>

## **Methodology**

This study is both a descriptive as well as analytical study. It involves content analysis of all the literature obtained from different sources like articles, journals etc. However, at the same time it mainly involves measuring consumer behaviour through a Survey and analysing the results of the same.

The study is to find out the consumer behaviour towards sales promotion of Colgate Toothpaste. A survey was conducted to find out the customer behaviour towards sales promotion of Colgate with reference to Colgate Toothpaste. The main basis on which consumer behaviour has been analyzed towards Colgate Toothpaste are price, availability, quality, offers and promotional schemes.

For this survey, a questionnaire was prepared; through which data was collected from customers with Sample Size of survey being 50 by analyzing these questionnaires, consumer behaviour towards sales promotion of Colgate Toothpaste was determined.

Data collection is most essential aspect of any research because the whole result of research depends on the data and information hence, the methodology adopted to collect the data and final interpretation were through:

### *1. Survey Research:*

This kind of research finds favour with almost all the social science researches. It is one of the most popular methods of investigation, because a study of the attributes and variables in relation to the population (the entire group of people, inhabitants, items etc...under study) is easier and is more accurate.

### *2. Primary Source of Data:*

Primary sources of data are the other type of sources through which the data was collected. Following are few ways in which the data was collected

- a. Questionnaire: it is a set of questions on a sheet of paper given to the respondents to fill it, based on which the data was interpreted.
- b. Direct interview: direct interview involves the process where questions are asked directly to the customers and feedback is received.

### *3. Secondary Source of Data:*

Secondary sources are other important sources through which the data were collected. These are readily available sources of data where one does not put much effort to collect because it is already a collected data in an elderly manner by some researchers and experts.

The secondary sources helpful for study were textbooks, newspapers, journals and internet.

In this report, an attempt has been made to analyse the answers to the given questionnaire through graphs and tables.

### *Scope of the Study*

The sample size is limited, so as to give the accurate information regarding consumer behaviour. The scope is very limited, because attitude & expectations of the people change according to the time & situation. The study is restricted to the city of Kolkata and that to among 50 respondents. The

study is conducted only for 20 days. Consistency was lacking with regard to the information given by few customers. The study is restricted to the certain area, so it could not give whole picture about West Bengal or India.

### **Analysis of data**

Consider the manner of data collection adopted the study analyzed the data on a qualitative basis by decipher in individual opinion various options collected from respective respondents are analyzed separately.

### **Tools Used for Analysis**

1. Percentage analysis- Percentage method refers to a kind of specified which is used in comparison and results are identified.

Formula

$$\text{Percentage} = (\text{no of respondents} / \text{total no of respondents}) \times 100$$

2. Correlation

Correlation coefficient formula between x and y, where x represents various parameters on the basis of which y differs with different promotional tools, where r is the correlation coefficient and its formula is stated below.

Formula

$$R = \sum xy / (\sqrt{\sum x^2})(\sqrt{\sum y^2})$$

### **Results and Discussion**

The data collection from each and every user is analyzed and interpreted individually then compared together and presented in the form of tables and charts. In each table the total respondents for particular question ns has been mentioned. The alternative answers for particular questions are traced and the answers with highest percentage among other answers are taken as correct answer. The data for the following questions have been interpreted:

- 1) Respondent's preferred medium of promotion for the Colgate toothpaste
- 2) Respondent's preferred medium for creating awareness about the Colgate offers
- 3) Features which provokes the respondents to buy the product
- 4) Respondent's opinion about other offers which would provoke them to purchase another brand
- 5) Respondent's buying behaviour at the time of sales promotion schemes of Colgate toothpaste
- 6) Respondent's chance of switching over to another brand in case of attractive promotional offer

- 7) Respondent's reaction towards sales promotion of Colgate toothpaste
- 8) Satisfaction level of respondents on service provided
- 9) Respondent's opinion regarding recommendation to others for purchase of Colgate toothpaste during promotional activities

*1) Respondent's preferred medium of promotion for the Colgate Toothpaste*

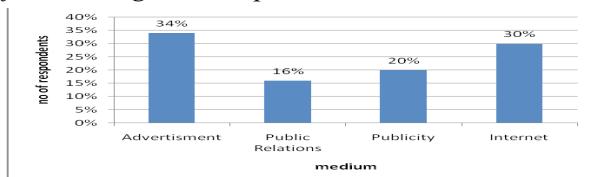


Figure 1: Respondent's Preferred Medium of Promotion for the Colgate Toothpaste

From the above chart it is concluded that 34% of the respondents prefer advertisement as the medium of promotion, 30% of the respondents say internet and 20% and 16% of the respondents say publicity and public relations respectively. Thus it can be concluded that most of the respondents go for Colgate toothpaste only because of its advertisement and promotion through internet.

*2) Respondent's preferred medium for creating awareness about the Colgate Offers*

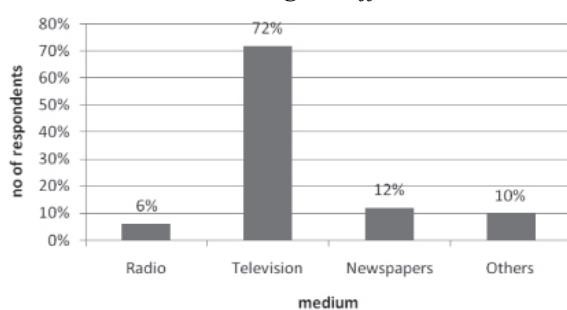


Figure 2: Respondent's preferred medium for creating awareness about the Colgate Offers

This table reveals that which is the suitable medium for promoting the promotional schemes. 72% of them say that it is due to television, 12% of the respondents believe that it is due to newspaper, 10% of the respondents rely on others and 6% of the respondents are for radio.

From the above chart we observe that 40% of the respondents purchase the product because of the

quality of the product, 30% of the respondents purchase because of the brand image and 10% of the respondents purchase because of the price of the product. Thus it can be concluded that the sale of Colgate toothpaste is high due to its high quality.

*3) Features which provokes the respondents to buy the product*



Figure 3: Respondent's Opinion about Other Offers Which Would Provoke Them to Purchase another Brand

This table reveals the offers of other toothpaste brands which provokes the respondents to purchase another toothpaste brand. 52% of the respondents switch to another brand due to price reduction, 28% of them do so due to loyalty points, 10% and 4% of the respondents choose to use another brand because of buy one get one offer and additional offers respectively and the remaining 6% of the respondents do so as per their wish.

*4) Respondent's opinion about other offers which would provoke them to purchase another brand*



Figure 4: Respondent's Buying Behaviour at the Time of Sales Promotion Schemes of Colgate Toothpaste

From the above chart it is concluded that 40% of the respondents increase their buying behaviour due to Quality of the product of Colgate toothpaste, 30% of the respondents are true towards their brand and remaining respondents show changes in their buying behaviour due to other factors.

5) Respondent's chance of switching over to another brand in case of attractive promotional offer

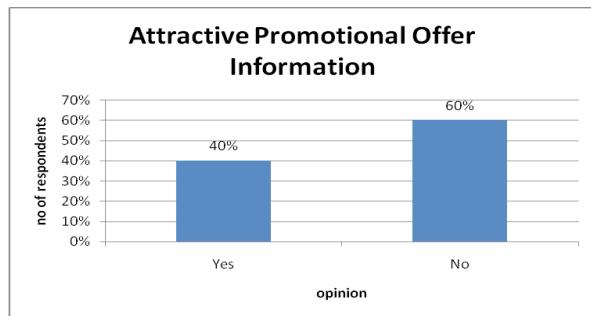


Figure 5: Respondent's Chance of Switching Over to Another Brand in Case of Attractive Promotional Offer

From the above chart we observe that 60% of the respondents feel that they would not change their choice and 40% of them believe that they might change their choice in case if they come across attractive promotional offers of other brands.

6) Respondent's reaction towards sales promotion of Colgate Toothpaste

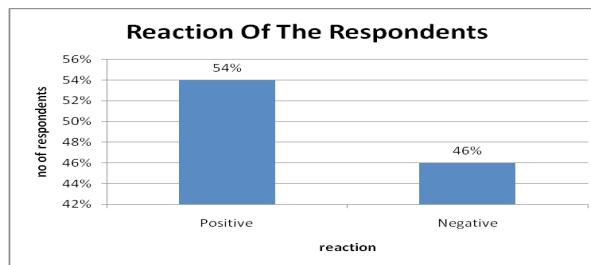


Figure 6: Respondent's Reaction Towards Sales Promotion of Colgate Toothpaste

From the above chart we observe that 54% of the respondents have a positive opinion and 46% of them have a negative feeling.

7) Satisfaction level of respondents on service provided



Figure 7: Satisfaction Level of Respondents on Service Provided

From the above chart we observe that 18% of the respondents are highly satisfied with the service

provided by the Colgate Company, 72% are satisfied and 10% of the respondents are dissatisfied.

8) Respondent's opinion regarding recommendation to others for purchase of Colgate Toothpaste during promotional activities

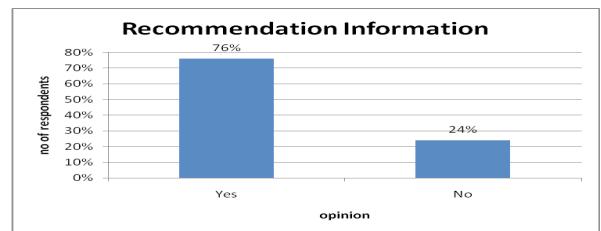


Figure 8: Respondent's Opinion Regarding Recommendation to Others for Purchase of Colgate Toothpaste During Promotional Activities.

From the above chart we observe that 76% of the respondents feel that they would recommend others to purchase Colgate toothpaste and 24% of the respondents feel that they might not recommend.

## Correlation

Table 1: Relation between Sales Promotional Tools and Gender of Respondents

Gender	X	Advertisement	Public relation	Publicity	Internet
Male	24	12	0	7	5
Female	26	15	1	4	6
Correlation		1	1	-1	1

From the above correlation analysis advertisement, public relation and internet are perfectly positively correlated with the gender of the respondents whereas publicity stands out to be perfectly negatively correlated.

Table 2: Relation between Sales Promotional Tools and Age Group of Respondents

Age group	X	Advertisement	Public relation	Publicity	Internet
Below 20	15	7	0	3	5
21-30	13	7	1	2	3
31-40	10	8	0	2	0
41 & above	12	9	1	2	0
Correlation		-0.58	0	0.80	0.91

From the above correlation analysis internet is highly correlated among all age groups followed by publicity.

Public relation has a neutral association between the age groups and advertisement is seen to be negatively correlated.

Table 3: Relation between Sales Promotional Tools and Educational Qualification of Respondents

Education-Qualification	X	Advertisement	Public-relation	Publicity	Internet
High school	9	3	0	1	5
Graduation	20	6	0	2	12
Post graduation	14	4	1	3	6
Others	7	4	0	1	2
Correlation		0.84	0.17	0.63	0.97

From the above correlation analysis it is seen that all four promotional tools are positively correlated, internet being highly correlated followed by advertisement and publicity.

## Conclusion

It is very difficult to predict consumer behaviour. Consumer research can to some extent solve this problem. Normally, companies concentrate on only analyzing the requirements of consumers and also strategies to retain them. This study was conducted to understand behaviour and motives of consumers in for buying Colgate Toothpaste. There is a huge potential for Oral care market in India as penetration and per capita consumption of oral care product is very low. With rising per capita income and better awareness there is an increasing demand seen for oral care products.

Sales Promotion schemes always attract more consumers towards particular brand and simultaneously it gives a better idea about the factors which consumers look mostly in the product before they make the final decision. [1] Sales Promotion plays a major role in influencing the buying decision of the Consumer. So the marketer can concentrates more on Sales Promotion.

Respondents are not much aware of all the schemes of Sales Promotion which increases the buying behaviour of consumers. So the marketers of Colgate Company should try to increase and also improve the Sales Promotion awareness among the Consumers. Colgate has earned the reputation of the most known and trusted oral care toothpaste brand in India. Colgate not only gives superior value for money to its customers, but also serves the interest

of the customers by arranging regular health camps in schools to promote oral care awareness among children.

Through its advertising campaign Colgate also acts as a social observer and cares about oral problems in a very satirical manner which instantly connects to the buyers. It also ensures the end-customers get quality toothpaste at affordable prices. It truly practices holistic marketing.

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# A Study of Consumer Behavior Pertaining to Different Soap Brands in Kolkata

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## Abstract

The study was undertaken with an aim to understand the various factors which influence consumer buying behavior of soaps. Factors influencing consumer behavior like Social Factors, Psychological Factors, and Personal Factors were looked into. It was seen that among the four soap brands, Dove, Lux, Dettol and Lifebuoy, Dove was the most preferred brand in all respects. Among the various sources of information which influence consumer buying behavior, it was seen that television was the most influential source. A consumer helps in building or breaking a brand. Hence, it is very important for a company to study consumer's buying behavior and make changes in its products, price, schemes and marketing strategies accordingly so as to satisfy its consumers and earn profits as well.

**Keywords:** Brand, Consumer Behavior, Influencing Factors, Soap.

## Introduction

The American Marketing Association has defined consumer behavior as, "The dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives." How consumers make decisions to spend their available resources such as money, time and effort on consumption and use-related items is the subject of consumer behavior study. Consumer behavior has two aspects: the final purchase activity which is visible to us and the decision process which may involve the interplay of a number of complex variables not visible to us. In fact, purchase behavior is the end result of a long process of consumer decision-making. The study involves what consumer's buy, why they buy it, how they buy it, when they buy it, where they buy it, how frequently they buy it and how they dispose of the product after use.<sup>[1]</sup>

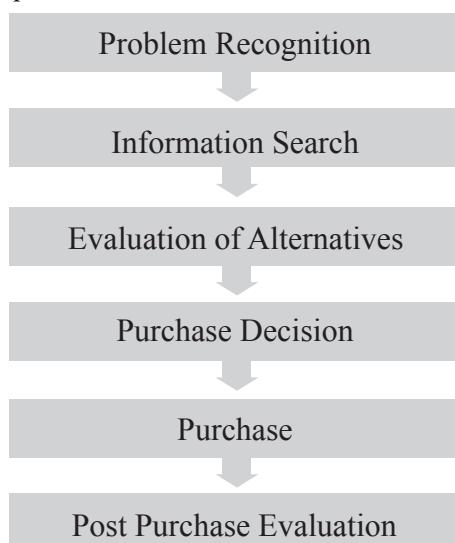


Figure 1: Stages of Consumer Buying Process

## Factors Influencing Consumer Behavior:

1. Social Factors – These include culture and subculture, roles and family, social class and reference groups.
  - i) Culture and Subculture – culture influences consumers through the norms and values established by the society in which they live. It is the broadest environmental factor that influences consumer behavior. The impact of culture is automatic and almost invisible and its influence on behavior is usually taken for granted. Subcultures exist within a given dominant culture. Within this broad culture, one can easily distinguish relatively more homogeneous and fairly large groups that follow the dominant cultural values but also have other quite distinct beliefs, values, customs and traditions that set them apart from the larger cultural mainstream. These represent the subcultures.
  - ii) Roles and Family – a role refers to a set of functions and activities that an individual in particular position is supposed to perform, based on one's own and other's expectations. An individual may have several roles and sets of expectations placed on her/his behavior.
  - iii) Social Class – social class can be viewed as a range of social positions in a society. "Social class defines the ranking of people in a society into a hierarchy of distinct status classes; upper, middle and lower, so that the members of each class have relatively the same status based on their power and prestige."

- iv) Reference Groups – a reference group refers to a group of people with whom an individual identifies herself/himself and the extent to which that person assumes many values, attitudes, or behaviors of group members.
2. Psychological Factors – these are internal to an individual and generate forces within that influence his/her purchase behavior. The major forces include motives, perception, learning, attitude and personality.
- i) Motivation – this refers to driving forces within an individual produced by a state of tension caused by unfulfilled needs, wants, and desires. Individuals strive to reduce this tension through some appropriate behavior that they expect will satisfy their needs.
  - ii) Perception – it is the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. Stimuli may include products, packages, brand names, etc.
  - iii) Learning – learning is viewed as a relatively permanent change in behavior occurring as a result of information or experience, both direct and indirect.
  - iv) Attitudes – these are viewed as quite important in the object evaluation process, products, or companies and can be favorable or unfavorable feelings and behavioral inclinations. Research supports the assumption that attitudes strongly affect consumer behavior.
  - v) Personality – it refers to a dynamic concept that describes the growth and development of an individual's whole psychological system, which looks at some aggregate whole that is greater than the sum of the parts.<sup>[3]</sup>
3. Personal Factors – these include those aspects that are unique to a person and influence purchase behavior. These include demographic factors, lifestyle and situational factors.<sup>[2]</sup>
- i) Demographic Factors – include individual customers' age, gender, education, occupation, income, marital status, family size, etc.
  - ii) Lifestyle – it is an indicator of how people live and express themselves on the basis of their activities, interests and opinions.
  - iii) Situational Factors – situational influences are temporary conditions or settings that

occur in the environment at a specific time and place.

The topic of consumer behavior is one of the massively studied topics by the researchers and marketers in the past and is still being studied. Researchers show different reasons as to why consumer behavior has been the topic of many academics and researchers. One of the common views is that understanding consumer behavior has become a factor that has a direct impact on the overall performance of the businesses. Very few attempts were made to analyze the structure, status, problems and prospects of Soap Industry. Following are the studies available in this respect.

The working group on soaps and detergents set by the government in (1984) had projected the demand and production for soaps and detergents for the seventh plan ending 1989-90 and has also looked into the demand by the end of the century. The projections for the industry have been worked out by the working group in terms of

- (a) Fabric washing products comprising laundry soaps and chemical detergents.
- (b) Toilet soaps which included all personnel washing soaps.

The study revealed that with the lower prices, detergents becoming a major factor on the market since, their penetration in the rural market has increased substantially in the past few years with the result that detergents are now found in almost every village. With higher growth in rural income, rural people are likely to spend more on toilet soaps, i.e., the next consumption item after food grains and clothing.<sup>[4]</sup>

The Indian Soaps and Toiletries Makers Association (1985) had done a demand projection for synthetic detergents from 1985-90. This was attempted by them in two stages - estimating the demand for all washing products and also of the rate at which synthetic detergents share in the total washing products market is growing. The growth, development and growing importance of synthetic detergents industry and its encouraging outlook had been reviewed by Tata Consultancy Services during the year 1985.

The influence of friends and other parties such a presenter/sales person also plays a vital role in the purchasing behavior of consumers. These friendship groups are classified as informal groups since they

are with lack of authority levels. The options and preferences of friends are an important influence in determining the products or brands selecting, especially to a single person, who live alone hence friends and other interacting parties can be considered as influences to a consumer when a product is purchased.

### Methodology

Primary data collection method was used to carry out the study. Questionnaires were designed to address the needs of the study. Questionnaires were filled by the target sample of 50 customers in Kolkata. Then, data thus collected was analyzed using different diagrammatical and non-diagrammatical statistical methods, like graphs, charts and correlation. The formula that was used to calculate the correlation coefficient is as follows:

$$Correl(X, Y) = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}}$$

### Sample Profile

Sample profile means the demographic characteristics of the respondent consumers who were approached for the analysis. Demographic factors like age, sex, occupation, income, etc. have a direct influence on the purchase decision of the consumer. Here, in this study, 50 consumers were randomly chosen to carry out the survey. The survey was carried out in the Bhowanipore area, in the city of Kolkata. The age group of the respondents varied from 20 years to 60 years. They were divided into different age groups like 20-30 years, 30-40 years, 40-50 years, and 50-60 years. On the basis of occupation, they were grouped into Housewives, students, businessmen/ business women and professionals. Then, taking these demographic factors into consideration, data analysis and interpretation was carried out.

### Results and Discussion

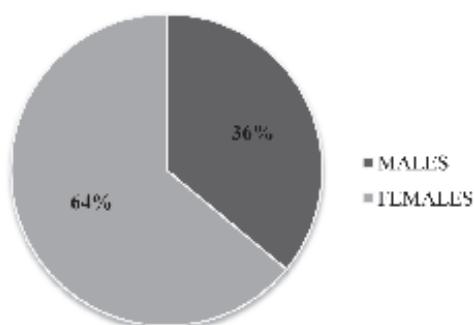


Figure 1: Total Number of Respondents

No. of male respondents were 18, female respondents were 32 in number. There were a total of 50 respondents, i.e. the sample size taken was 50.

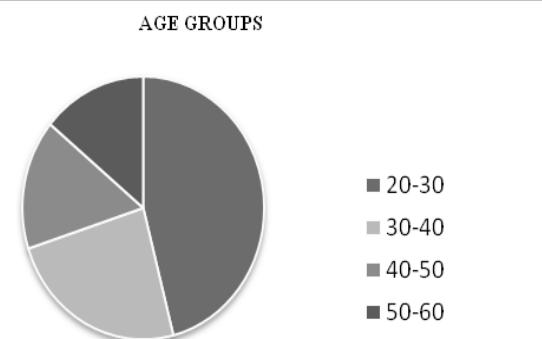


Figure 2: Preferences for Soaps

Around 46% of the respondents belong to the age group of 20-30 years, 24% to that of 30-40 years, 16% to the 40-50 years group and 14% belonged to the age group 50-60 years.

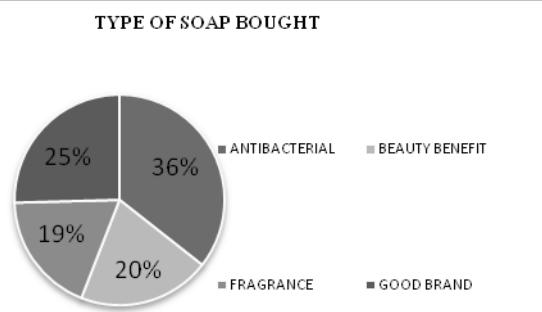


Figure 3: Purchase of Different Variety of Soaps According to Needs

It is seen that majority of consumers (36%) prefer buying soap which has antibacterial quality, followed by (25%) consumers who look for a good brand, next, consumers look for beauty benefits and fragrance (20% and 19% ) respectively.



Figure 4: Factors Influencing Purchase Decision of Soap

It is seen that consumers are most affected by the beauty care quality offered by a particular soap when buying it. The ingredients factor follows closely and then comes the factor of availability in the market. Packaging of the soap is the factor that least influences the purchase decision of a consumer.

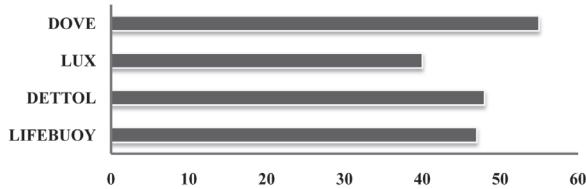


Figure 5: Most Preferred Brand of Soap

It is seen that almost 55% of the consumers prefer dove soap, followed by Dettol, lifebuoy and Lux with 48%, 47% and 40% respectively. Dettol and Lifebuoy are almost equally preferred.



Figure 6: Price Effect on Consumers Buying Decisions

It is seen that the price effect is low on consumers while buying soap. 46% say that price has a low effect on their buying behavior, 32% say that it is high, 4% say that it is very low on their buying behavior.

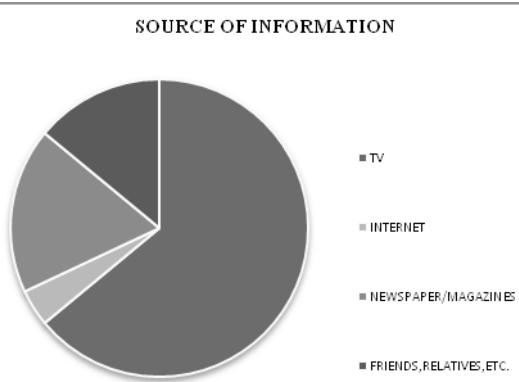


Figure 7: Source of Information for Purchasing Soaps

It is seen that the most influential source of information is television, followed by newspaper and magazines, friends and relatives. Internet is the least influential source of information when it comes to buying soap.

#### MOST SOUGHT SCHEMES



Figure 8: Most Sought Schemes in Buying Soaps

Consumers mostly look for discounts, closely followed by extra quantity. Free samples are also looked for but not very often. The same is the case for coupons- they are least sought.

#### Conclusion

After conducting the research and interviewing 50 random people, I reached to the following conclusions about my study. It was seen that most preferred brand among the four soap brands, Dove, Lux, Dettol and Lifebuoy, Dove was the most preferred brand. It was preferred by both males and females for its quality, suitability, and brand image. It caters to the beauty needs of the young, career-oriented, working women, who are its main target. The most influential advertisement is also of Dove, which emphasizes on natural beauty and uses random young women as the face of Dove, rather than any celebrity. The marketing strategy adopted by Dove of targeting the young, independent, career-oriented women has been successful as per my study.

Various factors were seen that affected the purchases made by the consumers. Out of the four factors mentioned in the research questionnaire, it was seen that while buying soap, its beauty care quality influenced the purchase decision the most. Then the soap's ingredients, availability in the market and its packaging followed respectively.

Among the various sources of information, it was seen that Television was the most influential source. This is because it is the most common and easily available source of information. It is useful to target both educated and uneducated sector of the market by advertising in the audio visual media like TV and radio. This medium, is thus, mostly preferred by companies and their media planners as well. Next in line is the print media with newspapers and magazines. Companies also spend on these media for their product's advertising. This source is closely followed by friends, relatives and the

social circle of the consumer. This source is mostly applicable to the people belonging to the older age group, women-mostly housewives. Here, the word-of-mouth publicity comes into play. Internet, as a source of information is still not very popular among the consumers. The educated and tech savvy consumers however, do look towards this aspect of advertisement, and companies are developing various documentaries and online contests to boost internet as a source of information.

Also, we see that consumers keep looking for various schemes while buying the product. Among the most sought schemes, it is seen that consumers look for discounts closely followed by extra quantity. The psychological factor of buying decisions plays its role here. A consumer's psychology works in the manner that it moves towards products which are offered at a discount or where extra quantity is provided at the same price. These schemes give somewhat satisfaction to the consumers.

Hence, after conducting this study, I reached to a conclusion that the most preferred brand is Dove, among both men and women, across all age groups. The price effect was also found to be low, i.e. the high price of the product did not stop consumers from buying it. This is because, Dove has good brand image, provides quality products, and has a good/firm standing in the soap market. Its innovative,

down-to-earth and real advertisements appeal to the masses. Also, it is seen that consumers are satisfied with the products they are using and do not want to switch to another brand. This consumer satisfaction is the biggest award/achievement that a company/brand can get. Thus Dove has loyal consumers and it is the most preferred brand of soap in terms of the type, i.e. beauty care quality, price, availability, packaging, influential advertisements, etc. It is the most preferred brand by the consumers.

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# **Impact of Brand Image on Consumers Buying Preferences : A Study on the 2-Wheeler Industry in Kolkata**

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## **Abstract**

*Brands play vital role in the decision making processes of the customer. It is important for companies to find out customer's decision process and pinpoint the criteria, which customers apply while making decision. The purpose of this study is to create deeper consideration of what influence a brand name can have, when people go for purchasing, choose the products between different brands in automobile industry. In this competitive market it is a hard task for companies to create a well known brand that is popular. Customers prefer to purchase a well known brand product, he had already heard of rather than going for the product they do not know much about. Branded products have found good place in customers mind and they have positive past experience about them.*

**Keywords:** Brand Image, Brand Loyalty, Customer Purchasing Behavior

## **Introduction**

Brands play vital role in the decision making processes of the customer. It is important for companies to find out customer's decision process and pinpoint the criteria, which customers apply while making decision. How brand names influence the customer purchase decision? Why customers purchase a particular brand also implies how customers decide what to buy. Customers follow the sequence of steps in decision process to purchase a specific product. They start realizing a requirement of product, get information, identify & evaluate alternative products and finally decide to purchase a product from a specific brand. When customers purchase particular brand frequently, he or she uses his or her past experience about that brand product regarding performance, quality and aesthetic appeal.<sup>[3]</sup>

The brand name is very significant choice because some time it captures the central theme or key association of a product in a very condensed and reasonable fashion. Brand names can be extremely successful means of communication.<sup>[1]</sup>

Some companies assign their product with a brand name that in reality has nothing to do with the emotional experience but is catchy and a name that people can easily memorize. The core base of naming a brand is that it should be unique can be easily discriminated from other names, easy to remember and are attractive to customers.

In my opinion people have strong connection to brands and brands name. Brand name influences the customer decision in bike choice. When people intend to purchase a bike, they have many brand

names to choose from, but usually people purchase a bike with preference to brand name and company reputation in market because of trust and previous experience.

In this increasable competitive market, companies are attempting to gain better position for them by becoming more customer-oriented.<sup>[4]</sup> Companies are facing wider range of competitors who offer a similar product to same customers at different prices. Companies have to plan efficient and competitive marketing strategies proper distribution channels and marketing strategies. Competition is increasing rapidly between the same products offered by different companies. Competitive advantage can be achieved by designing a superior product and offering more benefits to customers.<sup>[2]</sup>

Today in a competitive market, the question is about the survival of the company in the market. But the answer depends on companies to survive by packing, design, price, quality, distribution channel and other means. The proper strategic planning is needed to achieve revenue, sales, quality and market share. A good strategy differentiates company brand to other competitor's brands. The intention to offer marketing package for consumer benefits by a marketer is to win the competition by creating new and decisive consumer value.<sup>[5]</sup>

### *Objectives of the Study*

The purpose of this study is to create deeper consideration of what influence a brand name can have, when people go for purchasing, choose the products between different brands in automobile industry. Further I want to identify, if there is a

connection between brands and the consumer decision making process. I even want to see the impact of advertisement expenses on the company for the best known brand in the market.

### *Methodology*

The nature of the research is descriptive since the objective of conducting the research project is to determine what impact Brand Name has on the Consumer Buying Preferences in the 2-Wheeler automobile sector.

Since the nature of research is descriptive, they survey method will be employed for data collection. Specifically, survey based questionnaires will be used as the primary tool for data collection. The data gathered will be both quantitative and qualitative in nature. The questionnaire will predominantly consist of closed ended questions to save the time of respondents and ensure a high response rate.

The central objective of survey design is to search for relationships between variables. It usually depends upon the use of a well-constructed questionnaire, which is used to collect data from the relevant unit of analysis under study, usually, an individual.

Since the research is consumer centric, the survey based questionnaires will be circulated amongst the users of 2-Wheelers in Kolkata, India. Random sampling of 50 people has been filled.

Karl Pearson's correlation Coefficient has been used to determine the relation between advertisement expenses and net sales over a period of 5 years as advertisement is considered as a tool in Brand building. Secondary Data sources such as company's balance sheet have been used to collect the data figures and Microsoft Excel used to perform the required analysis.

All the findings have been tabulated and represented in the forms of tables and bar diagrams for ease understanding.

## **Results and Discussion**

Data collected from the survey and Secondary data sources was tabulated in Microsoft Excel sheet and the following analysis was done on the basis of it.

### *Primary Data Analysis*

Demographic Information of the respondents: Table provides the respondents age-group information. The first age group (25 to 35 years) accounted for

30% and next 36 to 45-years-age-group accounted for 46%, the 46 to 55-years-age-group were 18% and 4% respondents were above 65 years.

The table explains the respondents' income. It is very important variable. Most of researchers include this variable in their survey. My analysis shows that 8% respondent's annual income is between 1,00,000 to 2,00,000 and 34% respondent's annual income is between 2,00,000 to 3,00,000 and 34% respondent's earn annually between 3,00,000 to 4,00,000 and 24% respondents' annual income is above 4,00,000 All respondents have a different brand bike, matching their individual income level.

In the table, the demographic variable occupation indicates that 26% respondents are in private service and 50% respondents run their own business.

Table 1: Demographic Information of the Respondents

Variables	Measuring Groups	Frequency	Percentage
Age	25-35	15	30
	36-45	23	46
	46-55	9	18
	55+	3	6
	Grand Total	50	100
Income	1-2 lakhs	4	8
	2-3 lakhs	17	34
	3-4 lakhs	17	34
	above 4 lakhs	12	24
	Grand Total	50	100
Occupation	Business	25	50
	Govt. Service	12	24
	Private service	13	26
	Grand Total	50	100
Ownership	Yes	50	100
	No	0	0
	Grand Total	50	100

After having asked the respondents which brand bike they own, I gave them three best known different brand bike names which include nearly all the available brands in Indian market. 30% cases replied to have Bajaj Auto Ltd and 8% respondents owned TVS bikes. The majority of respondents which is 62% answered to have own Hero Motocorp bikes. This is the highest percent of brand bike user in survey. In terms of ownership of specific bike brand, Hero is followed by Bajaj Auto Limited.

The diagram below portrays the result of the question that was asked the respondents as to the purchase decision making process.

The objective of this question was to find out whether the purchase decision was the respondents own individual decision or a collective decision. As we can see in the above bar diagram that the majority of the respondents replied that when they purchased a bike that was their own decision and relatively a few respondents answered that the purchase decision was their joint family decision and the lowest number of respondents replied to have consulted with their friend before buying, this is followed by the “others” which signifies that the respondents sought others namely co-workers etc. suggestions before making buying decision.

The Figure below shows the perception of the consumers as to the quality of the well known branded products.

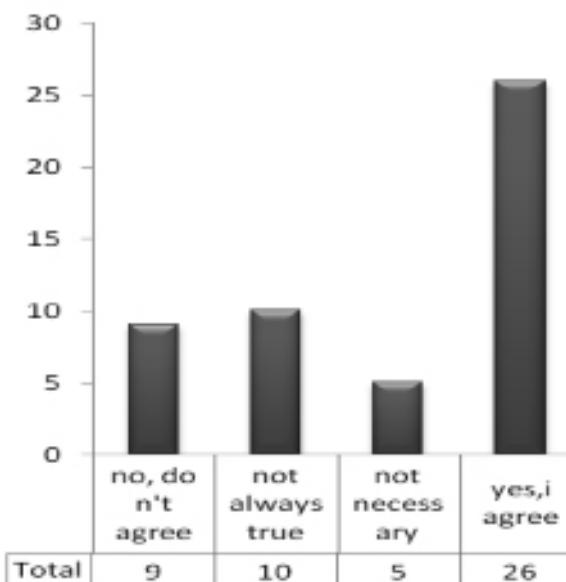


Figure 1: Brand Product Quality

When it comes to the question regarding a brand product quality it is more interesting for me as I wanted to find out respondents what their views about brand product quality. The majority 52% answered “Yes, I agree” and 18% respondents replied “No, I don't agree” and 20% respondents views “I agree, but it's not always true” and 10% respondents answered “It is not necessary”.

This question is related to the opinion of the respondents whether using a well known brand signifies the social status of the consumer.



Figure 2: Brand as a Status Symbol

It's interesting to know that respondents considered the branded products signify their social class. As many as 34% respondents views that “Yes, I agree” and 30% respondents replied that “Yes, I agree but it is not always true” and 22% answered “Not necessary” and 14% respondents “No, I don't agree”.

The objective of the question was to find out to what extent the brand name is more important than the desired attributes of the product.

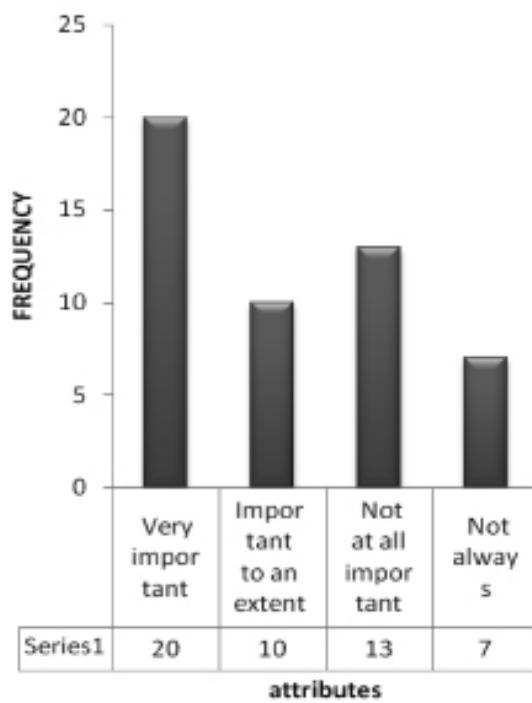


Figure 3: Brand Name with Other Attributes

To find out the importance of brand name to customers over the desired attributes of a product. As many as 40% respondents views that brand name relative to desired attribute is “Very important” and 20% respondents “Important to an extent” and 26% respondents answered “Not at all important” and 14% respondent replied “Not always”.

The objective of this question is to find out the need for a consumer to buy a bike.



Figure 4: Reasons for Buying

Figure 4 shows that 46% of people buy a bike for its style statement, 38% because they find it to be economical, 10% use bikes since it provides ease in transportation and 2% users have variable reasons like secondary mode of transportation.

#### *Secondary Data Analysis*

A company's expenses towards advertisements, publicity as well as marketing activities determine the extent of brand image. Net Sales reflects the Total sales which shows an increasing trend throughout showing that a brand has good hold and recognition in the market.

Correlation coefficients have been used to find the relations between variables to determine the strength and market hold of the considered company.

The researcher has considered Hero Motocorp to study further as it has the maximum demand and maximum number of people is buying it because of its brand image. Correlation between Advertisement and sales expenses and net sales of Hero MotoCorp can be seen below.

Table 2: Hero Motocorp Correlation Matrix

	Year	Net sales	Advertisement and publicity
Year	1		
Net sales	0.949943	1	
Advertisement and publicity	0.886287	0.70764	1

From the Table 2 it is very evident that there is a very strong and positive correlation between the three variables considered here which implies:

1. Increase in advertisement expenses shows a positive increase in net sales.
2. Company's net sales have increased over the years showing a very high demand for its products.

3. Company's expenses towards advertisements and other marketing activities have increased implementing that the company's brand image has seen a boom resulting in the company being most demanded.

#### **Conclusion**

Now these days customers have a good knowledge about the brands products, they trust the well known brand name because branded products are offering them good quality what they expect from the brands. Most of the customers are loyal with some specific brands. Customers have high awareness about the known brands as compared to an unknown brand. Well known brand companies maintain the standard of quality, that's why brand name affect the customer choice furthermore these companies are very near to the customer's needs.<sup>[1]</sup>

Most of the people purchase bikes due to the brand name, they know brand names means good quality and they choose the well known brand bikes with confidence. Customers have many choices in the automobile industry. So when customers intend to purchase a bike, brand name influences the customer's decision. Customers consider many things about the bikes, one of the prominent among them is the brand name. In this competitive market, brand name is an asset for a company and it can be used as an effective marketing tool. Every brand name has its own reputation in the customer's mind. People in my survey; have given some ranks to the different brands bikes due to its quality and price.

As per the empirical finding, there is a positive experience with the brand will develop the customer's trust in the company brand and will also have them as a loyal customer. I also found out, from my study, that well known brands are more popular than unknown brand. Customers prefer to purchase a well known brand product, he had already heard of rather than going for the product they do not know much about. Branded products have found good place in customers mind and they have positive past experience about them.

In this competitive market it is a hard task for companies to create a well known brand that is popular. It requires more efforts, but they can achieve this goal if they gain a lot from it. It will make the customers to have trust the brand name more and result of that customer become a more loyal to that brand. In my opinion many companies do not understand the importance of the creating a

well known brand name. Companies create brand awareness about the brand as customers will begin to recognize the brand name, therefore get a place in consumer mind for future purchase.

When customers have an emotional connection with the brand, he or she will have more confidence on the brand and it is more possible that customers will become loyal. In order to create an emotional connection to the customers, the company logo or name is an easy way to get the customer's recognize and understand the brand products. When customers go for purchasing, he or she can easily identify the product through brand name or logo.

When people intend to purchase products, before purchasing a product customers take some steps, these steps are very helpful to customers to decide which brand product should be purchased. But it is not necessary that customer will take all steps for every purchase, it depends on the customer's involvement and how much importance customers give to purchase. In this regard customers gather some information about the different brand products and compare them to each others. Then they evaluate the different products' attributes before making a final purchase.

People are getting more aware and up to date regarding branded bikes. Now they have more knowledge about the automobile bike market. The study also describes that many people watch TV, read the news paper, magazines and use the internet for regular basic for update information about the different branded products. People's perceptions are very strong regarding branded bikes. People are very close to the branded products and brand name and it influences their choice.

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Table 1: Correlation between Leverage and Other Variables

		Leverage	Tangibility	NDTS	Profitability	Business Risk	Growth	Size
Leverage	Pearson Correlation	1	.605	.813**	.652	-.123	.717*	.490
	Sig. (2-tailed)		.084	.008	.057	.753	.030	.180
Tangibility	Pearson Correlation	.605	1	.777*	.274	-.560	.766*	.855**
	Sig. (2-tailed)	.054		.014	.476	.117	.016	.003
NDTS	Pearson Correlation	.813**	.777*	1	.367	-.040	.529	.420
	Sig. (2-tailed)	.008	.014		.331	.918	.143	.260
Profitability	Pearson Correlation	.652	.274	.367	1	-.411	.345	.322
	Sig. (2-tailed)	.057	.476	.331		.272	.363	.398
Business Risk	Pearson Correlation	-.123	-.560	-.040	-.411	1	-.487	-.776*
	Sig. (2-tailed)	.753	.117	.918	.272		.184	.014
Growth Opportunities	Pearson Correlation	.717*	.766*	.529	.345	-.487	1	.869**
	Sig. (2-tailed)	.030	.016	.143	.363	.184		.002
Size	Pearson Correlation	.490	.855**	.420	.322	-.776*	.869**	1
	Sig. (2-tailed)	.180	.003	.260	.398	.014	.002	

\* Correlation is significant at the 0.05 level (2-tailed).

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

# **Enhancement of Women Empowerment through Self-Help Groups: A case study on West Bengal**

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## **Abstract**

*Poverty is a social-economic phenomenon in which a section of society is unable to fulfil its basic necessities of life. Self-help Group plays an important role in developing rural women in self employment. Women in SHGs have been encouraged by the government as well as NGOs to undertake self-employment ventures with locally available resources. Loans are disbursed to the female members of self-help groups as many initiatives taken up by the government for giving loans is more and these initiatives have been taken in such a manner that the society is working towards female empowerment. SHG programs have the potential to transform power relations and empower the poor—both men and women. In West Bengal, the SHGs have been playing a vital role in the empowerment of women. This is an important institution for improving the life of women on various social, political and economic components. Since, majority of the SHG members are women we can conclude that the SHGs are helpful for the empowerment of women and eradication of poverty.*

**Keywords:** Micro-finance, Self-help Group, Women Empowerment.

## **Introduction**

According to a recent Indian government committee constituted to estimate poverty, nearly 38% of India's population (380 million) is poor. Even after more than 50 years of Independence India still has the world's largest number of poor people in a single country. Of its nearly 1 billion inhabitants, an estimated 260.3 million are below the poverty line, of which 193.2 million are in the rural areas and 67.1 million are in urban areas.

West Bengal had a glorious legacy in education, industry and other fronts. Yet, the overall economic and social conditions of the state have declined since the 1960s; the state's per capita annual income in 2013-14 was Rs. 69,000 which is lower than the national average of Rs. 74,000. More than one-third of the population in Purulia district lives in extreme poverty.

Similarly, Uttar Dinajpur, Malda, Birbhum and Bankura districts display high concentrations of poor population.

Micro-finance is a new banking concept to the un-bankable people of the world. It brings credit, savings, and other essential financial services within the reach of the millions of people globally who are too poor to serve by regular banking network. Micro-finance is the provision of providing very small loans that are repaid within short periods of time and is essentially used by low income individuals and households.<sup>[1]</sup>

Woman empowerment is bringing women into the mainstream of national development. The ministry of rural development has special components for women in its programmes. Funds are earmarked as "Women's component" to ensure flow of adequate resources for the same.

SHGs: The origin of SHGs is from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift .SHG is a media for the development of saving habit among the women. SHGs help millions of women from villages improve their incomes, educate their children and buy assets.<sup>[4]</sup>

## **Methodology**

The study is mainly done to review the various livelihood development programmes and micro finance institutions and to trace out the financial progress of Women Self - Help Groups in West Bengal. The main research work is how the status of women has increased and is making countless efforts for enhancing women empowerment with the help of Self-help groups. Out of 21 districts, which districts are empowering women through SHG's. The study is based on secondary data that has been collected from annual reports of microfinance and Primary Agricultural Cooperative Societies.<sup>[2]</sup>

## Results and Discussion

The major features of selected livelihood programmes of West Bengal:

**Muktidhara** – The Muktidhara project in West Bengal was launched in March 2013 on a pilot basis in Purulia district to improve the socioeconomic status of the rural people. The ‘Muktidhara’ project has two distinct features: Zero cash subsidy and individual nurturing through group effort.

**Anandadhara** – In West Bengal, NRLM has been launched as ANANDADHARA on 17th May, 2012. It aims to ensure that at least one member from each of the identified poor rural household is brought under the Self Help Group (SHG) network. National Rural Livelihoods Mission (NRLM) in West Bengal recognizes that the poor people have the potential to come out of poverty with proper handholding, training and capacity building and credit linkage.

Purba Midinipur District is pioneer one in West Bengal in implementation of SGSY programme, especially in formation of Self Help Group (SHG) and its institutions. 23,906 SHGs have been formed & 22,052 SHGs have been passed 1st grading & started economic activities with their bank credit and financial assistance by DRDC (Revolving Fund).<sup>[3]</sup>

Total savings of all SHGs under this district is Rs. 8,792.65 lakh as on 31.03.2013.

### *Microfinance Institutions in West Bengal*

1. **Bandhan Financial Services Private Ltd (BF-SPL)**: Bandhan, a Kolkata-based microfinance company was established in 2001 as a micro-finance institution to lend capital to poor but energetic women of West Bengal. The main thrust of Bandhan is to work with women. Till now, Bandhan has disbursed Rs 328,290 million for the upliftment of women and rural population of India. Currently, Bandhan is actively working in 22 states and union territories and has a network of more 2,016 branches with more than 5.6 million happy customers. However, the priority areas of this microfinance institution are West Bengal, Odisha, Bihar, Jharkhand, Uttar Pradesh and north-eastern states.
2. **Swayamsampurna**: Swayamsampurna is a financial federation run by rural women from 48 villages in Bishnupur Block 1&2 and Thakurpukur Maheshtala block in the district of South 24 Parganas in West Bengal. 659 self-help

groups (SHGs) comprising nearly 8500 women are involved with Swayamsampurna. Together, they save money, take loans and fight against the patriarchal challenges they face in their community. The basic objectives of Swayamsampurna’s microfinance institution (MFI) model are:

- ◆ Providing alternative credit facilities with fair lending practices to oppose the prevalence of collateral-based money lending;
- ◆ Providing small-savings facilities for women;
- ◆ Enhancing the financial management skills of women, empowering them to run self-managed financial institutions;
- ◆ Facilitating workshops aimed at developing the finance-management skills, awareness and confidence of women.

We can see that among the total number of members in an SHG , almost 90% (on an average) are female members. On this note we can say that there is a progress on women empowerment in West Bengal.

Table 1: Particulars of Total Deposits

Name of the District	Female members	Total deposit raised (Rs in lakh)
Bankura	109848	959.38
Birbhum	13259	252.46
Burdwan-i	43168	398.86
Burdwan-ii	43020	442.36
Burdwan-iii	1830	24.4
Coochbehar	57000	357.08
Dinajpur	22542	242.36
Darjeeling	5006	56.97
Hooghly	195012	1875.74
Howrah	26321	437.34
Jalpaiguri	22719	219.54
Malda	101883	916.49
Murshidabad	90887	1529.93
N. 24-parganas	8702	185.97
Nadia	115384	1067.53
Pashim medinipur	33798	392.48
Purba medinipur-i	38621	420.65
Purba medinipur-ii	91724	954.03
Purulia	29232	142.09
S. 24-parganas	38558	278.99
Uttar Dinajpur	63654	509.86

Source: PACS, Department of Cooperation,  
Government of West Bengal

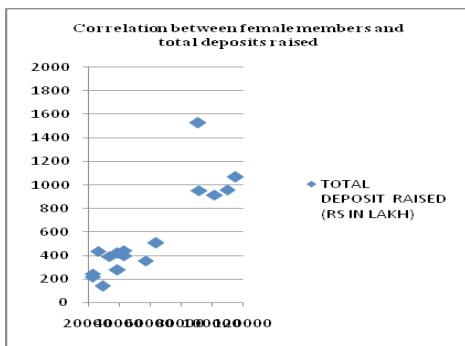


Figure 1: Correlation Analysis

Table 2: Correlations between Female Members and Total Loan Disbursed

	Female members	Total loan disbursed (Rs. in lakh)
Female members	1	
Total loan disbursed (Rs. in lakh)	0.83	1

From the given table 1.5, the correlation between female members and total loan disbursed is 0.83% which is positively correlated. Majority of loans are disbursed to the female members of self-help groups as many initiatives taken up by the government for giving loans is more and these initiatives have been taken in such a manner that the society is working towards female empowerment.

From the above mentioned districts of west Bengal it is observed that the districts Hoogly and Murshidabad ranks highest in terms of the total deposits raised and total loan disbursed to the female members of self-help groups which indicates that districts Hoogly and Murshidabad is empowering women for building a better life. Also, the relationship between the variables: y (total deposits raised, total loan disbursed) and x(female members) in both the cases are positively correlated.

## Conclusion

Empowerment of women has emerged as an important issue in our country. In India nearly half of the population consists of women. As per report published by census 2011, the state of West Bengal has a female population of 48.63% which is nearly half of the population of West Bengal. The role of women in the development of nation is very important. So women should be respected both in the society as well as in the family. To increase the status of women, they must be empowered economically. In the present study it is observed that the various

livelihood development programmes and micro finance institutions are making countless efforts for enhancing women empowerment with the help of Self-help groups. Out of 21 districts, the districts Hoogly and Murshidabad ranks highest in terms of the total deposits raised and total loan disbursed to the female members of self-help groups which indicate that districts Hoogly and Murshidabad is empowering women for building a better life. Also, the relationship between the variables: y (total deposits raised, total loan disbursed) and x (female members) in both the cases are positively correlated.

In West Bengal, the SHGs have been playing a vital role in the empowerment of women. This is an important institution for improving the life of women on various social, political and economic components. The number of women inclined towards SHG is increasing which implies that women are aspiring for empowerment. Since, majority of the SHG members are women we can conclude that the SHGs are helpful for the empowerment of women and eradication of poverty in the study area.

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# A Study on Mergers and Acquisitions of Selected Banks in India

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## Abstract

The banking industry is an important area in which mergers and acquisitions do make enormous financial gains. The objective of the study is to analyze the impact of merger on the financial performance of the selected 5 merged commercial banks in India and to find out the impact on the technical efficiency of the banks post merger using Data Envelopment Analysis (DEA).

**Keywords:** Banks, Mergers & Acquisitions

## Introduction

Mergers and Acquisitions are being used extensively as a tool for growth by firms across the globe. M&A offer inorganic route of growth for firms both within (domestic deals) and across (cross border deals) the boundaries. The last two decades have observed varied movements in the M&A activity in the Indian context with the largest number of deals being observed in 2007 in a span of 11 years between 1999 to 2009. With the revival of the global economies post 2003, the M&A activity also registered a boost in India. This period of heightened M&A activity also corresponded with growing Indian economy and well performing financial markets including the Indian stock markets. Despite this fact, the evaluation of M&A including domestic and cross-border deals remained largely un-touched.<sup>[1]</sup>

The Government of India has adopted the route of mergers among others with a view to restructure the banking system. Many small and weak banks have been merged with other banks mainly have to protect the interests of depositors. These may be classified as forced mergers. When a specific bank shows serious symptoms of sickness such as huge NPAs, erosion in net worth or substantial decline in capital adequacy ratio, RBI imposes moratorium under section 45(1) of Banking Regulation Act 1949 for a specific period on the activities of sick bank. In the moratorium period RBI identifies strong banks and asks that bank to prepare a scheme of merger. In the merger scheme, normally the acquiring takes up all assets and liabilities of the weak bank and ensures payment to all depositors in case they wish to withdraw their claims.<sup>[2]</sup>

The Indian banking sector is going through a process of restructuring mainly driven by pervasive trends such as deregulation, disintermediation, technological progress, innovation and severe

competition. To gain competitive cost advantage, consolidation of operation in the form of M&A is one of the effective strategies widely adopted by the bankers.<sup>[4]</sup> Mergers in banks are considered for the purpose of:

1. Expansion/diversification
2. Upgradation of technology
3. Loss making bank merged with another healthy bank for revival
4. Healthy bank merged with another healthy bank to become financially stronger, to meet competitive pressures
5. Growth in profits
6. Increase market share, etc.

The objectives of the study are:-

1. To analyze the impact of merger on the financial performance of the selected merged commercial banks in India.
2. To find out the impact on the technical efficiency of the banks post merger using Data Envelopment Analysis (DEA).
3. It is necessary to include undesirable outputs in evaluations of bank performance. Traditional DEA approaches have mostly been used to evaluate bank performance without considering the influence of undesirable outputs. The results do not offer a comprehensive picture of performance evaluation.<sup>[3]</sup>

## Methodology

### Sample Banks:

The following bank mergers have been selected for the study:

1. Merger of Oriental Bank of Commerce (acquirer bank) and Global Trust Bank (acquired bank).
2. Merger of IDBI Bank Ltd (acquirer bank) and United Western B(acquired bank).

3. Merger of the Indian Overseas Bank (acquirer bank) and Bharat Overseas Bank (acquired bank).
4. Merger of HDFC Bank Ltd. (acquirer bank) and Centurion Bank of Punjab (acquired bank).
5. Merger of ICICI Bank Ltd. (acquirer bank) and Bank of Rajasthan (acquired bank)

6. Debt Equity Ratio = Total Debt / Share Holder Equity

To analyze the impact of merger, pre and post-merger 3 years data of the above ratios is considered excluding the year of merger in each case.

Paired t-test is applied to find whether there is any significant difference in the financial pre and post merger of the selected commercial banks in India.

Data Envelopment Analysis (DEA) is also being used in the study to find out the impact on the technical efficiency of the selected commercial banks post merger.

### **Data source**

The data for the study is obtained from the CMIE database.

### **Tools Used**

The performance of the banks has been evaluated based on the following financial ratios:

1. Return on Assets= Total Assets/Shareholder's Fund × 100
2. Net Profit Margin = Net Profit/Sales × 100
3. Credit Deposit Ratio= Net Loans/Total Deposits
4. Return on Capital Employed (ROCE) = Net Profit/Total Assets × 100
5. Return on Equity (ROE) = Net Profit/Equity Share Holder's Funds × 100

Table 1: Financial Ratios of Oriental Bank of Commerce Pre & Post Merger

Financial Ratios	Before merger 3 years			After merger 3 years		
	As on 31.3.07	As on 31.3.08	As on 31.3.09	As on 31.3.11	As on 31.3.12	As on 31.3.13
Return on Assets	0.8	1	1.3	1.4	1.39	1.21
Net Profit Margin	6.7	9.12	11.89	19.44	12.54	15.35
Credit-Deposit Ratio	44.88	49.7	52.59	52.87	66.89	68.97
Return on Capital Employed	0.75	0.99	1.34	1.34	0.95	0.79
Return on Equity	13.63	20.23	24.51	25.34	13.11	10.78
Debt Equity Ratio	129.06	150.8	158.42	251.7	257.44	203.48

Source: [www.moneycontrol.com](http://www.moneycontrol.com)

To know whether there is any significant difference in the financial ratios before and after merger, paired t-test is applied. The summary of the analysis presented in table.

The Credit-Deposit Ratio, as the p-value is less than 5 percent, it can be concluded that there is significant difference in this ratio before after merger.

Table 2: Financial Ratios of IDBI Bank Ltd Pre & Post Merger

Financial Ratios	Before merger 3 years			After merger 3 years		
	As on 31.3.07	As on 31.3.08	As on 31.3.09	As on 31.3.11	As on 31.3.12	As on 31.3.13
Return on Assets	0.65	1.21	1.08	1.46	1.64	1.78
Net Profit Margin	6.3	5.65	9.39	8.74	7.84	6.71
Credit-Deposit Ratio	45.44	46.4	52.8	61.71	65.26	68.93
Return on Capital Employed	0.75	0.89	0.51	0.62	0.57	0.5
Return on Equity	4.05	7.61	7.12	24	22.29	24.48
Debt Equity Ratio	78.84	80.01	99.71	118.45	154.16	216.6

Source: [www.moneycontrol.com](http://www.moneycontrol.com)

Table 3: Analysis of Financial Ratios of IDBI Bank Ltd.

		Mean	t-value	p-value
Return on Assets	Pre	0.98	-5.728	.029*
	Post	1.627		
Net Profit Margin	Pre	7.113	-0.39	0.734
	Post	7.7633		
Credit Deposit Ratio	Pre	48.2133	-19.251	0.0026*
	Post	65.3		
Return on Capital employed	Pre	0.7167	1.699	0.2314
	Post	0.5633		
Return on Equity	Pre	6.26	-11.391	0.0076*
	Post	23.59		
Debt Equity Ratio	Pre	86.187	-3.439	0.075
	Post	163.07		

Note: \*Significant at 5 percent

From Table 3, it is found that as the Return on assets, Credit-Deposit Ratio and Return on Equity, the p-value is less than 5 percent, it can be concluded that there is significant difference in this ratio before and after merger.

2. Merger of the Indian Overseas Bank (acquirer bank) and Bharat Overseas Bank (acquired bank) on 31 March, 2007. The Table 4 presents the various financial ratios of Indian Overseas Bank 3 year's pre and post merger.

Table 4: Financial Ratios of Indian Overseas Bank Pre & Post Merger

Financial Ratios	Before merger 3 years			After merger 3 years		
	As on 31.3.04	As on 31.3.05	As on 31.3.06	As on 31.3.08	As on 31.3.09	As on 31.3.10
Return on Assets	1.08	1.28	1.32	1.3	1.17	0.53
Net Profit Margin	13.6586	16.4858	17.7778	15.0891	13.751	6.9
Credit Deposit Ratio	58.7574	57.3971	58.9277	77.0069	73.9548	68.2796
Return on Capital Employed	1.0836	1.2818	1.3197	1.1803	1.095	0.5392
Return on Equity	94.1189	119.5595	143.7849	220.6938	243.3535	129.765
Debt Equity Ratio	82.2906	94.1005	166.4449	166.4449	195.7859	219.8548

Source: [www.moneycontrol.com](http://www.moneycontrol.com)

Table 5: Analysis of Financial Ratios of Indian Overseas Bank

		Mean	t-value	p-value
Return on Assets	Pre	77.192	-3.279	0.082
	Post	85.334		
Net Profit Margin	Pre	15.974	1.123	0.378
	Post	11.913		
Credit Deposit Ratio	Pre	58.361	-5.396	0.032*
	Post	73.08		
Return on Capital employed	Pre	1.228	1.122	0.378
	Post	0.938		
Return on Equity	Pre	119.154	-1.698	0.231
	Post	197.937		
Debt Equity Ratio	Pre	114.279	-5.652	0.029*
	Post	194.029		

Note: \*Significant at 5 percent

From Table 6, it is found that as the Credit Deposit Ratio and Debt-Equity ratio the p-value is less than 5 percent, it can be concluded that there is significant difference in these ratios before and after merger.

5. Merger of HDFC Bank ltd. (acquirer bank) and Centurion Bank of Punjab (acquired bank) on 23rd May, 2008

Table 6: Financial Ratios of HDFC Bank

Financial Ratios	After merger 3 years			After merger 3 years		
	As on 31.3.05	As on 31.3.06	As on 31.3.07	As on 31.3.09	As on 31.3.10	As on 31.3.11
Return on Assets	1.47	1.38	1.33	1.28	1.53	1.58
Net Profit Margin	21.5148	19.4572	16.569	13.7454	18.2322	19.7026
Credit Deposit Ratio	74.1718	71.1233	69.9402	74.7621	74.6645	76.2925
Return on Capital Employed	1.2941	1.1846	1.2511	1.2249	1.3255	1.4156
Return on Equity	214.7799	278.08	357.3843	527.7516	644.1844	843.9674
Debt Equity Ratio	134.3883	192.7486	222.6435	342.0413	393.9357	479.2908

Source: [www.moneycontrol.com](http://www.moneycontrol.com)

Table 7: Analysis of Financial Ratios of HDFC Bank

		Mean	t-value	p-value
Return on Assets	Pre	71.746	-4.48	0.046*
	Post	75.239		
Net Profit Margin	Pre	19.18	4.185	0.053
	Post	17.227		
Credit Deposit Ratio	Pre	49.019	-2.825	0.106
	Post	53.425		
Return on Capital employed	Pre	1.243	-1.492	0.274
	Post	1.322		
Return on Equity	Pre	283.415	-2.923	0.1
	Post	671.968		
Debt Equity Ratio	Pre	183.263	-3.365	0.078
	Post	405.089		

Note: \* Significant at 5 percent

For Return on Assets the p-value is less than 5 percent, it can be concluded that there is significant difference in these ratios before after merger.

6. Merger of ICICI Bank (Acquirer Bank) and Bank of Rajasthan (Acquired Bank) on May, 2010. The Table 8 presents the various financial ratios of ICICI Bank 3 years pre and post merger.

Table 8: Financial Ratios of ICICI Bank

Financial Ratios	Before merger 3 years			After merger 3 years		
	As on 31.3.07	As on 31.3.08	As on 31.3.09	As on 31.3.11	As on 31.3.12	As on 31.3.13
Return on Assets	1.09	1.12	0.98	1.35	1.5	1.7
Net Profit Margin	10.81	10.5	9.74	19.83	19.27	20.77
Credit-Deposit Ratio	84.97	92.3	99.98	95.91	99.31	99.19
Return on Capital Employed	0.9023	1.04	0.9908	1.268	1.3649	1.5509
Return on Equity	13.17	11.63	7.77	9.65	11.2	13.1
Debt Equity Ratio	383.3793	278.5975	256.6676	290.934	343.1613	379.5104

Source: [www.moneycontrol.com](http://www.moneycontrol.com)

Table 9: Analysis of Financial Ratios of ICICI Bank

		Mean	t-value	p-value
Return on Assets	Pre	1.0633	-3.2907	0.081
	Post	1.5167		
Net Profit Margin	Pre	10.35	-13.43	0.005*
	Post	19.957		
Credit Deposit Ratio	Pre	92.417	-1.659	0.239
	Post	98.137		
Return on Capital employed	Pre	0.978	-5.745	0.029*
	Post	1.395		
Return on Equity	Pre	10.857	-0.177	0.876
	Post	11.317		
Debt Equity Ratio	Pre	306.21	-0.492	0.671
	Post	337.87		

Note: \*Significant at 5 percent

For Return on Capital employed and Net Profit Margin the p-value is less than 5 percent, it can be concluded that there is significant difference in these ratios before after merger. Data Envelopment Analysis (DEA), a nonparametric test is applied to analyse the efficiency changes during the merger process considering merged banks as economic units. The output vectors for the study are non-interest income and interest income and the interest expense and non-interest expense are the input vectors.

Table 10: Pre and Post Merger Technical Efficiency of the Banks

Bank	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OBC	0.97	0.98*	1	1	1	1	1	1	1	0.99	1	1
IDBI	1	1	1	1*	1	1	1	1	1	1	1	1
IOB	0.96	0.92	0.90	0.98	1*	1	1	0.96	0.95	0.96	0.94	0.98
HDFC	1	1	1	1	1	1*	1	1	1	1	1	1
ICICI	1	1	1	1	1	1	1	1*	1	1	1	1

\*Merger year of the bank

Source: Manually in Deap version 2.1

The pre-merger technical efficiency scores of the selected merged banks like Indian Overseas bank and Oriental Bank of Commerce shows efficiency scores less than 1 but in post-merger it shows that efficiency score of the banks has been 1, during all the year except 2012 for Oriental Bank of Commerce and 2010 to 2014 for Indian Overseas Bank. The results suggest that the acquiring bank has performed relatively well in transforming expenditure into income and the mergers and acquisitions for these banks proved useful.

## Conclusion

Bank in general terminology is referred to as an financial institution or a corporation which is authorized by the state or central government to deal with money by accepting deposits, giving out loan and investing in securities. The important roles of banks are economic growth, expansion of the economy and provide funds for investment. In the

resent times banking sector has been undergoing a lot of changes in terms of regulation and effects of globalization. These changes have affected this sector both structurally and strategically. With the changing environment many different strategies have been adopted by this sector to remain efficient and to surge ahead in the global arena. One such strategy is through the process of consolidation of banks emerged as one of the most profitable strategy. There are several ways to consolidate the banking industry; the most commonly adopted by banks is merger.<sup>[5]</sup>

This study shows the impact of merger on the financial performance of the selected merged commercial banks in India. For this a comparison between pre and post-merger performance examined in terms of Credit-Deposit Ratio, Net Profit margin, Return on assets, Return on Capital employed, Return on Equity and Debt equity ratio is performed

in this study. In the present case studies the banks have shown improvement in some of the ratios after the merger. Even the application of DEA to calculate the technical efficiency of the selected merged banks also supports the fact that there was an improvement in the technical efficiency of the selected banks post-merger.

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# **Case Study on Customer's Perception on Made-in-China influence Indian Market with Special Reference to Mobile Industry**

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## **Abstract**

*China and India ranked among the world's largest developing nations, fastest growing economies. However, most importantly, they are among the foremost rising powers in Asia. In the past quarter of a century, China's productive forces and overall national strength is now widely perceived as "the rise of China." Chinese electronic goods like radio, torch, DVD players, etc., is reigning supreme in the Indian market. Decorative items, fashion accessories like slippers, jewelry, hand bags, etc., receive huge responses during festive seasons in India. Indian markets are now flooded with Chinese made idols which are welcomed with open arms by the Indian consumers. Globalization and liberalization offer competitive openings for several world brands to the Indian markets. The substantial increase in consumers' demand for imported products with considerable attraction for 'made in China' brands inspired this study.*

**Key Words:** Brands, Perception, Purchase Behavior

## **Introduction**

It is important due to increasing trade between India and China. Many factors contribute to China's economic success. Economic reform, the opening-up policy, stable international environment, large-scale development, export-oriented strategy, central-led investment, national consensus and support play important roles in China's economic growth. In spite of its three decades of sustained high economic growth rates, China has an image and reputation of a low cost producer in the global market place.

The magnitude of India-China trade highlights that the trade between the two countries has grown very robustly. In emerging countries, a brand origin can be classified as either foreign or domestic. Country of Origin (COO) effect on consumer attitudes toward purchases from different countries has long been recognized in the literature. Country of origin is another important concept in international marketing that has been documented to affect consumer perceptions evidently, observation of current trends in regional markets also exposes that in order to withstand the rising inflation in India, regional markets prefer more made in China brands than any other foreign products. China, however, "understands that it needs to move beyond a low cost production model into higher value-added products". The economic liberalization in 1991 brought various products and brands into India and transformed the lifestyle of consumers in the country. Country of origin image influences and

determines consumer's perceptions of a product and thus, has an impact on the purchase decision and the use of a product or service. Country-of-Origin (COO) image is the key factor that influences consumer's perception of a product. The quality of unfamiliar foreign brands is inferred through country image. Positive country-of-origin image can be used as a powerful marketing tool.

In emerging markets, economic reform and development have led to the emergence of a consumer society. Although existing studies have found some differences in consumer attitudes toward marketing between developed economies and developing countries, research findings have been inconclusive. China, as one of the Big Emerging Markets (BEMs), provides a useful context for examining these issues.

Purchase behaviour is measured on purchase intends which gets affected by quality, functionality, performance, brand with multicoated manufacturing units leading to diffused country of origin and image and psychic distance. These factors are built in to questionnaire. If a firm is able to create a strong brand it can attract customers and build barriers against competition. Branding allows firms to differentiate their products both from competitors and commodity products; therefore, the firm no longer has to compete exclusively on price.<sup>[1]</sup> This requires study in Indian context as India is one of the biggest trade partner of Chinese region products.

The trade association of Chinese products and Indian markets is a long story. As Indian history has witnessed the material imports of Chinese silk, porcelains and herbal medicines, made in China brands are not being new to Indian consumers.

Hence, with a long tradition-bound trade relationship, both the countries believe that in an increasingly flat world, if the trade between two nations emerges to be the multiplicative function of their GDPs, obviously by 2050, they could come out as the two largest economies in the global market.

Consequently, the magnitude of India-China trade highlights that the trade between the two countries has grown very robustly with a growth of 54 per cent rate during 2002-2007. In addition, after adjusting for partner GDP India's trade with China has turned to be greater than that with Japan or any other Asian countries by accepting China as its number one trading partner. Chinese products of comparable quality, novel conception and low prices have been flooding the Indian market. The differential in price ranges from 20% to as high as 50%. Conversely, companies are sourcing products for the Indian market from China and some like the Patel Group are proposing to shift their entire operations to China.

Chinese business acumen and China's competencies in the higher end of the technology spectrum requires highly skilled labour. China is doing what Japan did in the 1970s and South Korea in the 1980s. An alternative strategy for India could be to build a competitive advantage in the services and knowledge based sectors, allowing the Chinese to rule our manufacturing sectors.

Consumers' attitudes towards marketing activities are important from both a theoretical and a managerial standpoint. As consumer attitudes significantly affect their behavioral responses to marketing activities, knowledge of consumers' attitudes toward marketing has been used in economic forecast and found to be linked to several key macroeconomic variables.<sup>[2]</sup> Existing research has dealt with consumers' overall attitudes toward marketing as well as specific marketing activities such as advertising and pricing.

Past research has established that consumers predict product quality/performance based on the association between brands and their COO images. Consumers often make associations between products and countries based on their perceptions

of a country's know-how and reputation relative to the design, manufacture and branding of particular generic goods. The literature on country-of-origin effects suggests that, due to the rise in multinational production, international companies are increasingly paying less attention to the importance of country of origin as a source of competitive advantage and as a driver of customer preferences but, as global sourcing leads to an increasing number of bi-national products, consumers' evaluation becomes more complex as products are then associated with more than one country. Nowadays, it is rare for the brand origin (country from which the brand originates) and the country of manufacture (where the product is actually made) to be the same.<sup>[3]</sup> It is unclear in emerging countries whether consumers favor global or local brands. A Local-owned brand is a one owned by a domestic company whereas, a foreign-owned brand owned by a foreign firm. COO-has major issue for international marketing operations: Multinational production, global branding and the decline of origin labeling in WTO rules tend to blur the COO issue and lessen its relevance". Many times consumers may know the brands but may not know the country of origin. COO might have played some role in product choice.

On recent past, some research has explored the perception studies on China brands. Country of origin will affect only if consumer has knowledge of country, political relationship, product knowledge due to past experience and availability. Chinese brands image due to made in China was not perceived well in Hongkong except for the price. Chinese brand has a reputation of low cost and made in a developing nation' would turn off US consumers due to lack of familiarity or inferior image. The effect may be cognitive affective or normative aspect of country of origin. Many Chinese exporters adopt the stereotypic "price leadership" product strategy due to corporate climate, factor costs and demand conditions. Both trends erode China's historical cheap labor, price leadership "advantage". Cost advantage, technological advantage, quality advantage and functional advantage led to the development of distinct cross-national perceptions of product. Products from Japan, USA, Germany, and China have their own image globally.

As a result of the rapid globalization of business in various regions of the world, rigorous measures of consumer sentiment toward marketing for cross-cultural comparison are needed. Some believe that with less experience than those in developed

economies, consumers from industrializing markets may have more favorable attitudes toward various marketing activities (Ho 2001). Several studies confirmed such a proposition.

Despite wide variations in the volume of advertising and different levels of government regulation of advertising from one country to another, negative views about advertising seem to be a universal phenomenon, and perhaps more so in developing economies.<sup>[4]</sup>

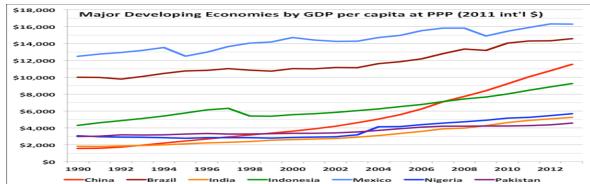


Figure 1: GDP Per Capita at Purchasing-power Parity (in Constant 2011 International Dollars)

As China starts to export more than just the world's manufactured goods, we'll see a push to change perceptions around what it means to be "Made in China." Already a leading crop of businesses are chipping away at some of the key issues standing between Chinese brands and global success. The shift from China as the world's factory to China as a brand creator and marketer is well underway." China's brands have seen an "explosion of value," as Brand recently noted, due to factors including a booming and increasingly discerning middle class, product commoditization, efforts to drive homegrown business and heated domestic competition (from both local and international companies). While we found very low awareness of Chinese brands among American and British consumers, they may already be customers of the leading crop of Chinese labels. Among them:

Lenovo, expected to become the world's largest PC manufacturer in 2012. The company, which launched its first global branding campaign last year, garnered global attention when it bought IBM's PC division for \$1.75 billion in 2005.

Huawei, which recently slipped past Ericsson to become the world's largest telecom-equipment vendor and ranked among the world's top three patent applicants in 2011

Haier currently holds the largest share of the global appliance market (close to 8% of the sector).

As perceptions of China align with this new status quo, and as its marketers find ways to knock down

the obstacles to global expansion, expect some new, possibly formidable rivals to today's global consumer brands.

China and India are booming. Superficially it is easy to be impressed. We note that annual growth rates in Gross Domestic Product (GDP) have been sustained over the past few years at 8-10 per cent, sometimes even higher. Analyses of China and India point to the major investment in education that is turning out many thousands of top-class engineers and scientists annually. It seems that so many of our manufactured goods carry a "Made in China" label and that our call centre services are increasingly located in India. The recent rises in energy and commodity prices are partly explained by the rapid growth in demand from China and India. Moreover it seems to be assumed that this level of overall economic growth will continue indefinitely and that unless we in "The West" get involved in it, we will live to regret it.

Chinese products are mostly low on quality. Such as last year, on Diwali, Indian market had been flooded with Chinese crackers containing Sulphur. Sulphur is dangerous than Nitrate used by Indian cracker makers. Their low price attracted lots of buyers which really affected the revenue of the Indian cracker industry.

Another industry that has been affected so badly by the Chinese version is the toy industry in India. As per the reports of the ASSOCHAM there are so many Chinese toys in the market that Indian toy industry is finding very hard to survive. In the last 5 years near about 40% of the Indian toy companies have been shut down. Rest 20% is on the verge of closing down. In the last 4-5 years near about 2000 SMEs have been closed down. The ASSOCHAM has also revealed that China has the largest toy market in the world and enjoys 45% of the total share whereas India has a very little part in this and enjoys just 0.51% share. Indian manufacturers serve 20% of the market and the rest is served by China and Italy. In the period between 2001-2012, the total import of the Indian toy industry has increased by 25.21%. It is expected that toy industry will grow further. Chinese products have also led to the shutdown of 60% of industrial units in Thane and Bhivandi. Hence there are many industries and manufacturers who are facing the heat of Chinese competition.

Chinese goods are relatively cheaper, widely available and give huge profit to the dealers. But on the other hand Chinese electronic goods are not safe,

of inferior quality and come without guarantee or service. These do not last for a long period of time, Chinese goods in India has resulted in the closure of many manufacturing units. Also the supply chain cost in China is very less as compared to India making the products further cheap.

Some manufacturers in India are even importing Chinese goods and selling these under their label. Indian manufacturers are especially importing the non-branded smart phones from China and selling these with warranty and service. In order to sell dual-SIM smartphones in India China Wireless Technologies tied up with Reliance Communications, India's second-largest telecommunications service provider.

India must look into its administration to reduce the import of Chinese goods. Our economy is agriculture based and slowly service sector is also getting into it. But the most important contributor to our economy is agriculture. Labour force is available in huge number but ways to earn money are reducing. This is happening because natural resources are reducing which is leading to a significant reduction in agriculture. Poor infrastructure is another problem in India which is adding to the time and cost of production. Government should encourage local small business enterprises to reduce the foreign goods in the market.

### **Research Methodology**

First a close-ended questionnaire is developed to measure consumer attitude towards various marketing activities of China-made products in India. The research was carried out in two parts based on the responses collected. They are:-

A random sampling was done on fifty respondents and then bar-graphs and pie-charts were drawn based on the various parameters:

1. Bar showing age-group generally targeted and covered.
2. Bar showing preferred choices of brands of the total respondents.
3. Bar showing areas of purchase.
4. Bar showing customer's ranking the mobile phone.
5. Bar showing general budget of respondents for purchasing a mobile phone.
6. Bar showing important attributes for customers.
7. Bar showing customers perspective for phones made in China.

To find out the relations between:

1. Different mobile phone brands and age-groups.
2. Different mobile phone brands and gender category.
3. Different mobile phone brands and customer's educational qualifications.
4. Different mobile phone brands and customer's employment pattern.
5. Different mobile phone brands and customer's monthly income.

### **Results And Discussion**

Out of 50 samples collected all the respondents possesses a cell/mobile phones.

This survey was conducted on the basis of 24 questions related to their demographic profile, choices, preferences, experiences, etc. I have taken 50 random respondents to calculate the overall customers perspective on made in China phones influencing Indian markets through their valuable inputs. It was conducted randomly in nearby known friends, family members, neighbours etc. The survey was taken for 7 days to complete and further 3 days to calculate and analyse it statistically.

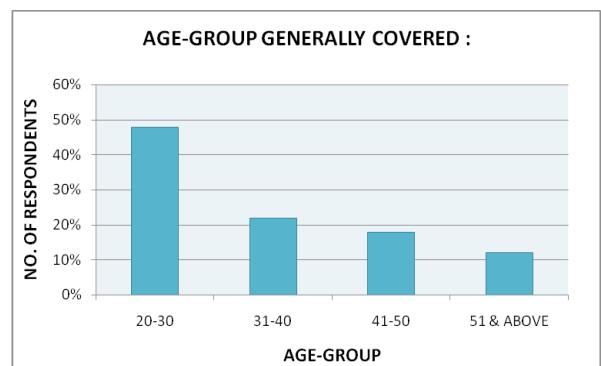


Figure 2: Age-Group Distribution of the Respondents

Respondents filled the questionnaires generally are of the age-group lying between 20-30 which represents the young generation and future of the city.

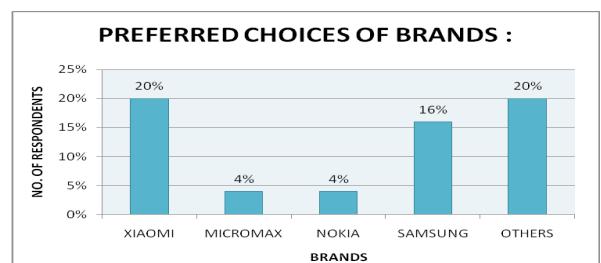


Figure 3: Preferred Choices of Brands Among the Respondents

Xiaomi is a Chinese company which is usually not very common and popular among us. But, its sales through online is highest. It is always seen out of stock and as soon as it is in the hands of the sellers the Xiaomi phone is purchased then and there. It is new in the market still covers 20% of the preferences of the customers.



Figure 4: Purchase Destination of the Respondents

Generally these 50 customers shop from local market or online. They rarely go for a shopping mall or showroom for purchase of mobile phones in order to avoid taxes and save time. So this is again showing the increasing trend for preferences towards phones made in china and sold here in India through online.

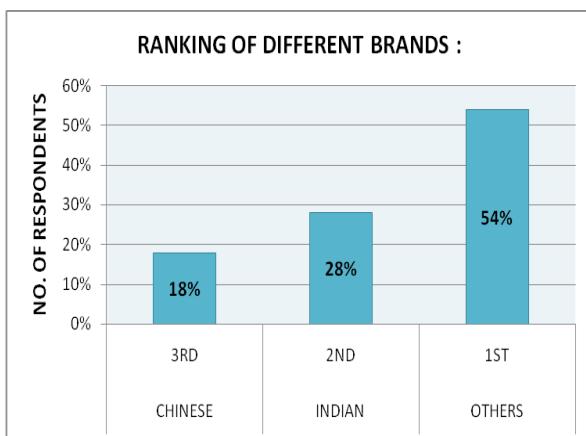


Figure 5: Ranking of the Different Brands by the Respondents

\*\*&^&As compared to other companies Chinese products in terms of mobile phones has flourished 1/3rd of other companies which might soon capture the Indian market in large share. It is showing that 18% of people ranking phones of China in first ranking as compared to Indians ranking only 28% of people in first ranking and rest of the percentages of majority are captured by others.

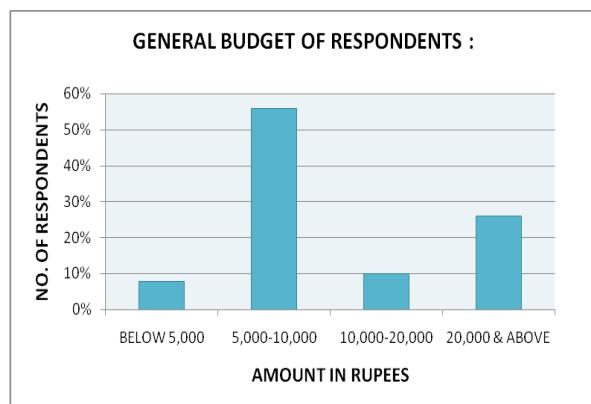


Figure 6: General Budget of Respondents

Maximum people purchasing phones of range lying between Rs 5,000-10,000 which is the highly and the mostly available range of phones made in China. General responses shows that less than 10% of people prefer a budget below Rs. 5,000. Exactly 10% of them prefer a budget between Rs 10,000-20,000. Whereas, 26% of them have their budget above Rs 20,000.



Figure 7: Important Attributes

People are concerned about their style and look more than quality. Phones made in China are no doubt at its peak when it comes to its looks, appearances and its vibrant colors. Price also plays second important role in the minds of customers. People do look for quality also, very few people make the choices of phones on the basis of service centers available.

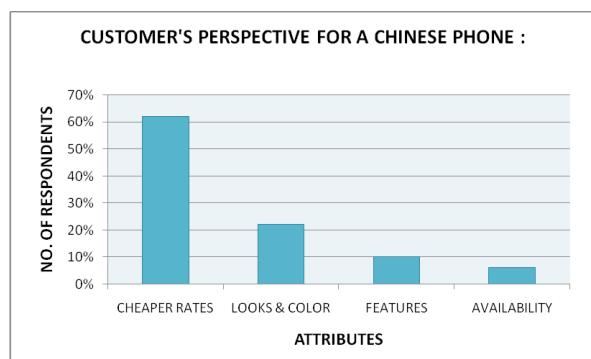


Figure 8: Customer's Perspective for a Chinese Phone

India is still lagging behind and among the poor countries which strives for cheaper products be it a mobile phone or any other product or service. Phones made in China have entered and influenced majority of its customers because of its cheapest rates till the date.

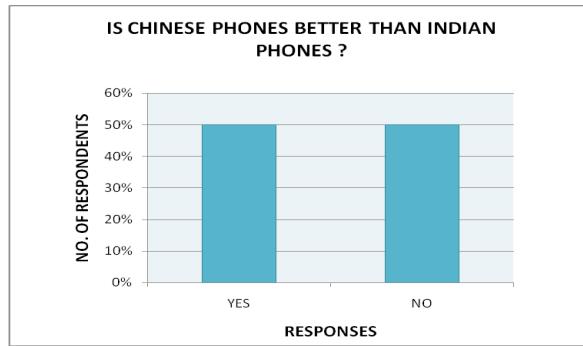


Figure 9: Preference of Respondents for Chinese Phones

Half of the population is in favour of Chinese products even though they are not making purchases of phones made in China still they think that they are better than Indian phones.

## Correlations

Table 1: Relation between Different Brands and Age-Groups

Age-Group (Rs)	X	Xiaomi	Micromax	Nokia	Samsung	Others
20-30	24	8	1	0	10	5
31-40	11	2	1	0	3	5
41-50	9	0	0	2	2	5
51 & Above	6	0	0	0	1	5
Correlations		0.987245	0.72739297	-0.29397	0.9978283	0.8620689

Since the age-group covered in sampling is targeted between 20-30, the correlations values are found with respect to all the brands. ‘Xiaomi’, one of the most popular Chinese brands is highly correlated after Samsung which is a Korean company. This interprets that young generations are targeting more on Samsung and Xiaomi. Whereas, micromax an Indian company has a correlation value of approximately 0.73 this is comparatively quiet low as compared to Xiaomi Company

Table 2: Relation Between Different Brands and Gender Category

Categories	X	Xiaomi	Micromax	Nokia	Samsung	Others
Male	30	8	2	0	12	8
Female	20	2	0	2	4	12
Correlations		1	1	-1	1	-1

Relationship between brands and gender category is perfectly correlated with Xiaomi (Chinese company), Micromax (Indian company), and Samsung (Korean company). However, Nokia, a Japanese company and other brands covers 70 % of female users which is negatively correlated because of very negligible consumption by the male customer.

Table 3: Relation between Different Brands and Employment Pattern

Employment Pattern	X	Xiaomi	Micromax	Nokia	Samsung	Others
Home-Maker	6	0	0	1	2	3
Private Sector	17	5	1	0	8	3
Self-Employed	3	1	1	1	0	0
Others	24	4	0	0	6	14
Correlations		0.847628	-0.29617444	-0.94776	0.8616589	0.859918

This shows that home-makers generally prefer Nokia and Samsung as compared to other companies, whereas, the relation between employment pattern and different brands are correlated in case of Xiaomi, Samsung and others (in case of working people) and are negatively correlated to Micromax and Nokia.

Table 4: Relation between Different Brands and Monthly Income

Monthly Income	X	Xiaomi	Micromax	Nokia	Samsung	Others
Upto Rs 15,000	2	2	0	0	0	0
Rs 15001-30,000	13	8	2	0	3	0
Rs 30001-45,000	29	0	0	2	12	15
Rs 45001 & Above	6	0	0	0	1	5
Correlations		-0.12575	0.0280056	0.924185	0.9868283	0.851257

Monthly income does not affect the consumption of Xiaomi because they are available at the best and cheapest possible prices due to which the preferences are not affected. Therefore, the relation between income and Xiaomi are negatively correlated. High income people go for more of Samsung phones, then Nokia phones and then the other companies. Some also prefer Indian phones like Micromax with the change in income.

## Conclusion

Chinese companies have been great in peddling their products in India. Some of China's biggest exports to India are telecommunications equipment, computer hardware, industrial machinery and other manufactured goods. Chinese expansion in Central Asia is seen very carefully in India. It is becoming clear that China is going to provide tough competition to India in terms of both energy and trade. Simple realistic logic would suggest close Indo-U.S. cooperation in Central Asia. These realities are fueling India's "forward" Central Asia policy. There is also a feeling of urgency in policy circles to discover a strategy where India is able to reach the region over land. However, China may try to accommodate some of India's security and economic concerns. Prime Minister, Narendra Modi will be seeking better access to Chinese markets to correct the widening trade imbalance. Console, since it suggests the country's economy could remain on a China-like trajectory for years to come. But concern, because India's delay could mean that the country has missed out on some big advantages that catalyzed China's boom.

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# **Study on the Perception of Consumers towards Online Shopping**

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## **Abstract**

*Online shopping has revolutionized the business world by making everything anyone could want available by the simple click of a mouse button. The present study is to analyse the perception of working women and housewives towards online shopping. Both primary and secondary data is used in the present study. T-testing has been used. Null Hypothesis for t testing has the intention to buy online which does not vary according to employment while in Alternative Hypothesis intention of respondents varies according to employment. The study concluded that the housewives prefer retail shopping more than online shopping whereas working women prefer more of online shopping*

**Keywords:** Online Shopping, Perception, t-testing

## **Introduction**

"India is among the fastest-growing markets and has been identified as one of the significant potential markets for the company,". Retail or a shop is a business that presents a selection of goods and offers to trade or sell them to customers for money or other goods. Shopping is an activity in which a customer browses the available goods or services presented by one or more retailers with the intent to purchase a suitable selection of them. In some contexts it may be considered a leisure activity as well as an economic one. The shopping experience can range from delightful to terrible, based on a variety of factors including how the customer is treated, convenience, the type of goods being purchased, and mood. Traditional shopping environments are places where people in the past have spent their time shopping and talking to each other and the sellers. For most consumers, shopping takes on meaning beyond a basic exchange of goods and currency, serving as therapy, entertainment, sport, drug, and sometimes torture. In modern days customer focus is more transferred towards online shopping; worldwide people order products from different regions and online retailers deliver their products to their homes, offices or wherever they want.

The Internet revolution affected the people shop, do businesses, gather information, meet people and study has become a ubiquitous phenomenon. The internet has been growing as a promising rate astonishing the loyalties of traditional marketing system. Consumer preference has been elevated to new heights because of the variety of goods or service that are presented to them by internet.

The "concept of teleshopping" (today online shopping) which revolutionized the way businesses

happens. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. The Indian economy is slated to grow by upward of 6 % annually in the next few years which is among the highest rates of any big emerging economy. The act of purchasing products or services over the Internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item.<sup>[1]</sup>

In 1990, Tim Berners-Lee created the first World Wide Web server and browser News & World Report it opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. During that same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also, in 1994, the German company Intershop introduced its first online shopping system. In 1995, Amazon launched its online shopping site, and in 1996, eBay appeared. The number of consumers who purchase online is growing sharply.

As India's online market is worth about Rs 50,000 crores in 2011. About 80% of this is travel related (airline tickets, railway tickets, hotel bookings, online mobile recharge etc.). Online retailing comprises about 15%. India has close to 10 million

online shoppers and is growing at an estimated 40-45% per annum. The rapid growth of online shopping in India is being driven by greater customer choice and improved convenience.

The importance of consumer loyalty to online shopping is receiving better recognition as the population of online consumer's increases. The importance of consumer loyalty has been long recognized in traditional businesses by the fact that increasing the consumer retention rate by 5% can increase profits by anywhere from 25% to 95%. Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. An online shop, e-shop, e-store, Internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping center. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business, it is called business-to-business (B2B) online shopping.<sup>[2]</sup>

A good online store is easy to navigate and browse for possible purchases. It has a product catalog that customers can use to browse the search criteria (usually a type, price, material, age, etc.), information about the products, the sellers, and the service center. Online stores may also discuss business conditions and a Complaints Procedure. If a shopper finds a product to purchase, clicking "send" will add the item to the shopping cart. [3] The shopping cart collects all items to be purchased. Once a shopper is satisfied with their selections, the shopper makes a binding order and payment using a credit card or other financial arrangement. Therefore, implementing usability testing is highly important for an online store to avoid the reduce of overall performances of the online store.

It was a time of past to spared your business in market by conventional methods. Old market is today converted in high tech markets you can find their products and see the catalogue on internet. Internet enables us to shop throughout world from the comfort of our home. Internet has some special characteristics which no other medium have. Only internet can provide us such special information even no salesman can help us as internet helps. People can see products at a single movement, as well as they can purchase the product same time. We can compare various products and choose which

is more useful for you, we have the facility to visit websites as much as we like no restriction on us. Here we will find approximately all world class brands and their products, we have the facility to compare them, arrange according to many types like by price, by size, by category, by most salable item and many more. This facility enables us to choose. This way of shopping provides a new way of shopping. We get to identify the products, compare the prices and quality and view the products from different angles. Testimonials and reviews are the unique feature of shopping where you can share your experiences with other users/consumers. The most exciting aspect of internet shopping is that it is a 24x7 affair! And we're free to shop on our leisure hours and even holiday are useful for shopping for us. Our time is best valued here. We need not to go market so no tension of conveyance, pollution, traffic etc.

The other dimension is that we directly purchase the items from original merchant in online shopping no mediator comes between purchaser and merchant so it becomes cheaper to purchase item. Merchant will also save his money by selling of goods on internet. He can sale by less resources and less expenses, some online store do not have their physical showroom they display their product and services online and deliver goods on customer's door such merchant save a lot of expenses and they work in less capital that's why they are able to sale goods on low prices. Internet has a very bright future. If we want to increase our business and cross the boundaries of region we need to take help of internet. Without going online we can't think about your progress worldwide. In this regard we can see all large scale business. Big brand, big shopping store are online. Online shopping is the demand of today's modern time. Time and quality is the main subject of online shopping. When an online retailer has a good reputation, even if risks are high, consumers still have confidence in online transactions.<sup>[4]</sup>

Today everybody is running to save time and who saves time automatically save money. Day to day needed item is now available on internet and people prefer to shop online. Rationale of Study Selling on internet has a large potential due to the very high targeting possibilities As a result of this exceptional development, the online selling industry is becoming interested in the use of internet to reach their customers. Hence a better understanding of online shopping is critical to the effective use of this channel of approach to the consumer. In less

than two decades India has become the third largest internet using country in the world.

Traditionally, shopping is an activity more favored by women. It is women who are usually in charge of household shopping and hold more positive attitudes towards the traditional store and catalogue shopping than their male counterparts. Shopping has been an obsession of women across the globe. A new shop in the neighborhood, a new shopping mall in the area, a new brand launched women are first to know and first to go. When it comes to shopping, women are more organized (45% of women come to retail stores with shopping-lists as compared 27% of men), regularized and they show some definite trends in their buying behaviors. A woman is more likely to spend time in a retail store (29%) as compared to her male counterpart (23%). Naturally, the same woman when she would visit an online retail store would love to get the same feeling as she derives from the environment of her favorite retail store. Well, women perceive designs a bit differently too. Keeping in mind the vitality of the female population to the present day, it is essential for online marketer's brands to choose their web designs wisely. Experience with online shopping is found to correlate positively with consumers' likelihood to shop online.

The more experienced consumers are with online shopping and the more satisfied they are with past online transaction experiences, the higher their purchases amounts and the more likely they are to be repeated purchasers.

### **Objective Of The Study**

1. To study the perception of working women and housewives in Kolkata towards online shopping.
2. To understand the shopping pattern of working women and housewives purchasing through internet.

### *Methodology*

The study is empirical in nature and based on primary data as well as secondary data. Data are presented in the tabular form along with bar chart to facilitate the comparison.

Empirical research methods are a class of research methods in which empirical observations or data are collected in order to answer particular research

questions. While primarily used in academic research, they can also be useful in answering practical questions. In the survey, 50 copies of questionnaire have been prepared and got it filled by working women from various fields and housewives ranging from 25 years to more than 40 years of age and interpreted the survey further. The survey shows the consumer perception towards online shopping and this has been showed by various bar chart diagrams.

Primary data is used in the survey analyzing perception of working women and housewives towards online shopping. Primary research consists of a collection of original primary data collected by the researcher. T-testing has been also used. Null Hypothesis for t testing has the intention to buy online which does not vary according to employment while in Alternative Hypothesis intention of respondents varies according to employment.

It is often undertaken after the researcher has gained some insight into the issue by reviewing secondary research or by analyzing previously collected primary data.

There are two types of data: primary and secondary. Primary data is used in the present study.

Primary data are first-hand information. This data is collected directly from the source by means of field studies. Primary data are original and are like raw materials. The investigator himself collects primary data or supervises its collection. It may be collected on a sample or census basis or from case studies. Secondary data are the Second hand information. The data which have already been collected and processed by some agency or persons and are not used for the first time are termed as secondary data.

Data used in research originally obtained through the direct efforts of the researcher through surveys, interviews and direct observation. Primary data is more costly to obtain than secondary data, which is obtained through published sources, but it is also more current and more relevant to the research project. The distinction between primary and secondary data is a matter of degree only. The data which are primary in the hands of one become secondary for all others. Generally the data are primary to the source that collects and processes them for the first time. It becomes secondary for all other sources, which use them later.

## Data Analysis

Table 1: Number of commodities purchased by housewives monthly through various sources

Housewives			
Commodities	Items over the internet	Over the phone	A Market Retail Store
Groceries	0	5	20
Cosmetics	2	0	23
Books/cds	5	0	20
Clothes	15	0	10
Furniture	0	0	25
Electronic gadgets	8	0	17
Toys	7	0	18
Cinema ticket	12	0	13
Airplane/railway ticket	22	3	0

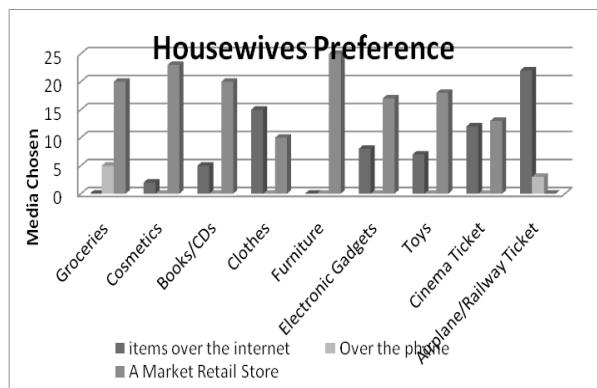


Figure1: Overall Ratings of Media Chosen by Housewives to Buy Different Type of Commodities

Figure-1 is showing the overall ratings of media chosen by housewives to buy different type of commodities. The horizontal axis of the above graph is showing the different types of commodities and vertical axis is presenting the media chosen by the number of respondents. As per the analysis it is clear that housewives mainly buy from the retail stores or over the phone rather than buying over internet. Some items like airplane, cinema tickets, and toys are majorly purchased by housewives over the internet.

Table 2: Number of commodities purchased by working women monthly through various sources

Working Women			
Commodities	Items over the internet	Over the phone	A market retail store
Groceries	3	4	18
Cosmetics	7	2	16
Books/cds	10	1	14
Clothes	10	2	13
Furniture	2	0	23
Electronic gadg- ets	11	3	11
Toys	7	2	16
Cinema ticket	15	5	5
Airplane/Railway Ticket	23	2	0

Figure1: Overall Ratings of Media Chosen by Housewives to Buy Different Type of Commodities

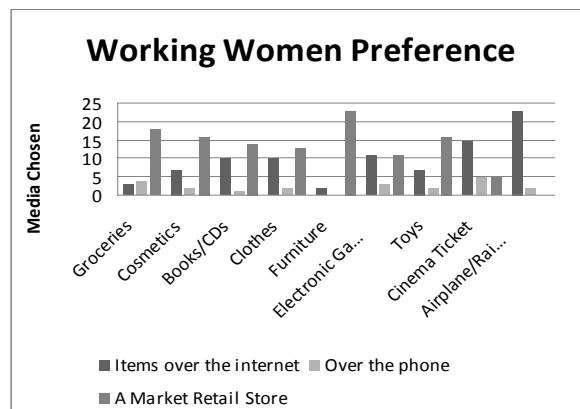


Figure 2: Overall ratings of media chosen by working women to buy different type of commodities

Figure-2 is showing the overall ratings of media chosen by working women to buy different type of commodities. The horizontal axis of the above graph is showing the different types of commodities and vertical axis is presenting the media chosen by the number of respondents. As per the analysis it is clear that working women purchase more items from internet as compared to housewives as in every commodity there has been a few percent of working women buying over internet.

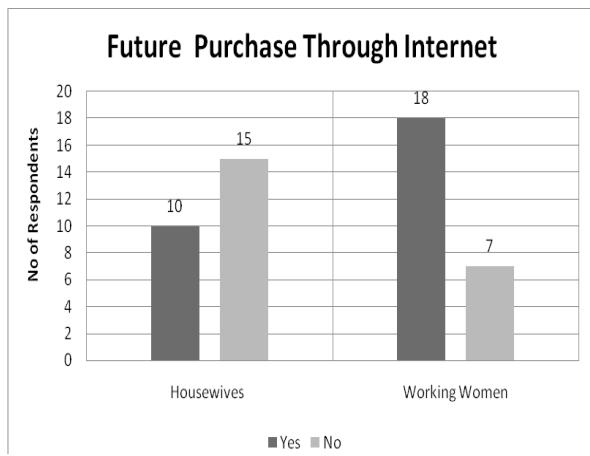


Figure 3: Overall comparison between housewives and working women whether they will purchase over the internet in future.

Fig-3 is showing the overall comparison between housewives and working women whether they will purchase over the internet in future. The horizontal axis of the above graph is showing the purchase through internet in future and vertical axis is presenting the respondents agreeing and disagreeing over the purchase through internet in future. As per the analysis it is clear that the number of working women is more than the number of housewives who will purchase over the internet in near future.

Table 4: Overall online shopping experience of both housewives and working women

Overall Shopping Experience	Housewives	Working Women
Highly Satisfied	0	2
Satisfied	18	21
Dissatisfied	4	2
Highly Dissatisfied	3	0

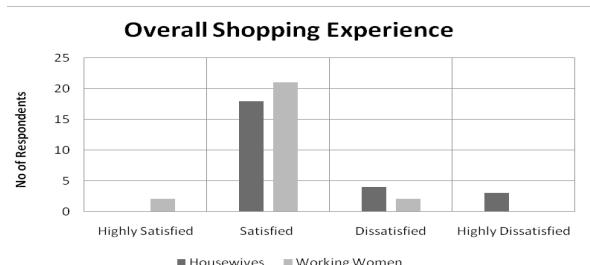


Figure 4: Overall online shopping experience of both housewives and working women

Figure 4 is showing the overall online shopping experience of both housewives and working women. The horizontal axis represents the experience of both housewives and working women while the vertical axis represents the level of satisfaction amongst the two. It is clearly evident from the graph that both

housewives and working women are satisfied from online purchase of commodities. However it can be seen that working women are more satisfied as compared to housewives.

Table 5: Overall Mode of Payment Chosen for Buying the Products Over Internet by Both Housewives and Working Women

Mode of Payment	Housewives	Working Women
Credit/Debit card	2	10
Personal Cheque	0	1
Bank Transfer	0	1
Cash On Delivery	23	13

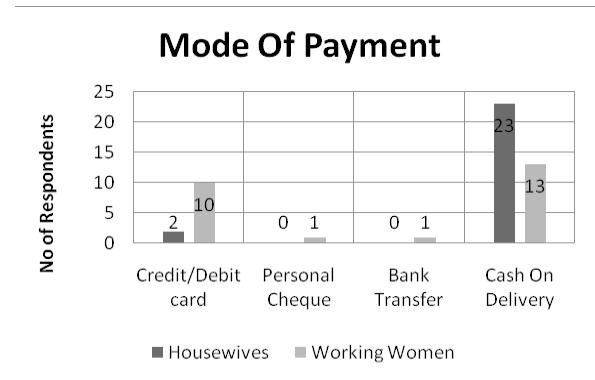


Figure 5: Overall Mode of Payment Chosen for Buying the Products Over Internet by Both Housewives and Working Women

Figure-5 is showing the overall mode of payment chosen for buying the products over internet by both housewives and working women. The horizontal axis of the above graph is showing the various modes of payment and vertical axis is presenting the number of respondents choosing the various modes of payment. As per the analysis it is clear that working women prefer more credit card payments while housewives prefer more cash on delivery payments.

Table 6: Overall Comparison Between Housewives and Working Women Whether Internet is Secure for Shopping

Secure While Shopping Online	Housewives	Working Women
Yes	10	21
No	15	4



Figure 6: Overall Comparison Between Housewives and Working Women Whether Internet is Secure for Shopping

Figure-6 is showing the overall comparison between housewives and working women whether internet is secure for shopping. The horizontal axis of the above graph is showing the security while shopping online and vertical axis is presenting the respondents agreeing and disagreeing over the security while shopping online. As per the analysis it is clear that working women feel more secure than housewives while shopping online.

Table 7: Various Types of Barriers Felt by Housewives and Working Women

Barriers To Online Shopping	Housewives	Working Women
Giving personal details as it is not secured	1	10
Payment through various debit/credit cards	15	4
Product needs to be verified before purchasing	7	8
Delivery costs are too high	2	3



Figure 7: Various Types of Barriers Felt by Housewives and Working Women

Figure 7 is showing the various types of barriers felt by housewives and working women which restrict their decision for online shopping. The horizontal axis represents the various types of barriers while the vertical axis represents the number of respondents affected by that barrier. It is clearly evident from the graph that payments through various debit/credit cards for online shopping acts as a barrier for housewives whereas giving personal details acts as a barrier for working women as they feel that it is not secured.

#### T-TESTING

##### Hypothesis-

H0 - Intention to buy online does not vary according to employment.

H1 - Intention to buy online vary according to employment.

Table 8: Group Statistics

Employment		N	Mean	Std. Deviation	Std. Error Mean
Future use	1.00	25	.72	.458	.092
	2.00	25	.40	.500	.100

#### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		95% Confidence Interval of the Difference								
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Future use	Equal variances assumed	2.911	.094	2.359	48	.022	.320	.136	.047	.593
	Equal variances not assumed			2.359	47.640	.022	.320	.136	.047	.593

From the T-Test analysis it can be concluded that the hypothesis was accepted as the significant difference is greater than the confidence level (0.05) that means that working or not working really does not effect on future use of internet.

## Conclusion

It is safe to conclude that the Internet is a collection of new media that have a huge potential to be a popular channel for electronic commerce. Internet shopping resembles conventional in-home shopping in that the customer makes transactions without physically visiting a store.

The Internet provides means to distribute marketing information in ways similar to conventional direct marketing, like catalogs and targeted direct mail. The Internet has other appealing properties too. It is cheap, and it helps personal communication between the seller and the buyer. It is useful for distributing digital products, and it can shorten the time between purchase decision and delivery. It also gives the customer certain extra benefits, like the ability to compare and discuss products.

From the above analysis of the various graphs it can be concluded that housewives prefer retail shopping more than online shopping whereas working women prefer more of online shopping. However working women feel more secure while shopping online than housewives. Both working women and housewives are satisfied with online shopping and they would prefer continuing their online shopping in future as well. Also the most preferred mode of payment for online shopping is cash on delivery. It can be seen that there is a conflict between housewives and working women regarding the barriers to online shopping as housewives feel giving their personal details as a secure mode for shopping whereas working women feels the opposite. They feel it to be unsecure. Also housewives feels payment through credit/debit cards to be unsecure whereas working women feels it to be more secure.

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